
BOARD MEETING, LOSS, AND CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE**Iman Harymawan^{1*}, Dian Agustia², Pudyas Aprilia³, Melinda Cahyaning Ratri⁴**^{1,2,3,4} Universitas Airlangga, Jl. Airlangga 4 Surabaya 60286, IndonesiaE-mails [*harymawan.iman@feb.unair.ac.id](mailto:harymawan.iman@feb.unair.ac.id) (Corresponding author)

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Abstract. The purpose of this study is to analyze how the meeting of the board of commissioners and board of directors affect the level of corporate social responsibility disclosure. This study uses 251 observations from 71 companies listed on the Indonesia Stock Exchange (IDX) in the period 2010-2017. This study finds that the board of commissioners meeting does not affect corporate social responsibility disclosure (CSR), but the board of directors meeting has a negative and significant effect on CSR. Furthermore, this study finds that loss suffered by company does not affect CSR. However, the loss suffered by company can mitigate the negative relationship between the board of directors meeting and CSR. For companies, managers, and shareholders, this study can show how to manage the frequency of board meeting effectively, especially when the company is experiencing loss. This research shows that the frequency of board meeting becomes effective when the company suffers loss.

Keywords: board meeting; loss; corporate social responsibility disclosure

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1. Introduction

Increasing global industry competition opposes new challenges offered by each company to improve qualifications, services, and productivity to produce high quality products at competitive prices, and to respond to changes in society. In its concept, industrialization can provide benefits for the country's economic development, by developing employment opportunities, supporting equitable development, increasing income, and developing society (Nawawi et al., 2015). However, in the settlement, the industry also has a negative impact on the environment due to sub-optimal waste management (Rasu et al., 2017).

The government has tried to inhibit the negative impact of industrialization which can cause environmental damage by issuing Law No. 40 of 2007 concerning Limited Liability Companies that require all companies to provide social and environmental responsibility for their business processes. Based on this regulation, companies are required to make disclosures related to corporate social responsibility (CSR). Kotler and Lee (2005) explain that CSR is a commitment from the company in maintaining the welfare of society as a result of the company's business practices. The World Business Council and Sustainability Development (2000) also defines CSR as a commitment of the business community in a sustainable manner to act ethically, operate legally, and contribute to economic improvement, together with improving the quality of life of employees and their families at the same time, as well as improving the quality of local communities and the wider community.

CSR disclosure is an important action that must be taken by a company because it can enhance a good image or reputation for the company (Husted, 2003). In addition, the issue of CSR is also considered as important for the company, if the company has disclosure of CSR with good quality and credibility, the company is considered to have good corporate governance related to corporate responsibility (Hennigfeld et al., 2006). However, corporate awareness to conduct CSR is currently not maximized (Brown et al., 2006). Awareness of these obligations cannot be ruled out, so that efforts are needed from the company's management to actively care for the environmental problems that occur and then expressed through CSR activities (Wibisono, 2007). Therefore, board meeting is an important thing to do because board of commissioners and board of directors are important organs of the company in decision and policy making (Jensen, 1993).

Conger et al. (1998) explain that board meeting is an important element in increasing the effectiveness of the performance directors and commissioners in the company. When directors and commissioners hold regular meeting, more information and knowledge will be obtained related to company performance to influence and direct the company to fit the established company goals (Ponnu & Karthigeyan, 2010). Board meeting is a good medium for monitoring company performance, the more frequent board meeting is, the problems related to the duties of directors and commissioners as well as social and environmental problems faced by the company can be immediately resolved (Vafeas, 1999). In addition, board meeting can be a tool for directors and commissioners to improve the quality and credibility of corporate CSR reporting. In their meeting, the board of directors and board of commissioners can exchange ideas, give opinions, and analyze various problems to formulate answers to existing problems (Ponnu & Karthigeyan, 2010).

Several previous studies have discussed the relationship between board meeting with CSR disclosures, but they still cause debate. Ju Ahmad et al. (2017) explain that board meetings have a positive influence on CSR. Giannarakis (2015) also explained that board meeting had a positive effect on corporate social responsibility disclosure (CSRSD). This is because it takes more time for directors and commissioners to overcome the difficulties and CSR concepts that have changed from time to time. However, Johl et al. (2015) explain that board meetings negatively affect company performance. This shows that the more frequency a board meeting is held, the meeting tends to be unproductive, so it is not surprising that company performance deteriorates.

Given the importance of CSR and the inconsistencies in previous research, this study aims to examine how the meeting of board of commissioners and board of directors affect the level of corporate social responsibility disclosure. Furthermore this study also wants to examine the relationship between board meeting and CSR disclosure when the company is experiencing loss, which have never been done in previous studies. This study uses 215 observations from 71 companies listed on the Indonesia Stock Exchange (IDX) in the period 2010-2017. The analysis in this study uses the ordinary least square (OLS) regression method with a cluster approach from Petersen (2009) to examine how the meeting of the board of directors and board of commissioners affect the company's CSR disclosure.

This study finds that the board of commissioners meeting has no effect on corporate social responsibility disclosure (CSRSD). This shows that the board of commissioners meeting does not always discuss CSRSD and the commissioners does not have direct authority over the company's operational activities. While the board of directors meeting has a negative and significant effect on CSRSD. This indicates that the board of directors has the view that the main information desired by the market is the company's financial performance, not about the information related to the company's CSRSD, so the higher the frequency of board of directors meeting, the lower the CSR disclosure (Ulupui, 2007). Furthermore, this study finds that loss suffered by company does not affect CSRSD. However, loss suffered by company can mitigate the negative relationship between board of directors meeting and CSRSD. This indicates that at the board meeting, discussions related to CSR become less focused because there are too many issues that need to be discussed such as loss incurred to the company.

CSR disclosure can help users of financial statements to analyze the extent of corporate attention and social responsibility in conducting business. This research is expected to help identify best practices in the operations of the board of director and the board of commissioner, can also improve corporate governance practices in the company, and increase corporate awareness related to social responsibility to all interested parties. Furthermore, this research will be continued with the following composition: Section 2 contains the development of a research hypothesis; Section 3 contains explanatory variables and samples and research models; Section 4 contains empirical analysis and the results of hypothesis testing and sensitivity test results; and Section 5 contains a summary or conclusion of this study, including suggestions for further research.

2. Literature Review and Hypotheses

Based on Law No. 40 of 2007 concerning Limited Liability Companies explained that Indonesia adheres to a two-tier system in corporate governance. This means that in Indonesia there is a separation of authority, in carrying out operational activities normally carried out by the board of directors and the supervisory authority normally exercised by the board of commissioners. In carrying out their duties, board meeting consisting of board of directors meeting and board of commissioners meeting become important to communicate policies and strategies to be taken in order to improve company performance and achieve company goals (Jain et al., 2007; Ponnu & Karthigeyan, 2010). Thus the number of meetings held by the company is directly related to the corporate governance environment.

The board of commissioners is a corporate organ that plays an important role in the concept of Corporate Governance that is responsible for carrying out the supervisory function. This makes the commissioners need a lot of time to hold regular meetings to evaluate and discuss important matters related to the company's performance and the policies that exist in the company. The board of commissioners meeting is a medium of communication between members of the board of commissioners that can be used to make decisions regarding existing policies and resolve problems faced by the company (Ponnu & Karthigeyan, 2010).

Based on the Financial Services Authority (OJK) Regulation Number 33 / PJOK.04 / 2014 article 31, the board of commissioners is required to hold a meeting at least 1 (one) time in 2 (two) months. Therefore, the higher the frequency board of commissioners in holding meetings is expected to be better decisions made especially related to corporate social responsibility disclosure. The more often the board of commissioners meets, the more frequent communication between the board of commissioners and more things can be discussed, such as discussions on corporate social responsibility disclosure (Brick & Chidambaran, 2010). Based on the description, the hypothesis proposed is as follows:

H1. The number of board of commissioners meetings has positive association with corporate social responsibility disclosure.

In corporate governance, directors are also an important function for the company. The board of directors is a company representative who has full authority and responsibility in carrying out the company's operational activities in accordance with company goals (IFC, 2014). Given the importance of the duties and authority of directors in the company's operational activities, directors must be responsible for developing sustainable business strategies, one of which is in corporate social responsibility (CSR) activities. Jizi et al. (2014) explained that in promoting sustainable business, companies need to have an effective board of directors' structure to provide information about issues related to the company's CSR activities. To realize an effective board of directors, directors need to hold regular meetings to determine the company's goals, resolve problems, review the company's operational activities (Jain et al., 2007).

Based on the Financial Services Authority (OJK) Regulation No. 33 / PJOK.04 / 2014 article 16, the board of directors is required to hold board of directors meeting regularly at least once a month. Board of directors meeting is an appropriate way to effectively communicate their various responsibilities in achieving sustainable company goals (Ju Ahmad et al., 2017; Vafeas, 1999). However, board of directors meetings cannot always increase the effectiveness and disclosure of CSR. This is because there is some empirical evidence that explains that the concern of the Indonesian people on environmental issues is still low (Laarse, 2016; Brown et al., 2006), so that when too much information is disclosed, it will make investors unable to capture information effectively. In addition, the board of directors has the view that the main information desired by the market is the company's financial performance not information related to the company's CSR disclosure. So the higher the frequency of directors' meetings, the stronger the view (Ulupui, 2007). Thus, the higher frequency of board of directors meetings, the communication between the board of directors will be more frequent and provide a great opportunity for the board of directors to discuss and resolve important issues of the company, namely issues related to financial performance which is the main objective of a company. Based on the description, the hypothesis proposed is as follows:

H2: The number of board of directors meetings has negative association with corporate social responsibility disclosure.

On the other hand, Hategan et al. (2018) explained that the indicators that influence company decision in reporting corporate social responsibility (CSR) activities is to have the maximum profit. This is because the profits obtained by the company can be used for financing CSR activities. However, how big and good a company is inseparable from the risks that hinder the company's goals, namely the risk of losses arising from mistakes in the company's financial management (Effendy et al., 2009; Lenz et al., 2017). This loss will certainly affect the company's operational activities due to reduced funds that can be managed by the company. Another impact of losses experienced by a company is the company's CSR activities and disclosure constraints (Weygandt et al., 2013). Belkaoui and Karpik (1989) find that corporate social disclosure would be lower for companies that suffered losses because companies had to spend more money to disclose the social information. Thus, the greater the losses suffered by the company, it will cause CSR activities and disclosure decrease due to lack of funds to realize CSR activities. Based on the description, the hypothesis proposed is as follows:

H3: The company's loss has negative association with corporate social responsibility disclosure.

Furthermore, Lanoie et al. (2011) argues that the emergence of loss in the company can trigger changes in corporate governance and will have an impact on existing policies in the company. As explained earlier, corporate loss can affect corporate CSR policies because companies do not have funds that can be allocated for CSR activities (Belkaoui & Karpik, 1989). Therefore, when a loss occurs, the board meeting is needed to discuss the problems facing the company. Ponnu and Karthigeyan (2010) explain that in their meetings, directors and commissioners can exchange ideas, give opinions, and analyze various problems to formulate solutions. Thus, the frequency of board meeting is high when the company suffers loss and it can cause more discussion related to corporate CSR, so that it can cause an increase in CSR disclosure. Based on this description, the hypothesis proposed is as follows:

H4: When the company suffer loss, the frequency of board of commissioners and board of directors meeting can increase corporate social responsibility disclosure.

3. Data and Variables

3.1 Sample

The initial sample in this study consists of all public companies listed on the Indonesia Stock Exchange (IDX) and registered in the Global Reporting Index database for the period 2010-2017. Data sources in this study include sustainability reports, annual reports, financial reports and the ORBIS database. Data related to CSR disclosure scores are obtained through sustainability reports and annual reports, while data related to the number of meetings

held by commissioners and directors and data related to corporate governance is obtained through annual reports. For financial data obtained through the ORBIS database. These four data are then combined and used as a population in this study. Then from the population samples taken are used in the study by excluding research observations that do not have complete data. Finally, the final sample of 251 firm-year observations was obtained.

3.2 Variable Definitions

The dependent variable in this study is the corporate social responsibility disclosure (CSR) measured using a score from the GRI index by dividing the number of items disclosed in the sustainability report by the number of items that should be disclosed based on the GRI index (Haniffa & Cooke, 2005). The list of GRI index used is adjusted to company policy, where there are four types of GRI indexes, including GRI G3.0, G3.1, G4, and G Standards.

Furthermore, the interested variable in this study is the frequency of board meetings, which include meetings for the board of commissioners and the board of directors. Board of commissioner meeting (BOCMEET) is measured using the natural logarithm of the number of board of commissioners meeting held by the company in one year, while the board of directors meeting (BODMEET) is measured using the natural logarithm of the number of directors meetings held by the company holds in one year. Furthermore, the company's loss (LOSS) is measured using a dummy variable, which is given a value of 1 for companies that have a negative net income value in the previous year and a value of 0 for the opposite. Referring to some previous studies (Brick & Chidambaran, 2010; Ju Ahmad et al., 2017; Vafeas, 1999; Belkaoui & Karpik, 1989; Ponnu & Karthigeyan, 2010) this study uses several control variables to avoid the problem of omitted variables, including size of board of commissioners (COMSIZE), size of independent commissioners (INDCOM), size of board of directors (DIRSIZE), size of independent directors (INDIR), company performance (ROA), corporate leverage (LEVERAGE), and company size (FSIZE). See the Appendix for a summary of variable definitions.

3.3 Methodology

This study uses OLS fixed year and industry effects regression model, with cluster standard errors (Petersen, 2009). Furthermore, all variables in this study are winsorized at 1% and 99%. To test the first, second, and third hypotheses in this study, the following regression models were used. We expect the coefficients on BOCMEET to be positive, while the coefficients on BODMEET and LOSS to be negative.

$$\text{CSR} = \beta_0 + \beta_1 \text{BOCMEET}_{i,t} + \beta_2 \text{BODMEET}_{i,t} + \beta_3 \text{LOSS}_{i,t} + \beta_4 \text{COMSIZE}_{i,t} + \beta_5 \text{INDCOM}_{i,t} + \beta_6 \text{DIRSIZE}_{i,t} + \beta_7 \text{INDIR}_{i,t} + \beta_8 \text{ROA}_{i,t} + \beta_9 \text{LEVERAGE}_{i,t} + \beta_{10} \text{FSIZE}_{i,t} + \text{INDST}_{i,t} + \text{YEAR}_{i,t} + \varepsilon_{i,t}$$

To test the fourth hypothesis in this study, the following regression model was used. We expect the coefficients on BOCMEET_LOSS and BODMEET_LOSS to be positive.

$$\text{CSR} = \beta_0 + \beta_1 \text{BOCMEET}_{i,t} + \beta_2 \text{BODMEET}_{i,t} + \beta_3 \text{LOSS}_{i,t} + \beta_4 \text{BOCMEET_LOSS}_{i,t} + \beta_5 \text{BODMEET_LOSS}_{i,t} + \beta_6 \text{COMSIZE}_{i,t} + \beta_7 \text{INDCOM}_{i,t} + \beta_9 \text{DIRSIZE}_{i,t} + \beta_{10} \text{INDIR}_{i,t} + \beta_{11} \text{INDST}_{i,t} + \beta_{12} \text{YEAR} + \varepsilon$$

4. Empirical Analysis

4.1 Descriptive Statistics and Univariate Analysis

Table 1 contains the sample distribution based on industry sector and year observations. The samples are distributed in eight industrial sectors, such as Agriculture, Forestry and Fisheries; Mining; Construction Industry; Manufacture; Transportation, Communication and Utilities; Wholesale & Retail Trade; Service Industry; Health, Legal and Education Consultation and Services. The total sample is 251 observations, which consisted of 13.94% of companies that experienced loss and as many as 86.05% of companies that did not experience loss. In addition, the majority of the sample comes from the mining industry (SIC 2) with a total of 70 observations, consisting of 10 observations that suffered loss and 60 observations that did not experience loss. The next largest sample is followed by the Finance, Insurance and Real Estate (SIC 6) industry with 58 observations and the Transportation, Communication and Utilities (SIC 4) industry with 34 observations.

Table 1. Sample Distribution Based on Industry Classification

SIC	Companies that suffer LOSS		Companies that don't suffer LOSS		TOTAL	
	N	%	N	%	N	%
(SIC 0) Agriculture, Forestry and Fisheries	5	31.25%	11	68.75%	16	100
(SIC 1) Mining	10	14.28%	60	85.71%	70	100
(SIC 2) Construction Industries	1	4.34%	22	95.65%	23	100
(SIC 3) Manufacturing	5	15.15%	28	84.84%	33	100
(SIC 4) Transportation, Communications and Utilities	8	23.52%	26	76.47%	34	100
(SIC 5) Wholesale & Retail Trade	0	0	12	100%	12	100
(SIC 6) Finance, Insurance, And Real Estate	3	5.17%	55	94.82%	58	100
(SIC 7) Service Industries	3	60%	2	40%	5	100
TOTAL	35	13.94%	216	86.05%	251	100

Notes:
This table shows the sample distribution based on industry of 251 companies listed on the IDX in 2010-2017.

Table 2 shows descriptive statistics. Corporate Social Responsibility Disclosure (CSR) is the dependent variable in this study, and it can be seen that CSR in this study has an average value of 0.459. The average value for BOCMEET, which shows that the average attendance of the board of commissioners in board meetings is 2,097, while the average value for BODMEET, which shows that the average board meeting in one year is 3,185. Furthermore, LOSS has an average value of 0.139, which shows that as many as 13% of companies suffered loss. The average board size is 1,756, while the average board size is 1,816. The average proportion of independent directors is 38.8%, and the average proportion of independent directors is 8.2%. The average company has a size of 30,858, leverage of 59.2%, and ROA of 0.06%.

Table 2. Descriptive Statistics

Variables	Mean	Median	Minimum	Maximum
CSRD	0.459	0.387	0.093	1.000
BOCMEET	2.097	1.946	0.000	4.043
BODMEET	3.185	3.332	0.000	4.927
LOSS	0.139	0.000	0.000	1.000
COMSIZE	1.756	1.792	0.693	2.485
DIRSIZE	1.816	1.792	1.099	2.485
INDCOM	38.851	40.000	0.000	83.333
INDIR	8.251	0.000	0.000	33.333
ROA	0.065	0.042	-0.187	0.421
LEVERAGE	0.592	0.601	0.136	1.424
FSIZE	30.858	30.680	28.175	34.318

Notes:
This table shows descriptive statistics for all the variables used in this study. The sample used in this study amounted to 251 companies listed on the IDX in 2010-2017.

Table 3 displays the Pearson Correlation test. The correlation between BODMEET and LOSS with CSRD, predictable and significant direction. This shows that the higher the frequency of board of directors meeting, the lower the value of CSRD. Likewise, for LOSS, companies that experience loss will produce a low CSRD. Furthermore, the correlation between BOCMEET and CSRD is negatively related and not significant. Other correlations that show a significant positive relationship with CSRD are COMSIZE and ROA. While other correlations that show a significant negative relationship with CSRD are INDCOM, INDIR and LEVERAGE.

Table 3. Pearson Correlation

	CSRD	BOCBMEET	BODBMEET	LOSS	COMSIZE	INDCOM	DIRSIZE	INDIR	ROA	LEVERAGE	FSIZE
CSRD	1.000										
BOCBMEET	-0.039 (0.529)	1.000									
BODBMEET	-0.114* (0.064)	0.497*** (0.000)	1.000								
LOSS	-0.191*** (0.000)	-0.081 (0.191)	-0.065 (0.293)	1.000							
COMSIZE	0.155*** (0.003)	0.082 (0.183)	0.101 (0.102)	-0.161*** (0.002)	1.000						
INDCOM	-0.132** (0.012)	0.260*** (0.000)	0.088 (0.153)	0.003 (0.953)	0.079 (0.133)	1.000					
DIRSIZE	0.049 (0.347)	0.244*** (0.000)	0.141** (0.022)	-0.271*** (0.000)	0.417*** (0.000)	0.138*** (0.008)	1.000				
INDIR	-0.318*** (0.000)	-0.218*** (0.000)	-0.137** (0.026)	0.321*** (0.000)	-0.257*** (0.000)	0.062 (0.241)	-0.323*** (0.000)	1.000			
ROA	0.292*** (0.000)	-0.143** (0.020)	-0.094 (0.125)	-0.362*** (0.000)	0.071 (0.174)	-0.258*** (0.000)	0.120** (0.022)	-0.121** (0.021)	1.000		
LEVERAGE	-0.257*** (0.000)	0.250*** (0.000)	0.179*** (0.003)	0.173*** (0.001)	-0.080 (0.128)	0.229*** (0.000)	0.160*** (0.002)	0.053 (0.317)	-0.422*** (0.000)	1.000	
FSIZE	-0.046 (0.376)	0.427*** (0.000)	0.299*** (0.000)	-0.113** (0.031)	0.483*** (0.000)	0.319*** (0.000)	0.614*** (0.000)	-0.222*** (0.000)	-0.211*** (0.000)	0.366*** (0.000)	1.000

Notes:
This table shows the Pearson Correlation test results from 251 firms listed on the IDX 2010-2017 with *t > 1,645, ** t > 1,960, *** t > 2,326, significance at 10%, 5% and 1%.

Table 4 shows the results of the T-Test and Wilcoxon test between the companies that experience loss and the companies that did not experience loss. Tests show that CSRD is generally lower in companies that suffer losses. This is consistent with Hypothesis 3 which explains that CSR disclosures in companies that suffer loss are lower than companies that do not experience loss. Furthermore, the frequency of the board of director and the board of commissioner meetings are lower in companies that suffer loss. Other results show that companies that experience loss have lower board size and lower ROA. In addition, companies that experience loss have a greater proportion

of independent commissioners and directors and composition of leverage and company size than companies that do not experience loss.

Table 4. T-Test and Wilcoxon Test

Variables	Companies that suffer LOSS	Companies that don't suffer LOSS	T-value	Z-value
	N= 35	N= 216		
CSR	0.340	0.478	-3.338***	3.535***
BOCMEET	1.944	2.121	-1.323	-1.098
BODMEET	3.101	3.199	-0.728	-1.118
COMSIZE	1.605	1.780	-3.227***	-2.948***
INDCOM	39.724	38.709	0.416	0.490
DIRSIZE	1.578	1.855	-5.038***	-4.220***
INDIR	16.950	6.842	5.717***	5.103***
ROA	-0.026	0.079	-6.297***	-6.789***
LEVERAGE	0.714	0.572	3.416***	2.791***
FSIZE	30.471	30.921	-1.780*	-1.498

Notes:

This table shows the characteristics companies that experience losses and those that do not experience losses from 251 companies listed on the IDX in 2010-2017. The t-test results are displayed with *t > 1,645, ** t > 1,960, *** t > 2,326, significance at 10%, 5% and 1%. The Wilcoxon (z-test) result are displayed with *z > 1,640, ** z > 1,960, *** z > 2,570, significance at 10%, 5% and 1%.

4.2 Board of Commissioners Meeting and Corporate Social Responsibility Disclosure

Table 5 shows the results of model 1 about the relationship between the frequency of board meetings and corporate social responsibility disclosure (CSR). The results in both specifications show an insignificant relationship between the frequency of board meetings and CSR. The BOCMEET coefficient in specification one is 0.007 (t = 0.42), while in specification 2 it is 0.029 (t = 1.61). Both results show an insignificant positive relationship. These results reject Hypothesis 1 and show that the number of board meetings has no effect on corporate social responsibility disclosure. This shows that the board of commissioners does not have direct authority over the company's operational activities and does not act as a person in charge of the company relating to the company's external parties. In addition, the high frequency of board of commissioners meeting does not always discuss CSR at the meeting but there are other important things that need to be discussed at the meeting. The results for the control variable indicate that CSR disclosure is higher in companies with greater ROA. In addition, the R-squared value in CSR shows that the regression model can explain the relationship between independent and dependent variables of 6.08 - 6.21%.

Table 5. Board of Commissioners Meeting and CSR

Variables	Predicted Sign	CSR	
		(1)	(2)
BOCMEET	+	0.007 (0.42)	0.029 (1.61)
BODMEET	-		-0.046*** (-2.68)
LOSS	+		-0.001 (-0.03)
COMSIZE	-	-0.019 (-0.44)	-0.004 (-0.08)
INDCOM	-	-0.001 (-1.00)	-0.001 (-1.31)
DIRSIZE	-	-0.032 (-0.64)	-0.035 (-0.71)

INDIR	-	-0.002*	-0.002*
		(-1.94)	(-1.93)
ROA	+	0.357***	0.390***
		(2.83)	(3.00)
LEVERAGE	-	-0.040	-0.020
		(-0.76)	(-0.36)
FSIZE	+	0.006	0.005
		(0.46)	(0.40)
CONSTANT		0.599**	0.691**
		(1.99)	(2.34)
Year Dummy		Included	Included
Industry Dummy		Included	Included
R-squared		0.608	0.621
N		251	251

Notes:

This table shows the results of multiple linear regression between Board of Commissioner meeting and CSRD of 251 companies listed on the IDX 2010-2017 with * $t > 1.650$, ** $t > 1.969$, *** $t > 2.595$, significance at 10%, 5% and 1%.

4.3 Board of Directors Meeting and Corporate Social Responsibility Disclosure

Table 6 shows the results of model 1 about the relationship between the frequency of board meetings and corporate social responsibility disclosure (CSRD). The results in both specifications show a negative and significant relationship between the frequency of board meetings and CSRD. The BODMEET coefficient in specification one is -0.034 ($t = -2.06$) significant at the 5% level, while in specification 2 the BODMEET coefficient is -0.046 ($t = -2.68$), significant at the 1% level. This result is consistent with Hypothesis 2 which shows that the number of board of directors meeting is negatively related to corporate social responsibility disclosure. This shows that directors have a view about the main information desired by the market is the company's financial performance is not about information related to corporate CSRD, so the higher the frequency of board of directors meeting, the lower the CSR disclosure (Ulupui, 2007). In addition, the concern of the Indonesian people on environmental issues is still low, so that when too much information is disclosed, it will prevent investors from effectively capturing information (Laarse, 2016).

The results for the control variables show that CSR disclosure is higher in companies with greater ROA. In addition, the R-squared value in CSRD shows that the regression model can explain the relationship between the independent and dependent variables of 6.16 - 6.21%.

Table 6. Board of Directors Meeting and CSRD

Variables	Predicted Sign	CSRD	
		(1)	(2)
BODBMEET	-	-0.034**	-0.046***
		(-2.06)	(-2.68)
BOCBMEET	+		0.029
			(1.61)
LOSS	-		-0.001
			(-0.03)
COMSIZE	-	-0.016	-0.004
		(-0.37)	(-0.08)
INDCOM	-	-0.001	-0.001
		(-0.97)	(-1.31)
DIRSIZE	-	-0.033	-0.035
		(-0.66)	(-0.71)
INDIR	-	-0.003**	-0.002*

		(-2.29)	(-1.93)
ROA	+	0.394***	0.390***
		(3.05)	(3.00)
LEVERAGE	-	-0.018	-0.020
		(-0.34)	(-0.36)
FSIZE	+	0.009	0.005
		(0.71)	(0.40)
CONSTANT		0.606**	0.691**
		(2.11)	(2.34)
Year Dummy		Included	Included
Industry Dummy		Included	Included
R-squared		0.616	0.621
N		251	251
Notes:			
This table shows the results of multiple linear regression between Board of Director meeting and CSR of 251 companies listed on the IDX 2010-2017 with * $t > 1.650$, ** $t > 1.969$, *** $t > 2.595$, significance at 10%, 5% and 1%.			

4.4 Corporate Loss and Corporate Social Responsibility Disclosure

Table 7 shows the results of model 1 about the relationship between company losses and corporate social responsibility disclosure (CSR). The results in both specifications show an insignificant relationship between company losses and CSR. The LOSS coefficient in specification one is -0.005 ($t = -0.16$), while in specification 2 is -0.001 ($t = -0.03$). Both result show an insignificant negative relationship. These results reject Hypothesis 3 and show that corporate loss does not affect corporate social responsibility disclosure. This shows that the company that suffered a loss in the previous year will have a bad impact that causes a decline in the performance of a company (Ariyani et al, 2014), so that the loss company will focus more on improving its performance rather than focusing on CSR. This is done by the company to return a good signal (good news) to users of financial statements through improved company performance and increased profits for the current period. The results for the control variable indicate that CSR disclosure is higher in companies with greater ROA. In addition, the R-squared value in CSR shows that the regression model can explain the relationship between independent and dependent variables of 6.08 - 6.21%.

Table 7. Corporate Loss and CSR

Variables	Predicted Sign	CSR	
		(1)	(2)
LOSS	-	-0.005	-0.001
		(-0.16)	(-0.03)
BOCBMEET	+		0.029
			(1.61)
BODBMEET	-		-0.046***
			(-2.68)
COMSIZE	-	-0.022	-0.004
		(-0.51)	(-0.08)
INDCOM	-	-0.001	-0.001
		(-0.94)	(-1.31)
DIRSIZE	-	-0.032	-0.035
		(-0.64)	(-0.71)
INDIR	-	-0.002**	-0.002*
		(-1.98)	(-1.93)
ROA	+	0.356***	0.390***
		(2.77)	(3.00)
LEVERAGE	-	-0.036	-0.020

		(-0.66)	(-0.36)
FSIZE	+	0.007	0.005
		(0.58)	(0.40)
CONSTANT		0.581**	0.691**
		(2.00)	(2.34)
Year Dummy		Included	Included
Industry Dummy		Included	Included
R-squared		0.608	0.621
N		251	251

Notes:

This table shows the results of multiple linear regression between Company Loss and CSRD of 251 companies listed on the IDX 2010-2017 with * $t > 1.650$, ** $t > 1.969$, *** $t > 2.595$, significance at 10%, 5% and 1%.

4.5 Interaction between Corporate Losses and Board Meeting and Corporate Social Responsibility Disclosure

Table 8 shows the results of model 2 about the interaction between company losses and corporate social responsibility disclosure (CSRD). In specifications (1) and (3), the coefficients of BOCMEET_LOSS are -0.011 ($t = -0.14$) and -0.064 ($t = -0.76$). Both result show an insignificant negative relationship. However, it can also be seen in specifications (1) and (3), that the BODMEET_LOSS coefficient is 0.098 ($t = 2.49$), significant at the 5% and 0.119 levels ($t = 3.00$), significant at the 1% level. This result shows that Hypothesis 4 is partially accepted, which shows that when there is a loss, the board meeting, especially the board of directors can increase corporate social responsibility disclosure. This shows that the board of directors will look for ways to cover up a bad image as a result of the company's losses, so that the board of directors meeting is one way to overcome this problem. The higher the frequency of board meetings will appear to improve the company's image and reputation, so CSRD will increase (Ponnu & Karthigeyan, 2010).

The results for the control variables show that CSR disclosure is higher in companies with greater ROA. In addition, the R-squared value in CSRD shows that the regression model can explain the relationship between independent and dependent variables of 6.09 - 6.31%.

Table 8. Interaction between Corporate Losses and Board Meeting and CSRD

Variables	CSRD		
	(1)	(2)	(3)
BOCMEET_LOSS	-0.011 (-0.14)		-0.064 (-0.76)
BOCMEET	0.008 (0.43)		0.037* (1.94)
BODMEET_LOSS		0.098** (2.49)	0.119*** (3.00)
BODMEET		-0.045** (-2.50)	-0.061*** (-3.26)
LOSS	0.018 (0.12)	-0.306** (-2.59)	-0.243 (-1.44)
COMSIZE	-0.018 (-0.42)	-0.024 (-0.56)	-0.009 (-0.20)
INDCOM	-0.001 (-1.00)	-0.001 (-0.76)	-0.001 (-1.19)
DIRSIZE	-0.032 (-0.63)	-0.022 (-0.45)	-0.018 (-0.38)
INDIR	-0.002* (-1.86)	-0.003** (-2.36)	-0.002** (-2.05)

ROA	0.350*** (2.77)	0.404*** (3.07)	0.393*** (3.05)
LEVERAGE	-0.038 (-0.68)	-0.022 (-0.40)	-0.023 (-0.42)
FSIZE	0.006 (0.44)	0.008 (0.67)	0.003 (0.20)
CONSTANT	0.604* (1.96)	0.642** (2.26)	0.772** (2.58)
Year Dummy	Included	Included	Included
Industry Dummy	Included	Included	Included
R-squared	0.609	0.624	0.631
N	251	251	251

Notes:

This table shows the results of multiple linear regression for interaction between Company Loss and Board Meeting with CSRD of 251 companies listed on the IDX 2010-2017 with * $t > 1.650$, ** $t > 1.969$, *** $t > 2.595$, significance at 10%, 5% and 1%.

4.6 Additional Analysis

To further see how the relationship between board meetings and corporate social responsibility disclosure (CSRD), we conducted a regression test by dividing the components of CSRD based on sub-categories on the GRI index. There are 4 components, namely FOUNDATION, explaining the general qualifications that must be met by a company related to the sustainability of a company; ECONOMIC, explains the company's focus on improvements in the economic field; ENVIRONMENT, explains the company's focus on improvement in the environmental field; and SOCIAL, explaining the company's focus on improvements in the social field.

Table 9 shows the results of testing board meetings with four CSRD components. In the ECONOMIC column, the BOCMEET coefficient is 0.048 ($t = 1.82$), significant at the 10% level. This shows that the frequency of board of commissioners' meetings is focused on discussing issues related to the economic field. These results support the results in Table 5, which explains that the high frequency of board of commissioners' meetings does not always discuss CSRD as a whole, but rather focuses on discussing issues in the economic field.

Furthermore, in the ENVIRONMENT column, the BOCMEET coefficient is -0.054 ($t = -2.31$), significant at the 5% level. This shows that the frequency of meetings of the board of directors is less to discuss issues related to the environmental field. This is consistent with the argument (Ulupui, 2007) which explains that the board of directors has the view that the main information desired by the market is the company's financial performance not about information related to CSRD. These results reinforce the results in Table 6.

Table 9. Board Meeting and CSRD Component

Variables	CSRD			
	FOUNDATION	ECONOMIC	ENVIRONMENT	SOCIAL
BOBMEET	0.019 (1.01)	0.048* (1.82)	0.014 (0.59)	0.113 (1.27)
BODMEET	0.001 (0.05)	-0.031 (-1.15)	-0.054** (-2.31)	-0.131 (-1.44)
LOSS	-0.007 (-0.26)	0.025 (0.55)	-0.021 (-0.47)	0.083 (0.47)
COMSIZE	0.036 (0.70)	-0.037 (-0.58)	0.015 (0.28)	-0.010 (-0.05)
INDCOM	-0.002** (-2.48)	-0.002 (-1.33)	-0.001 (-0.67)	-0.002 (-0.42)
DIRSIZE	-0.015 (-0.29)	-0.017 (-0.23)	0.013 (0.21)	-0.198 (-0.82)

INDIR	-0.002 (-1.22)	-0.001 (-0.82)	-0.000 (-0.20)	-0.012** (-2.18)
ROA	0.134 (0.78)	0.378* (1.86)	0.307* (1.66)	1.019 (1.55)
LEVERAGE	0.033 (0.55)	0.027 (0.36)	-0.075 (-1.12)	-0.158 (-0.64)
FSIZE	-0.001 (-0.10)	0.020 (1.23)	-0.004 (-0.33)	0.031 (0.58)
CONSTANT	0.870*** (2.91)	0.074 (0.19)	0.920*** (2.87)	1.706 (1.32)
Year Dummy	Included	Included	Included	Included
Industry Dummy	Included	Included	Included	Included
R-squared	0.447	0.417	0.555	0.632
N	251	251	251	251

Notes:

This table shows the results of multiple linear regression between Board Meeting and CSRD Component of 251 companies listed on the IDX 2010-2017 with * $t > 1.650$, ** $t > 1.969$, *** $t > 2.595$, significance at 10%, 5% and 1%.

Furthermore, Table 10 shows the test results between the board meeting with the four CSRD components, when the company was experiencing loss. In the FOUNDATION column, the coefficient on BOCMEET_LOSS is -0.121 ($t = -1.85$), significant at the 10% level. This shows that when a loss occurs, the frequency of the board of commissioners meeting does not discuss much about the matters that must be met by the company regarding its sustainability. This is because the commissioners do not have direct access to operational activities within the company. These results support the results in Table 8.

While the BODMEET_LOSS variable shows positive and significant results, each at the level of 1% to 5%, with a coefficient of 0.129 ($t = 2.08$) in the ECONOMIC column, a coefficient of 0.161 ($t = 3.29$) in the ENVIRONMENT column, and a coefficient of 0.401 ($t = 2.08$) = 1.93) in the SOCIAL column. These results are consistent with Hypothesis 4 and support the results in Table 8. This indicates that when the company incurred losses in the previous year, the board of directors will look for ways to cover up their bad image by increasing the frequency of board of directors meeting to discuss solutions to improve the company's image and reputation. The solution to improve the company's reputation is through awareness of CSRD, especially in the economic, environmental and social fields.

Table 10. Interaction of Board Meetings with Corporate Loss and CSRD Component

Variables	CSRD			
	FOUNDATION	ECONOMIC	ENVIRONMENT	SOCIAL
BOCMEET_LOSS	-0.121* (-1.85)	-0.076 (-0.81)	-0.024 (-0.23)	-0.010 (-0.02)
BODMEET_LOSS	0.048 (1.19)	0.129** (2.08)	0.161*** (3.29)	0.401* (1.93)
BOCMEET	0.028 (1.39)	0.057** (2.04)	0.021 (0.86)	0.127 (1.43)
BODMEET	-0.004 (-0.18)	-0.046 (-1.59)	-0.074*** (-2.84)	-0.181* (-1.76)
LOSS	0.076 (0.49)	-0.225 (-1.02)	-0.468** (-2.15)	-1.130 (-1.34)
COMSIZE	0.039 (0.75)	-0.042 (-0.65)	0.004 (0.08)	-0.039 (-0.18)
INDCOM	-0.002** (-2.54)	-0.001 (-1.22)	-0.001 (-0.48)	-0.001 (-0.28)
DIRSIZE	-0.003 (-0.06)	0.002 (0.03)	0.033 (0.53)	-0.152 (-0.61)

INDIR	-0.002 (-1.23)	-0.002 (-0.93)	-0.001 (-0.38)	-0.013** (-2.26)
ROA	0.114 (0.66)	0.380* (1.87)	0.324* (1.75)	1.075 (1.61)
LEVERAGE	0.037 (0.60)	0.023 (0.31)	-0.083 (-1.19)	-0.182 (-0.71)
FSIZE	-0.004 (-0.33)	0.017 (1.04)	-0.007 (-0.47)	0.027 (0.49)
CONSTANT	0.943*** (3.16)	0.165 (0.42)	1.004*** (3.07)	1.894 (1.44)
Year Dummy	Included	Included	Included	Included
Industry Dummy	Included	Included	Included	Included
R-squared	0.453	0.425	0.567	0.637
N	251	251	251	251

Notes:

This table shows the results of multiple linear regression interaction between Board Meeting and Loss with CSR Component of 251 companies listed on the IDX 2010-2017 with * $t > 1.650$, ** $t > 1.969$, *** $t > 2.595$, significance at 10%, 5% and 1%.

5. Conclusions

This study aims to determine the effect of a board meeting, consisting of the board of directors meeting and the board of commissioners meeting, on CSR, especially for companies that suffered loss in the previous year. The result shows that the board of commissioners meeting has no effect on CSR, it means that the company that has a high frequency of board commissioners meeting does not always discuss CSR at meetings. This is because the commissioner does not have direct authority over the company's operational activities. Furthermore, board of directors meeting has a negative and significant effect on CSR, it means that the higher frequency of board of directors meeting, the lower the CSR scores. This is because the board of directors has the view that the main information desired by the market is the company's financial performance, not about information related to the company's CSR. Company that suffered loss last year does not have an influence on CSR, it indicates that loss experienced by the company in the previous year does not affect the amount of CSR scores. Loss experienced by the company have no influence in the relationship between the board of commissioners meeting and CSR, but it can weaken the relationship between the board of directors meeting and CSR. So when the company suffers a loss in the previous year, the board of directors will look for ways to cover up the bad image through CSR.

This study offers important implications that board meeting can be more effective in influencing corporate performance and CSR disclosure, when companies suffer losses. This research is expected to help identify best practices in the operations of the board of directors and the board of commissioners, which aim to improve corporate governance practices and increase the return on shareholder investment.

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Appendix. Variable Definitions

Variables	Operational Definition	Proxy	Source
Dependent Variable			
CSR	(Corporate Social Responsibility Disclosure)	$CSR_{ij} = \frac{\sum X_{ij}}{N_j}$ CSR _{ij} : the index of corporate social responsibility $\sum X_{ij}$: total items disclosed by the company N _j : number of disclosure items according to GRI	Sustainability Report & Annual Report
Independent Variable			
BOCMEET	Board of Commissioner Meeting	Natural logarithm of the number of board of commissioner meeting in the company holds in one year	Annual Report
BODMEET	Board of Director Meeting	Natural logarithm of the number of board of director meeting in the company holds in one year	Annual Report
LOSS	Loss	Dummy variable, 1 for companies that have a negative net income value in the previous year, and 0 for companies that have a positive net income value	ORBIS
Control Variable			
COMSIZE	Commissioner Size	The number of commissioners in the company	Annual Report
INDCOM	Independent Commissioner	The Number of independent commissioners in the company	Annual Report
DIRSIZE	Director Size	Number of directors in the company	Annual Report
INDIR	Independent Director	Number of independent directors in the company	Annual Report
ROA	Return on Asset	Earnings Before Interest and Taxes divided by the book value of total assets $\frac{EBIT}{TOTAL\ ASSET}$ Net Income divided by the book value of total assets $\frac{NI}{TOTAL\ ASSET}$	ORBIS
LEVERAGE	Leverage	Total debt divided by total book value of total assets	ORBIS
FSIZE	Firm Size	Natural logarithm of total assets	ORBIS

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