CHAPTER 4
RESULT & DISCUSSION

4.1 Description of research objective

This study uses data from Annual statements of palm oil Plantation Company in Indonesia and Malaysia. The sampling technique in this research is done based on certain criteria or called judgment sampling. Source of data derived from Annual statements published by the company concerned. The data obtained from Indonesia Stock Exchange website (www.idx.co.id) are selected 17 palm oil company, and Bursa Malaysia website (www.bursamalaysia.com) are 21 palm oil company. Sample from this research is palm oil plantation company go public in Indonesia and Malaysia for their last 4 years annual report (2013-2016). The list of companies to be sampled is in the following table.

Table 4.1 List of palm oil companies in Indonesia

No.	Name of Company
1	PT. Astra agro lestari tbk
2	PT. Austindo nusantara jaya tbk
3	PT. Bakrie sumatera Plantation tbk
4	PT. Dharma satya nusantara tbk
5	PT. Eagle high plantation tbk

6	PT. Gozco plantation tbk
7	PT. Jaya agra wattie tbk
8	PT. Multi agro gemilang plantation tbk
9	PT. PP London Sumatera Indonesia tbk
10	PT. Provident agro tbk
11	PT. Salim ivomas pratama tbk
12	PT. Sampoerna agro tbk
13	PT. Sinar mas agro resources and tehnology
14	PT. Sawit sumbermas sarana tbk
15	PT. Tunas baru lampung tbk
16	PT. Eterindo wahanatama tbk
17	PT. Golden plantation tbk

Table 4.2 List of palm oil companies in Malaysia

No.	Name of Company
1	United plantation berhad
2	Sime darby plantation sendirian berhad
3	Ioi corporation berhad
4	Kulim (Malaysia) berhad
5	Kuala lumpur kepong berhad
6	Hap seng plantation holdings berhad
7	Keck seng (Malaysia) berhad
8	Boustead Plantations berhad
9	Genting plantations berhad
10	IJM Plantations berhad

11	QL Resources berhad
12	Jaya tiasa holdings berhad
13	Sarawak oil palms berhad
14	TSH resources berhad
15	Subur tiasa holdings berhad
16	Kwantas corporation berhad
17	Pinehill pacific berhad
18	Felda global ventures holdings berhad
19	TDM berhad
20	TH Plantation berhad
21	KUB Malaysia berhad

4.2   Descriptive Analysis

Describes the results of descriptive statistical analysis of the two countries combined is calculate the mean (mean), standard deviation, minimum and maximum value. The result of the calculation is as follows.

Table 4.3

Descriptive statistics for corporate social responsibility disclosure

in Indonesia and Malaysia

	N	Min	Maximum	Mean	Std. Deviation
Corporate Social Responsibility Disclosure	152	.00	.30	.1279	.06993
Assets	152	.00	181446408.00	6358450.3612	27122980.57335
Profitability	152	-.44	.93	.0675	.14488
Leverage	152	.00	11.27	.8959	1.15333
Independent Commissioners	152	.00	3.00	.4468	.28034
Independent Audit Committee	152	.00	4.00	.7239	.39330
Valid N (listwise)	152				

The level of corporate social responsibility disclosure in the financial statements in Indonesia and Malaysia has an average value of 12.79%, standard deviation of 69.93%, the minimum value of 0 and maximum 30%. Company assets in the financial statements of both countries have an average value of USD $ 635,845,036, the standard deviation of USD $ 2,712,298,057, the minimum value 0 and the maximum value is USD $ 1,8144,640,800 . Profitability has an average value of 6.75%, standard deviation of 14.48%, maximum 93% and the minimum value of -44%.

Leverage in this study is measured by total debt divided by total equity has an average of 89.59% standard deviation of 115.33%, as well as a minimum value of 0 and a maximum value of 1127%. The proportion of independent commissioners has an average value of 44.68%, standard deviation of 28.034%, maximum 300% and the minimum value of 0. The proportion of audit committee in this study measured by total debt divided by

total equity has an average of 72.39% standard deviation of 39.33%, as well as a minimum value of 0 and a maximum value of 400%.

b) Indonesia

Table 4.4

Descriptive statistics for corporate social responsibility disclosure in Indonesia

	N	Min	Maximum	Mean	Std. Deviation
Corporate Social Responsibility	68	.00	.30	.1043	.07894
Assets	68	.00	175827108.00	9738903.9294	33830933.55523
Profitability	68	-.44	.84	.0375	.12343
Leverage	68	.00	11.27	1.3259	1.55511
Independent Commissioners	68	.00	.63	.3507	.16840
Independent Audit Committee	68	.00	1.00	.5200	.25776
Valid N (listwise)	68				

The level of corporate social responsibility disclosure in the financial statements in Indonesia has an average value of 10.43%, standard deviation of 78.94 %, the minimum value of 0 and maximum 30%. Company assets in the financial statements have an average value of USD $ 973.890.392, the standard deviation of USD $ 3.383.093.355, the minimum value 0 and the maximum value is USD $ 17.582.710.800. Profitability has an average value of 3.75 %, standard deviation of 12.34%, maximum 84% and the minimum value of -44%.

Leverage in this study is measured by total debt divided by total equity has an average of 132.59% standard deviation of 155.51%, as well as a minimum value of 0 and a maximum value of 1127%. The proportion of independent commissioners has an average value of 35,07 %, standard

deviation of 16,84 %, maximum 63% and the minimum value of 0. The proportion of audit committee in this study measured by total debt divided by total equity has an average of 52% standard deviation of 25,77 %, as well as a minimum value of 0 and a maximum value of 100%.

c) Malaysia

Table 4.5

Descriptive statistics for corporate social responsibility disclosure in Malaysia

	N	Min	Maximum	Mean	Std. Deviation
Corporate Social Responsibility	84	.00	.28	.1470	.05512
Assets	84	.00	181446408.00	3621892.7107	19937944.83119
Profitability	84	-.09	.93	.0918	.15670
Leverage	84	.00	1.56	.5477	.44002
Independent Commisioners	84	.00	3.00	.5246	.32617
Independent Audit Committee	84	.00	4.00	.8890	.40758
Valid N (listwise)	84				

The level of corporate social responsibility disclosure in the financial statements in Malaysia has an average value of 14,70%, standard deviation of 55,12%, minimum value of 0 and maximum 28%. Company assets in the financial statements has an average value of USD $ 362.189.271 , the standard deviation of USD $ 1.993.794.483 , the minimum value 0 and the maximum value is USD $ 1,8144,640,800. Profitability has an average value of 9.18%, standard deviation of 15,67%, maximum 93% and minimum value of -9%.

Leverage in this study is measured by total debt divided by total equity has an average of 54,77 % standard deviation of 32,61%, as well as a minimum value of 0 and a maximum value of 156%. The proportion of

independent commissioners has an average value of 52,46%, standard deviation of 32,61%, maximum 300% and minimum value of 0. The proportion of audit committee in this study measured by total debt divided by total equity has an average of 88,90% standard deviation of 40,75%, as well as a minimum value of 0 and a maximum value of 400%.

4.3 Hypothesis Testing

4.3.1   Classic assumption test

Classical assumption test is done before doing hypothesis testing because it is a prerequisite for regression analysis and regression analysis result can be trusted or valid. In this test it will first be tested as a whole sample from both countries, then tested the classical assumption for each country, both in Indonesia and Malaysia. The sample used in this study has met the classical assumption test consisting of the following.

a.   Normality Test

This test is intended to determine whether the existing data is normally distributed or not. Data that is normally distributed will minimize the likelihood of bias occurring. A good regression model has normally distributed data. The normality test of the data can be detected by looking at the histogram chart and Kolmogorov-Smirnov Test with the help of SPSS. Table 4.6 is the result of the kolmogrov-Smirnov test from normality test of this research.

Table 4.6 Kolmogrov-Smirnov Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		109
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	.05949630
Most Extreme Differences	Absolute	.060
	Positive	.058
	Negative	-.060
Kolmogorov-Smirnov Z		.629
Asymp. Sig. (2-tailed)		.824

a. Test distribution is Normal.

b. Calculated from data.

The results of normality test using K-Z presented in the table above shows that the dependent K-Z of 0.629 with a significant level of 0.824. From these results, it can be seen that the number (sig.) For the dependent variable in the Kolmogorov Smirnov test obtained 0.824> 0.05 means that the samples are normally distributed.

b.   Multicollinearity Test

The multicollinearity test aims to test whether the model found a correlation between independent variables (Independent). A good regression model should not occur correlation between independent variables. If the independent variables are correlated, then this variable is not orthogonal is the independent variable that the correlation value of the same independent variable equal to zero (Ghozali, 2011). In this research used VIF (Variance Inflation Factor) method. Based on the coefficients table on the regression output it can be seen that the VIF tolerance values for each variable are:

Table 4.7 Coefficients Table

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.017	.020		.845	.400		
Assets	-1.315E-009	.000	-.010	-.123	.902	.898	1.114
Profitability	.278	.134	.169	2.071	.041	.956	1.046
Leverage	-.008	.009	-.078	-.952	.343	.952	1.050
Independent Commissioners	.234	.044	.519	5.359	.000	.678	1.475
Independent Audit Committee	.014	.026	.051	.529	.598	.697	1.434

a. Dependent Variable: Corporate Social Responsibility Disclosure

Based on table 4.7 above the calculation of Tolerance value shows no independent variable that has a tolerance value of less than 0.10 which means there is no correlation between independent variables. In addition, the Variance Inflation Factor (VIF) calculation results also show that there is no independent variable that has VIF value more than 10. Thus, the test result proves that in this regression model there are no symptoms of multicollinearity.

c.   Test Autocorrelation

This test is intended to determine whether there is correlation between confounding variables in one linear regression model. To detect the presence or absence of Autocorrelation, Durbin Watson (DW Test) is used.

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Table 4.8 Durbin Watson Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.586[a]	.344	.312	.06092	1.984

a. Predictors: (Constant), Independent Audit Committee, Leverage, Profitability, Assets, Independent Commissioners

b. Dependent Variable: Corporate Social Responsibility Disclosure

D-W	D_u	$4-d_u$	Information
1.984	1.7644	2.2356	Free Autocorrelasion

To detect the presence or absence of autocorrelation in the Durbin Watson test is to compare the DW value with the value of the table using the 5% significance value, the sample number 109 (n) and the number of independent variables 5 (k = 4), the value of the Durbin Watson table obtained dL 1.6125 and dU 1.7644. The result of SPSS output of Durbin Watson (DW) value is 1.984. Since the value of du <DW is <4 dU, it can be concluded that there is no autocorrelation between residuals.

d.   Heteroscedasticity Test

This test is used to determine whether the absolute residual variation is the same or not the same for all observations. A good regression model is homogeneous with the same variant, if the assumption of absence of heteroscedasticity is not met, then the estimate becomes no longer efficient in both small and large samples. Tests on heteroscedasticity can be done through the Glejser test. SPSS test results for Glejser test in Table 4.9 are as follows:

Table 4.9 Glejser Test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.029	.009		3.163	.002
Assets	-5.711E-011	.000	-.001	-.006	.995
Profitability	.028	.054	.058	.514	.609
Leverage	.003	.003	.100	.884	.379
Independent Commissioners	.009	.016	.067	.564	.574
Independent Audit Committee	-.013	.010	-.153	-1.285	.202

a. Dependent Variable: ARES

Table 4.10 Summary of heteroscedasticity analysis results and conclusions based on alpha coefficients

Information	Significance	Alpha	Condition	Conclusion
X1-ARX1	0,995	0,05	Sig > Alp	Accepted Ho
X2-ARX2	0,609	0,05	Sig > Alp	Accepted Ho
X3-ARX3	0,379	0,05	Sig > Alp	Accepted Ho
X4-ARX4	0,574	0,05	Sig > Alp	Accepted Ho
X5-ARX5	0,202	0,05	Sig > Alp	Accepted Ho

Based on the summary of the calculation results in Table 4.10, shows that the probability value of the relationship between observation data with absolute residual for each variable far above the level of significance set, ie 5%. Therefore, Ho which states no relationship between independent variables with absolute residual is

accepted. The results of this hypothesis testing can be concluded that the data obtained there is no heteroscedasticity.

4.3.2 Regression Analysis

The result of regression analysis showing the significance of the regression model in providing the basis for accepting or rejecting the research hypothesis for each independent variable and also the significance of coefficients among variables can be done with SPSS 19 software as follows.

Multiple Linear Regression Results

Table 4.11 Multiple Linear Regression

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.121	.019		6.310	.000
Assets	-2.388E-010	.000	-.086	-.796	.428
Profitability	.016	.040	.044	.391	.697
Leverage	.022	.014	.175	1.557	.124
Independent Commisioners	.043	.019	.255	2.313	.023
Independent Audit Committee	-.010	.015	-.075	-.688	.494

a. Dependent Variable: Corporate Social Responsibility Disclosure

a. Individual Parameter Significance Test (T-test statistics)

Different t-test tests were used to determine whether two unrelated samples had different mean values. The t-test differentiation is done by comparing the difference between the mean and standard error values of the average difference of two samples. Different t-test tests conducted in this study were used to examine different levels of social disclosure by Indonesian oil palm plantation companies and Malaysian companies. As a statistical analysis tool, SPSS release 19 will be used for statistical calculation and testing in this study.

H1: There are differences social disclosure practices in Indonesia and Malaysia.

Hypothesis 1 aims to examine differences social disclosure practice in annual reports on firms listed on the Indonesia Stock Exchange and Bursa Malaysia used the descriptive analysis. Viewed from each country, there is no the difference in social disclosure on the annual report of oil palm plantation companies both in Indonesia and Malaysia, In accordance with regression results in both countries, only Independent Commissioners can affect social disclosure in both countries. the results of this study are significant with research conducted by Setyawati (2010), however, in Setyawati (2010) firm size study that influences social disclosure in both countries.

H2: There is Influences of total assets in CSR disclosure practices of palm oil companies in Indonesia and Malaysia.

Hypothesis 2 aims to examine the effect of total assets in the annual report of oil palm plantation companies in Indonesia and Malaysia on the level of social disclosure in companies listed on the Indonesia Stock Exchange and Bursa Malaysia.

In accordance with the results of regression table 4:11 regression coefficient which is the interaction between corporate assets against corporate social responsibility disclosure shows the value -0.796 with significance of 0.428 (not significant because sig> 0.05 corporate assets have no effect on corporate social responsibility disclosure in the report of oil palm plantation in Indonesia and Malaysia listed as Indonesia Stock Exchange and Bursa Malaysia, so this hypothesis 2 is rejected.

H3: There is Influences of profitability in CSR disclosure practices of palm oil companies in Indonesia and Malaysia.

Hypothesis 3 aims to examine the effect of Profitability in the annual report of oil palm plantation companies in Indonesia and Malaysia on the level of social disclosure in companies listed on the Indonesia Stock Exchange and Bursa Malaysia.

In accordance with the results of regression table 4:11 regression coefficient which is the interaction between corporate profitability to corporate social responsibility disclosure shows the value of 0.391 with significance of 0.697 (not significant because sig> 0.05) Profitability companies have no effect on corporate social responsibility disclosure in the report on oil palm plantation in Indonesia and Malaysia listed on the Indonesia Stock Exchange and Bursa Malaysia, so this hypothesis 3 is rejected.

H4: There is no Influences of leverage in CSR disclosure practices of palm oil companies in Indonesia and Malaysia.

Hypothesis 4 aims to examine the effect of Leverage in the annual report of oil palm plantation companies in Indonesia and Malaysia on the level of social disclosure in companies listed on the Indonesia Stock Exchange and Bursa Malaysia.

In accordance with the results of regression table 4:11 regression coefficient is an interaction between corporate leverage to corporate social responsibility disclosure shows the value of 1.557 with a significance of 0.124 (not significant because sig> 0.05 Leverage companies have no influence on corporate social responsibility disclosure in the report on oil palm plantation in Indonesia and Malaysia listed in Indonesia Stock Exchange and Bursa Malaysia, so this hypothesis 4 is rejected.

H5: There is Influences of The size of the board independent commissioners in CSR disclosure practices of palm oil companies in Indonesia and Malaysia.

Hypothesis 5 aims to examine the effect of The size of the board of independent commissioners in the annual report of oil palm plantation companies in Indonesia and Malaysia on the level of social disclosure in companies listed on the Indonesia Stock Exchange and Bursa Malaysia.

In accordance with the results of regression table 4:11 regression coefficient which is the interaction between the size of the board independent corporate commissioners to corporate social responsibility disclosure shows the value of 2.313 with a significance of 0.023 (significant because sig> 0.05 The size of the board

independent commissioners company has an influence on corporate social responsibility disclosure in reports of oil palm plantations in Indonesia and Malaysia listed on the Indonesia Stock Exchange and Bursa Malaysia, so this hypothesis 5 is accepted.

H6: There is Influences of The size of the board independent commissioners in CSR disclosure practices of palm oil companies in Indonesia and Malaysia.

Hypothesis 6 aims to examine the effect of The size of the board of independent commissioners in the annual report of oil palm plantation companies in Indonesia and Malaysia on the level of social disclosure in companies listed on the Indonesia Stock Exchange and Bursa Malaysia. In accordance with the regression results table 4:11 regression coefficient which is the interaction between the size of the board independent corporate commissioners to corporate social responsibility disclosure shows the value -0.688 with significance of 0.494 (not significant because sig> 0.05 The size of the board independent commissioners company has an influence on corporate social responsibility disclosure in the report of oil palm plantations in Indonesia and Malaysia listed in Indonesia Stock Exchange and Bursa Malaysia, so this hypothesis 6 is rejected.

4.3.3 Simultaneous Testing (Test F)

The t-test is a statistical test to determine whether the independent variable individually has an influence on the dependent variable. If the probability level is smaller than 0.05 then it can be said independent variables affect the dependent variable.

Tabel 4.12 Result for Simultaneous Testing (Test F)

ANOVA[a]

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	.024	5	.005	1.625	.163[b]
Residual	.228	78	.003		
Total	.252	83			

a. Dependent Variable: Corporate Social Responsibility Disclosure

b. Predictors: (Constant), Independent Audit Committee, Leverage, Assets, Independent Commisioners, Profitability

Based on the above output, it is known that significant value for the influence of assets (X1), profitability (X2), leverage (X3), independent commissioners (X4) and independent audit committee (X5) to corporate social responsibility disclosure (Y) is 0.163 <0.05 and the value of F arithmetic 1,625< F table 4.12, so it can be concluded that the dependent variable affect simultaneously to the variable Independent.

4.3.4 Coefficient of Determination

Table 4.13 Result For Coefficient of Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.307[a]	.094	.036	.05411

a. Predictors: (Constant), Independent Audit Committee, Leverage, Assets, Independent Commisioners, Profitability

b. Dependent Variable: Corporate Social Responsibility Disclosure

From the output view, SPSS model summary adjusted R2 is 0.094. This means that 9.4% explains that combinations or variations of independent variables such as assertions, profitability, leverage, independent commissioners and independent audit committees can explain the dependent variable ie the extent of corporate social disclosure in oil palm plantation companies in Indonesia and Malaysia at 9.4% %. While the remaining 90.6% disclosure of social information is influenced by other factors. The standard error of estimate of (SEE) is, 05411 billion. The smaller the value of SEE will make the model more appropriate in predicting the dependent variable.