

## DETERMINANTS OF SOCIAL RESPONSIBILITY REPORT DISCLOSURE WITH COMPANY SIZE AS A MODERATING VARIABLE

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### Abstract

*This study examines the effects of reporting guidelines, audit assurance, political connections, and government ownership on the quality of CSR disclosures, while controlling for firm size as a moderating variable. The final sample comprised 35 energy companies listed on the Indonesia Stock Exchange between 2021 and 2024, resulting in 140 firm-year observations. The data were analyzed using multiple regression and Moderated Regression Analysis (MRA). The results demonstrate that reporting guidelines, audit opinions, political connections, and government ownership each have a positive effect on CSR disclosure quality. Firm size, measured by the natural logarithm of total assets, does not moderate the relationship between reporting guidelines and disclosure quality, but it does strengthen the effects of audit assurance, political connections, and government ownership. These findings underscore the importance of governance mechanisms, firm characteristics, and ownership structures in improving CSR disclosure quality, with firm size selectively amplifying specific Influences.*

**Keywords:** CSR Disclosure, Firm Size, Government Ownership, Political Connections, Reporting Guidelines

### 1. INTRODUCTION

Business growth and increasingly fierce competition encourage companies to not only focus on profit, but also pay attention to social responsibility and business sustainability. Corporate Social Responsibility (CSR) is a form of corporate accountability to stakeholders through the disclosure of social and environmental information. In Indonesia, the implementation and reporting of CSR have been regulated through Law Number 40 of 2007 and POJK Number 51/POJK.03/2017. Although these regulations have encouraged companies to submit sustainability information, they do not establish detailed indicators or standards for CSR content and have not yet established mandatory and measurable CSR disclosure indicators, instead providing flexibility for companies to refer to various reporting guidelines.

In addition to reporting guidelines such as the Global Reporting Initiative (GRI), the quality of CSR information is also related to audit quality as a monitoring mechanism that encourages transparency (DeAngelo, 1981; Francis, 2004; Simnett et al., 2009; Martínez-

Ferrero & García-Sánchez, 2017), as well as political connections and government ownership, the findings of which are still inconsistent in previous studies (Sulistyowati & Prabowo, 2020; Muliawati & Hariyati, 2021; Surono & Mayangsari, 2022; Sucahyati et al., 2022; Aviyanti et al., 2022; Khairin & Firmansyah, 2024).

Government ownership can increase public accountability demands for CSR (Garanina, 2024; Li & Sasaki, 2024), but this relationship, as well as the role of company size as a moderator of the four factors above, is still limited to studies in energy sector companies in Indonesia.

These previous studies generally examine the influence of the four factors (reporting guidelines, audit quality assurance, political connections, and government ownership) separately and in cross-sectoral contexts or outside Indonesia. Therefore, they have not adequately explained why these influences may vary when companies operate in sectors with high social and environmental risks such as the energy sector. Furthermore, previous studies rarely place company size as a moderating variable for all four determinants simultaneously in a single model, even though company size is closely related to public visibility and legitimacy pressures, which are important theoretical foundations in the CSR disclosure literature.

Theoretically, this research is built on three complementary perspectives. Legitimacy theory explains that companies disclose CSR information to maintain alignment between their operational activities and social norms and expectations (Suchman, 1995; Michelon et al., 2015), making it relevant to explain the influence of political connections, government ownership, and the moderating role of company size. Stakeholder theory emphasizes that CSR disclosure is a means for companies to meet the information expectations of various stakeholders who have different interests in the company's social and environmental impacts, thus underlying the influence of audit quality assurance and government ownership as accountability mechanisms to stakeholders. Signaling theory explains that more transparent disclosures and adherence to standard guidelines serve as quality signals to external parties to reduce information asymmetry, which underlies the influence of reporting guidelines and audit quality assurance on disclosure quality. These three theories are used consistently from hypothesis development to the discussion of the research results.

Based on these research gaps, this study is crucial because the quality of CSR disclosure in the energy sector is highly relevant, given the characteristics of its operational activities, which have the potential to generate significant social and environmental impacts. Based on the literature review above, eight research hypotheses are formulated as follows.

Signaling theory explains that the use of reporting guidelines such as the GRI serves as a signal to the market and stakeholders that a company's commitment to transparency is important. Habek (2017) found that companies that adhere to the GRI reporting guidelines experience improved performance, and Huda et al. (2020) found that GRI reporting guidelines positively impact the quality of CSRD.

H1: Reporting guidelines have a positive effect on the quality of CSR disclosure.

Based on audit quality theory (DeAngelo, 1981), high-quality audits limit opportunistic management behavior and are associated with more transparent internal control systems and reporting practices (Francis, 2004). From a signaling theory perspective, an unqualified audit opinion also serves as a signal to stakeholders about the reliability of a company's reporting system, including the reliability of non-financial information such as CSR (Simnett et al., 2009).

H2: Audit quality assurance has a positive effect on the quality of CSR disclosure.

Based on legitimacy theory, companies with political connections face greater public scrutiny and are therefore encouraged to meet social expectations through CSR implementation (Reimsbach et al., 2018). From a stakeholder theory perspective, political connections expand the network of stakeholders whose interests must be accommodated, including the government and the public, thus encouraging broader environmental disclosure (Kuo et al., 2012).

H3: Political connections have a positive influence on the quality of CSR disclosure.

Stakeholder theory positions the government as a key stakeholder with reputational and political interests in ensuring that companies project a socially responsible image aligned with national development goals (Husaini & Trinesia, 2020; Anita, 2018; Ratmono et al., 2019). Government ownership also strengthens legitimacy pressures, as companies are required to demonstrate accountability to the public as both owners and regulators (Garanina, 2024; Li & Sasaki, 2024).

H4: Government ownership has a positive effect on the quality of CSR disclosure.

Larger companies have more adequate financial resources and organizational capabilities to implement the GRI reporting guidelines more comprehensively than smaller companies. In addition to resource constraints, legitimacy theory also explains that larger companies face greater legitimacy pressures, making the adoption of comprehensive reporting guidelines a means of maintaining social acceptance.

H5: Company size can positively moderate the effect of the use of reporting guidelines on the quality of CSR disclosure.

Based on legitimacy theory, large companies face more intensive public visibility and regulatory and media scrutiny, thus bearing greater reputational risks (Michelon et al., 2015).

H6: Company size can positively moderate the effect of audit quality assurance on the quality of CSR disclosure.

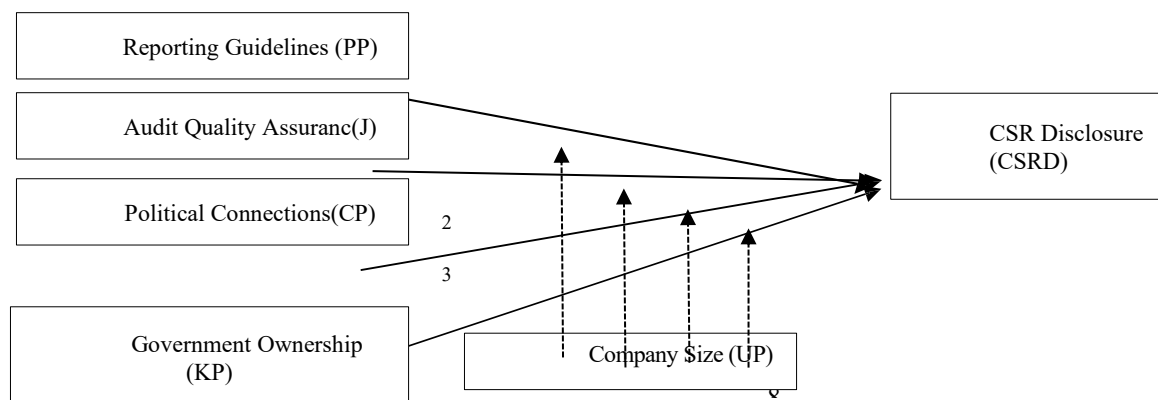
Larger companies have more adequate resources and reporting systems, so their political connections tend to encourage improved CSR disclosure as a form of public compliance and accountability (Khairin & Firmansyah, 2024). This is in line with legitimacy theory: the larger a company with political connections, the greater the public scrutiny, which encourages CSR disclosure as a means of maintaining legitimacy.

H7: Company size can positively moderate the influence of political connections on the quality of CSR disclosure.

In the context of state ownership, large firms face stronger legitimacy pressures due to their strategic role in the economy and wider public attention (Garanina & Kim, 2023) .

H8: Company size can positively moderate the effect of government ownership on the quality of CSR disclosure.

This study makes three main contributions. Theoretically, it integrates legitimacy theory, stakeholder theory, and signaling theory into a single framework to explain the determinants of CSR disclosure quality and the moderating role of company size. Empirically, it extends the evidence to the context of Indonesian energy sector companies, which have high exposure to social and environmental risks but have remained understudied. Practically, the results provide implications for companies, regulators, investors, and sustainability report preparers in designing more effective CSR disclosure strategies. Therefore, a conceptual framework for this study can be developed, as presented in Figure 1 below:



**Figure 1**  
**Conceptual Framework**

## 2. RESEARCH METHOD

The research data is sourced from secondary data in the form of annual reports *and* sustainability reports *of* energy sector companies listed on the Indonesia Stock Exchange during the 2021–2024 period. The quality of CSR disclosure (CSRSD) is measured using a disclosure index based on the Global Reporting Initiative (GRI) guidelines through a content analysis method with a dichotomous scoring approach. Each disclosure item is given a score of 1 if disclosed in the company's annual report/sustainability report and a score of 0 if not disclosed. The CSR disclosure index value is obtained from the ratio of the number of disclosed items to the total number of relevant disclosure items.

**Table 1.** Operational Definition of Variables

| Variables                   | Measurement                                                                                        | Source                      |
|-----------------------------|----------------------------------------------------------------------------------------------------|-----------------------------|
| Quality of CSR Disclosure   | Number of CSR indicators disclosed ÷ total number of indicators                                    | Arum & Amalia, 2022         |
| Reporting Guidelines        | Dummy: 1 = uses GRI guidelines, 0 = does not                                                       | Anugerah et al. (2018)      |
| Audit Quality Assurance     | Dummy: 1 = Unqualified Opinion (WTP), 0 = other than WTP                                           | Francis (2004)              |
| Political Connections       | Dummy: 1 = there are directors/commissioners/audit committees with political backgrounds, 0 = none | Khairin & Firmansyah (2024) |
| Government Ownership        | Percentage of government share ownership in the company                                            | Nugraheni et al. (2022)     |
| Company Size                | Natural logarithm of total assets                                                                  | Khairin & Firmansyah (2024) |
| Source: Research Data, 2026 |                                                                                                    |                             |

**Source:** *Processed data, 2026*

The study population included 91 energy sector companies listed on the Indonesia Stock Exchange during the study period. The sample was selected using a purposive sampling method based on predetermined criteria, resulting in 35 companies with a total of 140 observations over four years.

**Table 2.** Sample Selection Criteria

| No | Criteria                                                                                                                          | Amount |
|----|-----------------------------------------------------------------------------------------------------------------------------------|--------|
| 1  | Energy sector companies listed on the IDX in 2021-2024                                                                            | 91     |
| 2  | Companies for which researchers did not find a complete <i>annual report/sustainability report according to the research year</i> | (32)   |

|                                                   |                                                                                            |      |
|---------------------------------------------------|--------------------------------------------------------------------------------------------|------|
| 3                                                 | Companies that did not use USD reporting currency consistently throughout the study period | (24) |
| Number of companies that meet the sample criteria |                                                                                            | 35   |
| Observation year                                  |                                                                                            | 4    |
| Total observations                                |                                                                                            | 140  |

**Source:** *Processed data, 2026*

The regression model used in this research aims to test the moderating role of company size:

$$CSR D = \alpha + \beta^1 PP + \beta^2 J + \beta^3 CP + \beta^4 KP + \beta^5 PP*UP + \beta^6 J*UP + \beta^7 CP*UP + \beta^8 KP*UP + e$$

Data analysis in this study used *Moderated Regression Analysis* (MRA) which was processed using the SPSS version 25 program .

### 3. RESULTS AND DISCUSSION

**Table 3.** Descriptive Analysis Results

| <i>Descriptive Statistics</i> |     |                |                |             |                           |
|-------------------------------|-----|----------------|----------------|-------------|---------------------------|
|                               | N   | <i>Minimum</i> | <i>Maximum</i> | <i>Mean</i> | <i>Standard Deviation</i> |
| KP                            | 140 | .000           | .616           | .01810      | .102969                   |
| CSR D                         | 140 | .150           | 1,000          | 66214       | .230722                   |
| UP                            | 140 | 17,309         | 23.101         | 20.22279    | 1.371149                  |
| Valid N ( <i>listwise</i> )   | 140 |                |                |             |                           |

**Source:** *Processed data, 2026*

| <i>Dummy Variable</i> |                 |                                  |    |  |                |
|-----------------------|-----------------|----------------------------------|----|--|----------------|
|                       | Observation (N) | Number of Variables that Worth 1 |    |  | <i>Percent</i> |
| PP                    | 140             |                                  | 84 |  | 60.0           |

|    |     |  |     |  |      |
|----|-----|--|-----|--|------|
| J  | 140 |  | 133 |  | 95.0 |
| CP | 140 |  | 62  |  | 44.3 |

**Source:** *Processed data, 2026*

Table 3 shows that CSR disclosure quality has a minimum value of 0.150 and a maximum of 1.000, with an average of 0.662. This means that energy sector companies in the research sample disclosed an average of approximately 66.2% of the CSR indicators used in the research measurement. The standard deviation value of 0.231 indicates variation in CSR disclosure quality between observations. Meanwhile, Company Size had an average of 20.220 with a standard deviation of 1.370, indicating that variation in company size in the sample was relatively limited.

The characteristics of the dummy variables provide an illustration that as many as 84 out of 140 observations or 60.0% use reporting guidelines categorized as dummy 1. Variable J shows a much higher dominance, namely 133 observations or 95.0% are in the dummy 1 category. Meanwhile, political connections are found in 62 observations or 44.3%, while 78 observations or 55.7% do not have political connections. Different conditions are seen in Government Ownership. The KP variable has an average of 0.018 with a standard deviation of 0.103. A standard deviation value greater than the average indicates that government ownership has quite high variations. Most observations have low or even no government ownership, while a small number of companies have a relatively large proportion of government ownership.

**Table 4.** Normality Test Results

| <i>One-Sample Kolmogorov-Smirnov Test</i> |                           |                                |
|-------------------------------------------|---------------------------|--------------------------------|
|                                           |                           | <i>Unstandardized Residual</i> |
| N                                         |                           | 140                            |
| <i>Normal Parameters<sup>a,b</sup></i>    | <i>Mean</i>               | .0000000                       |
|                                           | <i>Standard Deviation</i> | .14470072                      |
| <i>Most Extreme Differences</i>           | <i>Absolute</i>           | .111                           |
|                                           | <i>Positive</i>           | .070                           |
|                                           | <i>Negative</i>           | -.111                          |
| <i>Kolmogorov-Smirnov Z</i>               |                           | 1,315                          |
| <i>Asymp. Sig. (2-tailed)</i>             |                           | .063                           |

**Source:** *Processed data, 2026*

Based on the results above, the *Asymp . Sig . (2- tailed )* value is 0.063, which is greater than 0.05. Therefore, it can be concluded that the residuals in this regression model are normally distributed.

**Table 5.** Multicollinearity Test Results

| <i>Model</i> |                   | <i>Collinearity Statistics</i> |            |
|--------------|-------------------|--------------------------------|------------|
|              |                   | <i>Tolerance</i>               | <i>VIF</i> |
| 1            | <i>(Constant)</i> |                                |            |
|              | PP                | .920                           | 1,086      |
|              | J                 | .931                           | 1,074      |
|              | CP                | .910                           | 1,099      |
|              | KP                | .952                           | 1,051      |

**Source:** *Processed data, 2026*

The table above shows a *Tolerance* value above 0.10 and a *VIF* value <10 for all predictor variables, so it can be concluded that there is no case of multicollinearity between the predictor variables.

**Table 6.** Glejser Test Results

| <i>Coefficients <sup>a</sup></i> |                    |                                         |                    |                                      |          |              |
|----------------------------------|--------------------|-----------------------------------------|--------------------|--------------------------------------|----------|--------------|
| <i>Model</i>                     |                    | <i>Unstandardize<br/>d Coefficients</i> |                    | <i>Standardized<br/>Coefficients</i> | <i>t</i> | <i>Sig .</i> |
|                                  |                    | <i>B</i>                                | <i>Std . Error</i> | <i>Beta</i>                          |          |              |
| 1                                | <i>(Constant )</i> | .082                                    | .035               |                                      | 2,347    | .020         |
|                                  | PP                 | .002                                    | .015               | .009                                 | .098     | .922         |
|                                  | J                  | .045                                    | .034               | .115                                 | 1,306    | .194         |
|                                  | CP                 | -.019                                   | .015               | -.110                                | -1,231   | .221         |
|                                  | KP                 | -.004                                   | .050               | -.007                                | -.079    | .937         |

**Source:** *Processed data, 2026*

Statistically, the Glejser test obtained a p-value greater than 5% *alpha* , thus concluding that heteroscedasticity does not occur. This strengthens the evidence that the residual variance is constant, indicating that there are no symptoms of heteroscedasticity in this study's regression model. Thus, the regression model meets the classical assumptions of heteroscedasticity and is suitable for hypothesis testing.

**Table 7.** Autocorrelation Test Results

| <i>Model Summary<sup>b</sup></i> |                   |          |                   |                                |               |
|----------------------------------|-------------------|----------|-------------------|--------------------------------|---------------|
| Model                            | R                 | R Square | Adjusted R Square | Standard Error of the Estimate | Durbin-Watson |
| 1                                | .747 <sup>a</sup> | .557     | .544              | .146829                        | 1,923         |

Source: Processed data, 2026

In this study, the autocorrelation test was conducted using *Durbin-Watson*. Based on the results of the autocorrelation test in the *Model Summary table*, the *Durbin-Watson* value was 1.923. This value is within the tolerance range between *du* (1.7830) and *4-du* (2.2170), which means the regression model does not experience autocorrelation. Therefore, the classical assumption of no autocorrelation has been met, and the model is suitable for use in further hypothesis testing.

**Table 8.** Results of Model Feasibility Test (F Test)

| ANOVA <sup>a</sup> |            |                |     |             |         |                   |  |
|--------------------|------------|----------------|-----|-------------|---------|-------------------|--|
| Model              |            | Sum of Squares | df  | Mean Square | F       | Sig .             |  |
| 1                  | Regression | 3,528          | 8   | .441        | 107,098 | .000 <sup>b</sup> |  |
|                    | Residual   | .539           | 131 | .004        |         |                   |  |
|                    | Total      | 4,067          | 139 |             |         |                   |  |
|                    |            |                |     |             |         |                   |  |

Source: Processed data, 2026

The significance value ( *Sig .* ) of  $0.000 < 0.05$  indicates that the regression model used is statistically feasible.

**Table 9.** Results of the Adjusted Determination Coefficient (R<sup>2</sup>) Test

| <i>Model Summary<sup>b</sup></i> |                   |          |                   |                                |               |
|----------------------------------|-------------------|----------|-------------------|--------------------------------|---------------|
| Model                            | R                 | R Square | Adjusted R Square | Standard Error of the Estimate | Durbin-Watson |
| 1                                | .747 <sup>a</sup> | .557     | .544              | .146829                        | 1,923         |

Source: Processed data, 2026

Based on the results of the regression test, the *R Square value* of 0.557 indicates that the regression model consisting of KP, J, PP, and CP is able to explain variations in the quality of CSR disclosure (CSRSD) by 55.7%, while the remainder is explained by other factors outside the model.

**Table 10.** t-Test Results

| Model |                          | <i>Unstan<br/>dardize<br/>d<br/>Coeffi<br/>cients</i> |  |                        | <i>Stand<br/>ardiz<br/>ed<br/>Coeffi<br/>cients</i> |  |       | <i>Sig .</i> |      |
|-------|--------------------------|-------------------------------------------------------|--|------------------------|-----------------------------------------------------|--|-------|--------------|------|
|       |                          | B                                                     |  | <i>Std .<br/>Error</i> | Beta                                                |  |       |              |      |
| 1     | ( <i>Const<br/>ant</i> ) | .251                                                  |  | .060                   |                                                     |  | 4,180 |              | .000 |
|       | PP                       | .249                                                  |  | .026                   | .564                                                |  | 9,447 |              | .000 |
|       | J                        | .138                                                  |  | .059                   | .139                                                |  | 2,335 |              | .021 |
|       | CP                       | .142                                                  |  | .026                   | .325                                                |  | 5,421 |              | .000 |
|       | KP                       | .178                                                  |  | .087                   | .121                                                |  | 2,058 |              | .042 |

**Source:** *Processed data, 2026*

The test results show that all independent variables have positive coefficients. Reporting Guidelines showed a positive coefficient of 0.249 with a *t- value* of 9.447 and a significance level of 0.000. This finding indicates that companies that use reporting guidelines have higher quality CSR disclosure. Therefore, the hypothesis that Reporting Guidelines (PP) influence CSR Disclosure Quality (CSRSD) is accepted.

Audit Quality Assurance also shows a positive direction with a coefficient of 0.138, a *t- value* of 2.335, and a significance level of 0.021. These results indicate that companies that receive an unqualified opinion tend to have better CSR disclosure quality than companies that receive opinions other than unqualified. This finding is consistent with the arguments of DeAngelo (1981) and Francis (2004) regarding audit quality and information credibility. Therefore, the hypothesis regarding the effect of Audit Quality Assurance (J) on CSR Disclosure Quality (CSRSD) is accepted.

Political Connections has a positive coefficient of 0.142 with a *t- value* of 5.421 and a significance level of 0.000. This means that companies with political connections tend to demonstrate higher quality CSR disclosure. Therefore, the hypothesis that Political Connections (CP) influence the Quality of CSR Disclosure (CSRSD) is accepted .

Government ownership has a positive coefficient of 0.178 with a *t*-value of 2.058 and a significance level of 0.042. These results indicate that the greater the proportion of government ownership, the higher the quality of CSR disclosure. However, this relationship needs to be understood by considering the distribution characteristics of the KP data. The average government ownership is only 0.018, while the standard deviation reaches 0.103. This means that government ownership is relatively low and concentrated in a small number of observations. This condition explains why its effect remains positive, but its contribution is relatively smaller compared to several other independent variables.

The role of Company Size as a moderating variable is tested through the interaction between each independent variable and UP. The test results show that the PP×UP interaction has a coefficient of 0.009 with a significance of 0.445, J×UP has a coefficient of 0.046 with a significance of 0.000, CP×UP has a coefficient of 0.544 with a significance of 0.000, and KP×UP has a coefficient of 0.023 with a significance of 0.000.

**Table 11.** MRA Test Results

| <i>Coefficients<sup>a</sup></i> |            |                                    |                   |                                  |          |             |
|---------------------------------|------------|------------------------------------|-------------------|----------------------------------|----------|-------------|
| Model                           |            | <i>Unstandardized Coefficients</i> |                   | <i>Standardized Coefficients</i> | <i>t</i> | <i>Sig.</i> |
|                                 |            | <i>B</i>                           | <i>Std. Error</i> | <i>Beta</i>                      |          |             |
| 1                               | (Constant) | .417                               | .027              |                                  | 15,412   | .000        |
|                                 | PP         | .516                               | .231              | 1,482                            | 2,235    | .027        |
|                                 | J          | .827                               | .199              | 1,057                            | 4.156    | .000        |
|                                 | CP         | .373                               | .034              | 1,087                            | 11,078   | .000        |
|                                 | KP         | .222                               | .047              | .258                             | 4,733    | .000        |
|                                 | PP_UP      | .009                               | .012              | .539                             | .766     | .445        |
|                                 | J_UP       | .046                               | .010              | 1,239                            | 4,598    | .000        |
|                                 | CP_UP      | .544                               | .048              | 1,225                            | 11,243   | .000        |
|                                 | KP_UP      | .023                               | .004              | .309                             | 5,853    | .000        |

**Source:** Processed data, 2026

Table 11 shows that company size does not moderate the relationship between Reporting Guidelines and CSR disclosure quality. Although the PP×UP interaction coefficient is positive, its value is small and does not indicate a strengthening or weakening of the relationship.

In contrast to the Reporting Guidelines, the J×UP interaction produces a positive coefficient of 0.046 with a significance level of 0.000. This indicates that company size strengthens the relationship between Audit Quality Assurance and CSR disclosure quality.

The CP×UP interaction results show a coefficient of 0.544 with a significance level of 0.000. The relatively large interaction coefficient compared to other interactions indicates that company size provides significant reinforcement to the relationship between political connections and the quality of CSR disclosure in the research model. The availability of more adequate resources also allows large companies to develop more comprehensive sustainability reporting and disclosure systems .

The KP×UP interaction also yielded a positive coefficient of 0.023 with a significance level of 0.000. This finding indicates that company size strengthens the relationship between government ownership and CSR disclosure quality.

Overall, the results of this study indicate that the four tested determinants—Reporting Guidelines, Audit Quality Assurance, Political Connections, and Government Ownership—have a positive effect on the quality of CSR disclosure in energy sector companies in Indonesia, with Company Size strengthening the influence of three of them. This finding is generally consistent with the three theoretical perspectives underlying this study, although the strength of each influence varies, as reflected in the magnitude of the standardized coefficients (Beta) in Table 10.

In terms of their magnitude, Reporting Guidelines have the largest Beta coefficient (0.564), followed by Political Connections (0.325), Audit Quality Assurance (0.139), and Government Ownership (0.121). This order indicates that voluntary signal-based mechanisms, namely the use of GRI reporting guidelines, contribute most to the quality of CSR disclosure compared to mechanisms based on external legitimacy pressures such as political connections and government ownership. Consistent with signaling theory, companies in the energy sector facing high reputational risk have a strong incentive to signal their commitment to sustainability through the adoption of internationally recognized reporting guidelines. These results reinforce the findings of Habek (2017) and Huda et al. (2020), while also providing additional evidence in the context of high-impact sectors.

The positive influence of political connections and government ownership is more relevantly explained through legitimacy theory and stakeholder theory. Companies with political connections and/or government ownership face more intensive social and political scrutiny, making CSR disclosure an instrument for maintaining social acceptance (legitimacy) while meeting the expectations of broader stakeholders, including the government as regulator and owner. This finding is consistent with Reimsbach et al. (2018) and Kuo et al. (2012) for political connections, and Garanina (2024) and Li and Sasaki (2024) for government ownership. However, this finding differs from some studies that report inconsistent or insignificant results, such as Sulistyowati and Prabowo (2020). This difference is likely due to the characteristics of the energy sector, which inherently faces

higher social and environmental risks than the sectors in those studies, resulting in stronger legitimacy pressures on CSR for companies in this sector.

The moderation results show a heterogeneous pattern, which actually enhances understanding of when company size is relevant as a contextual factor. Company size does not moderate the relationship between Reporting Guidelines and CSR disclosure quality, suggesting that the signal sent through the adoption of GRI guidelines is equivalent for both large and small companies, as the guidelines provide the same disclosure structure regardless of company size (in line with Rudyanto & Siregar, 2018). Conversely, Company Size strengthens the influence of Audit Quality Assurance, Political Connections, and Government Ownership, with the largest increase in the interaction term Political Connections  $\times$  Company Size (Beta 1.225). This pattern aligns with legitimacy theory arguments that large companies bear greater public visibility and reputational risk (Michelon et al., 2015; Garanina & Kim, 2023), so mechanisms stemming from external pressures (political connections, government ownership) and internal governance (audit quality) become stronger when supported by the resource capacity of large companies. From a stakeholder theory perspective, company size also reflects the breadth of the stakeholder base that must be accommodated, thus reinforcing the need for larger companies to demonstrate accountability through higher-quality CSR disclosures.

It is important to note that the statistical significance of the interaction coefficients should be interpreted in conjunction with their magnitude, not simply in terms of significance. The PP $\times$ UP interaction has a much smaller coefficient (0.009) than the CP $\times$ UP interaction (0.544), confirming that the strengthening by Company Size is selective and depends on the theoretical mechanisms underlying each relationship, rather than uniformly applying to all determinants of CSR disclosure quality.

#### 4. CONCLUSION

Based on the results of the *Moderated Regression Analysis* (Table 9), this study found that Reporting Guidelines, Audit Quality Assurance, Political Connections, and Government Ownership are positively related to the quality of *Corporate Social Responsibility* (CSR/D) disclosure in energy sector companies listed on the Indonesia Stock Exchange for the 2021–2024 period. Company size does not moderate the effect of Reporting Guidelines, but strengthens the influence of Audit Quality Assurance, Political Connections, and Government Ownership on the quality of CSR disclosure. This finding is consistent with the integration of legitimacy theory, stakeholder theory, and *signaling theory* that underpins this study.

The results of this study provide several practical implications. For energy sector company management, the consistent adoption of GRI reporting guidelines makes the largest contribution to the quality of CSR disclosure, so investment in strengthening reporting

processes based on international guidelines should be prioritized, especially for smaller companies that do not benefit from size. For regulators such as the Financial Services Authority (OJK), the findings regarding the strengthening influence of audit quality and political connections in larger companies indicate the need for additional attention to the quality of CSR disclosure in smaller companies that do not face such legitimacy pressures. For investors and analysts, the quality of CSR disclosure, moderated by company size, can be an additional indicator in assessing governance and reputational risks in energy sector companies. For sustainability report preparers, these results emphasize the importance of aligning the quality of financial reporting (reflected in the audit opinion) with non-financial reporting as part of a strategy to maintain information credibility for all stakeholders.

This study has limitations in that it only covers energy sector companies and includes state-owned enterprises (SOEs) in the sample. Therefore, government ownership characteristics may differ from those of non-SOEs, and the results need to be generalized with caution. Furthermore, measuring CSR disclosure quality based on the GRI index still allows for subjectivity in the assessment process, while Audit Quality Assurance is only proxied using WTP and *non*-WTP audit opinions, thus not reflecting broader assurance aspects. Future research is recommended to expand the research sectors and periods, consider separating or specifically testing SOEs and non-SOEs, use more diverse CSR quality measurements, and use more comprehensive *assurance proxies*. *Future researchers can also consider other variables, such as profitability, leverage, good corporate governance, media exposure, and foreign ownership, to gain a broader understanding of the factors influencing CSR disclosure quality.*

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