CHAPTER 5

CONCLUSIONS AND SUGGESTIONS

A. Conclusions

This study examines the intervention of environmental performance in the effect of managerial ownership, independent board of commissioners, and social costs on corporate social responsibility disclosure. The analysis was carried out using the outer model and inner model using the Warp PLS program version 7.0. Research was conducted on publicly listed companies that have participated in PROPER from 2019 to 2021.

Based on the test results and discussion explained, it can be stated that:

1. There is insufficient evidence that managerial ownership has a positive effect on environmental performance.
2. There is insufficient evidence that independent board of commissioners has a positive effect on environmental performance.
3. There is insufficient evidence that social costs have a positive effect on environmental performance.
4. There is sufficient evidence that managerial ownership has a negative effect on corporate social responsibility disclosure.
5. There is insufficient evidence that independent board of commissioners has a positive effect on corporate social responsibility disclosure.
6. There is insufficient evidence that social costs have a positive effect on corporate social responsibility disclosure.

7. There is sufficient evidence that environmental performance has a positive effect on corporate social responsibility disclosure.
8. There is insufficient evidence that managerial ownership has a positive effect on corporate social responsibility disclosure through environmental performance.
9. There is insufficient evidence that independent board of commissioners has a positive effect on corporate social responsibility disclosure through environmental performance.
10. There is insufficient evidence that social costs have a positive effect on corporate social responsibility disclosure through environmental performance.

B. Suggestions

Suggestions that can be given based on the research that has been done are as follows:

1. Companies should have the existence managerial ownership so they can actively play a role in decision making which can lead to maximizing firm value like through environmental performance.
2. Companies should follow OJK Regulation No.33/ PJOK.04/ 2014 which states that the number of independent commissioners is at least 30% of the total board of commissioners owned by the company because high numbers of independent commissioners makes the monitoring activities carried out more effective.
3. Companies should implement the six alternative corporate social responsibility programs that they can choose from by keeping in mind that the main objective is to increase the company's environmental performance.
4. Companies should have the existence of managerial ownership as managers who do not have ownership of the company choose to engage in activities that directly

generate profits rather than corporate social responsibility activities as these companies with the absence of managerial ownership shows a negative effect on corporate social responsibility disclosure.

5. Knowledge and educational background is important to improve the quality of decision making at the commissioner level related to corporate social responsibility activities.
6. Companies need to increase competent accountants in the field of social accounting to enlarge the extent of corporate social responsibility items being disclosed and reported in their annual reports.
7. The government through the Ministry of Environment should require all companies to participate in a company performance rating assessment program in the environmental sector, especially companies that contribute to environmental pollution because environmental performance is proven to positively affect corporate social responsibility disclosure.
8. Researchers should combine or add other variables that could affect corporate social responsibility disclosure because the independent variables in this study have a low contribution in influencing the intervening variable, thus environmental performance is unable to mediate their relationship. Other variables such as firm age or firm size could be added because the old or new company can certainly have an influence on the disclosures made by companies, as well as on large or small companies.