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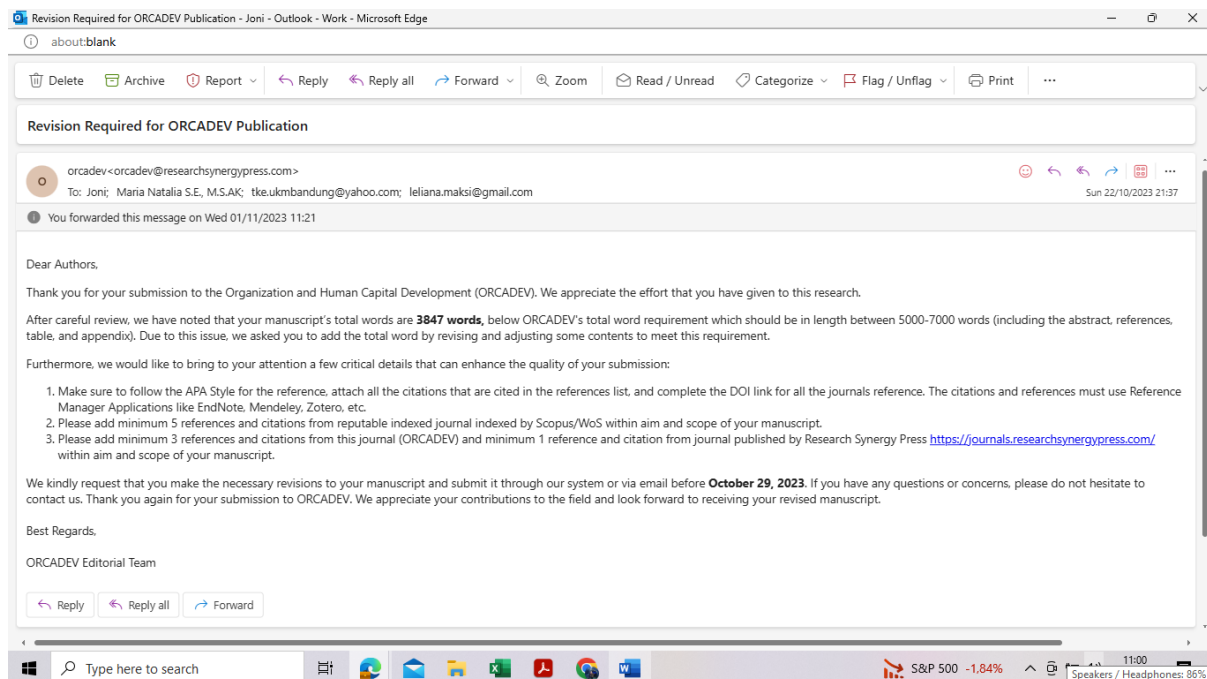
Judul: Comprehensive Board of Commissioner Diversity and Corporate Social Responsibility Disclosure in Indonesia

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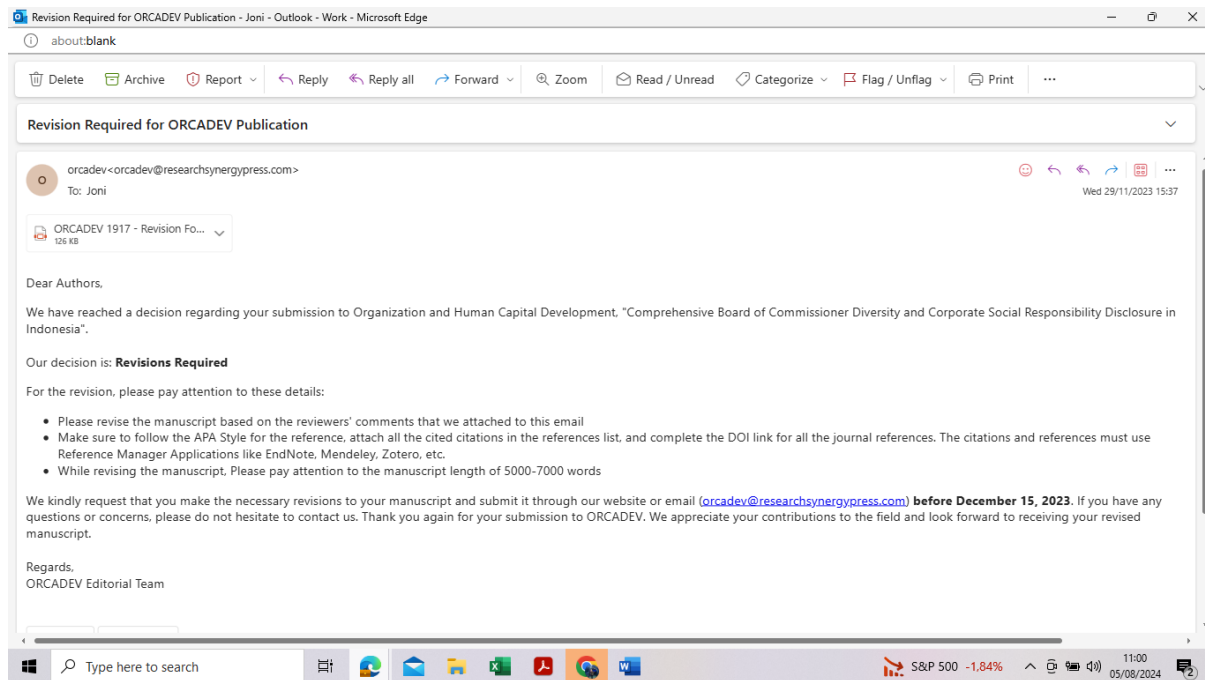
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No.	Perihal	Tanggal
1.	Bukti konfirmasi submit artikel dan artikel yang disubmit	22 Oct. 2023
2.	Bukti konfirmasi submit revisi pertama, respon kepada reviewer, dan artikel yang diresubmit	29 Nov. 2023
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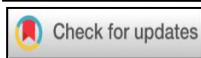


Responses to Reviewer's comments

Comments and Suggestions

No.	Major Comments and Suggestions	Responses
1.	The abstract needs a more systematic explanation that comprehensively depicts this study's purpose. Please explain the background issue for this study. Please provide the actual term first, then the abbreviation. Make sure not to present an abbreviation as a keyword.	<p>Thank you for the feedback. We have revised our abstract based on reviewer's suggestions.</p> <p>Here is the newest abstract:</p> <p>This study examines the effect of comprehensive board of commissioner diversity (BOC_DIV) and corporate responsibility (CSR) disclosure for listed companies in Indonesia from 2019 – 2020. The implementation of CSR is growing in emerging market, including Indonesia. In the context of dual board system in Indonesia, the role of board of commissioner is vital to address the growing CSR issue through their monitoring and supervising functions. We based our study on Indonesian listed firms across industries. However, we exclude the financial sector due to different policies. To investigate the relationship, Multiple Regression is employed and Generalized Method of Moment (GMM) model is executed to identify whether our model falls into endogeneity problem. The results showed that several board of commissioner characteristics (such as size, independence, and gender) are positively associated with CSR disclosure. After testing for endogeneity problem, the findings remain similar. We examine several dimensions of the board of commissioner diversity on non-financial outcome, especially CSR disclosure in the context of developing countries where dual board system is implemented.</p>

		Keywords <i>Board of Commissioner Diversity, Dual Board System, Corporate Social Responsibility, Developing Country.</i>
2.	The initial part of the introduction should present the general background issue. Please move the study's aim explanation into the last section of this introduction. Besides its novelty, why did the author select specifically listed companies in Indonesia? Please explain in brief.	Thank you for the suggestions, the introduction section has been revised based on the recommendations.
3.	The authors present several theories here. Which theory becomes the threshold of this study? Please provide the research framework	Thank you for the suggestions. The threshold of the study has been highlighted and the research framework has been added in the newest manuscript.



Comprehensive Board of Commissioner Diversity and Corporate Social Responsibility Disclosure in Indonesia

Abstract

This study examines the effect of comprehensive board of commissioner diversity (BOC_DIV) and corporate responsibility (CSR) disclosure for listed companies in Indonesia from 2019 – 2020. The implementation of CSR is growing in emerging market, including Indonesia. In the context of dual board system in Indonesia, the role of board of commissioner is vital to address the growing CSR issue through their monitoring and supervising functions. We based our study on Indonesian listed firms across industries. However, we exclude the financial sector due to different policies. To investigate the relationship, Multiple Regression is employed and Generalized Method of Moment (GMM) model is executed to identify whether our model falls into endogeneity problem. The results showed that several board of commissioner characteristics (such as size, independence, and gender) are positively associated with CSR disclosure. After testing for endogeneity problem, the findings remain similar. We examine several dimensions of the board of commissioner diversity on non-financial outcome, especially CSR disclosure in the context of developing countries where dual board system is implemented.

Keywords *Board of Commissioner Diversity, Dual Board System, Corporate Social Responsibility, Developing Country.*

INTRODUCTION

In the past few decades, Corporate Social Responsibility (CSR) has been an important issue in the corporate governance literature and business practices globally (e.g. Muttakin & Khan, 2014; Katmon et al., 2019; Qa'dan & Suwaidan, 2019; Fajobi & Muoghalu, 2022; Temiz & Acar, 2023). We define CSR in reference to ISO 26000 as the responsibility of organization to society and environment by contributing to sustainable development, such as public health and welfare and other stakeholder's expectations (Moratis, 2016). In general, CSR is used as a tool to increase a company's reputation and stakeholder's trust (Ruiz & Garcia, 2021). CSR has become an effective vehicle to meet the overall request of stakeholders, including shareholders, employees, suppliers, distributors, and communities (Crane, 2019; Fajobi & Muoghalu, 2022). In addition, CSR is an informal form of investment to increase profits while simultaneously supporting the interests of stakeholders. The awareness of CSR practices is also followed by the changes in regulation. Policymakers in many countries require listing firms to report social and environmental contributions through sustainability reports (Braam, 2016). Specifically, this shows the position and economic activity of the company as well as the dimensions of the company's social environment (Heemskerk, 2002). The main reason for companies to provide sustainability reports is to improve their relations with the public and it becomes a corporate strategy. This strategy is intended to affect the majority of stakeholders, and to sustain and win the market (Amran & Haniffa, 2011).

In the view of corporate governance, the effectiveness of monitoring function determines CSR disclosure. When companies have better monitoring functions, they tend to disclose more CSR activities. Indonesia applies two-tier board system which separate the function of Board of Directors who responsible for daily operation and Board of Commissioners who particularly perform monitoring responsibility. Compare to previous studies which focus on one-tier board system, such U.S. corporate governance system (e.g., Temiz & Acar, 2023), our study focuses on the effectiveness of board of commissioners in improving CSR disclosure. Board of Commissioner in Indonesia play an important role

not only in monitoring function, but also in providing strategic recommendations and decisions. We rely on the argument of agency theory suggesting that the role of board of commissioner member in dual board system is central in monitoring and supervising strategic sustainable disclosure of the director. Further, in the perspective of resource-based view (RBV), the board of commissioner diversity is valuable to achieve the competitive advantage of the organization (e.g., Katmon et al., 2019). This indicates that firms in every sector with heterogeneous resources, including assets, skills, and intelligence of the BOC members deliver superior performance and improve organization's competitiveness (Katmon et al., 2019; Ortego, 2023). The more diverse is the BOC member's perspectives, the higher is the ability of organization in terms of innovation and problem solving (Barroso-Castro et al., 2017). Various capabilities in board member allow them to contribute to the organizational outcomes and strategic decision making, such as CSR (Rao & Tilt 2016). Since different types of BOC members gain more reputations, networks, and social connections, they have more opportunities to support organization's strategic decision making. A more diverse BOC member represents better skills and experiences that enable them to promote CSR as an important decision making in the organization.

Then, empirical results on the relationship between board diversity and CSR disclosure are mixed and inconclusive. Katmon et al. (2019) examine the effect of several dimensions of board diversity (such as gender, age, education background, tenure, education level, nationality and ethnicity) based on 200 Malaysia listed companies. They find a positive association between several aspects of board characteristics (board education level, gender, and tenure) and CSR disclosures. On the contrary, board age and nationality diversity influence CSR negatively significantly. Qa'dan & Suwaidan (2019) find that board size is positively significantly related to CSR using Jordan listed firms, but the association between other dimensions of board (age, independence, dual CEO, and chairman position) and CSR is negative and significant. Recently, Temiz & Acar (2023) examine the effect of board diversity on CSR disclosure using 43 countries from 2010-2019 as their sample. They find that several board characteristics, such as gender diversity are positively associated with CSR disclosure.

Motivated by limited studies on the association board of commissioner diversity and CSR disclosures and its inconclusive results, we investigate this relation in the context of Indonesia. Specifically, the aim of this research is to investigate the effect of comprehensive board of commissioner diversity (BOC_DIV) and Corporate Social Responsibility disclosure for Indonesian listed firms from 2019-2020. Our paper is different and interesting compared to other studies for several reasons. First, we use Indonesian context which applies two-tier board system. According to the Indonesian Company Law, dual board system in Indonesia includes board of director (BOD) who responsible for daily operations and board of commissioners (BOC) with monitoring dan supervision responsibilities. In this context, the role of BOC is central to promote strategic sustainable disclosures. We differentiate our study by providing empirical evidence on how BOC diversity affects CSR disclosure in the context of dual board system. Second, we include more comprehensive dimensions of BOC compared to other related studies, including size, independence, gender, and financial background.

We organize the remainder of the paper as follows. In the next section, we explain the literature review and hypotheses development. Then, section research design is reported followed by finding and discussion section. Lastly, conclusion, limitations, and future research sections are presented in the paper.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

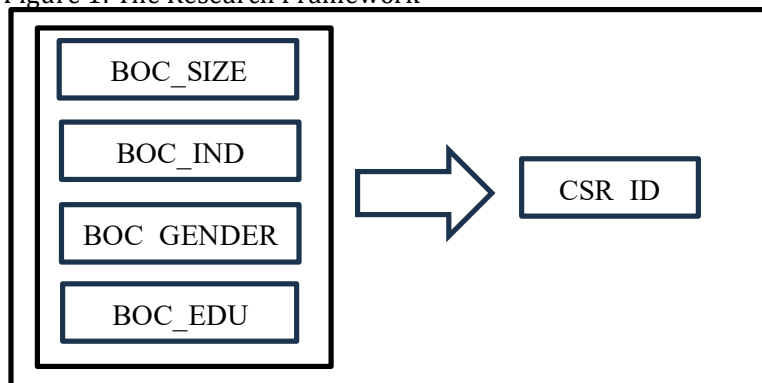
Board diversity is defined as mixed compositions of board of commissioners which can be grouped into visible characteristics (e.g., size, gender) and less visible characteristics (e.g. education, experience, skills) (Galia & Zenou, 2013). The attention for diverse boards has been increasing in the past few decades,

especially in competitive and global economies (Katmon et al., 2019). The effect of comprehensive board of commissioner characteristics on CSR disclosure can be explained by several related theories, including agency, resource-based view, and stakeholder theories. Conflict happens in all aspects of individual and organization, especially in market trade is in place (Pembi, et al., 2023). Agency Theory (AGT) describes agency conflict between managements (agent) and shareholders (principal) in capital market due to the separation of their roles (type 1 agency conflict). In the context of emerging markets, Agency conflict happens between minority shareholders (principal) and majority shareholders (agent) that are considered as management as well due to concentrated ownership. It is called agency conflict type 2. In the perspective of AGT, the presence of board of commissioner in dual board system in Indonesia can reduce agency conflict type 2 and improve corporate ethical behavior which is reflected in increasing CSR disclosure (Joni, Ahmed, & Hamilton, 2020). We rely our study on AGT type 2 and use other theories (such as RBVT and STT) as additional explanation.

Resource-Based View theory (RBVT) explains that organizations propose their strategies by managing their internal resources to achieve competitive advantage (Barney, 1991). The heterogeneities of internal resources, including mixed capabilities of board of commissioner members offer various perspectives in making strategic decisions, such as CSR. The board of commissioner's members with various skills and experiences can deliver benefits in reference to CSR as strategic decision making through their external networks, reputations, and social connections. Based on RBVT, it is expected that board of commissioner diversity can improve the practice of CSR disclosure. Next, Stakeholder Theory (STT) argues that organizations will obtain more benefits when they pay more attention to the interests of stakeholders. Empirical research studies indicate that diverse board of commissioners focus more on stakeholders and ethical decision making. Socially responsible practices might reduce perceived risks of the organization. Based on STT, companies with better corporate governance can improve the implementation of their CSR as a part of their attention to their stakeholders.

Theories have clearly described that board of commissioners can increase CSR disclosure. The framework of our study is presented in Figure 1. In our paper, we consider several dimensions of board commissioner's characteristics that can improve CSR disclosure in Indonesia.

Figure 1: The Research Framework



The size of Board of Commissioner (BOC) and Corporate Social Responsibility

Since BOC plays a central role to monitor and supervise the work of board of director (BOD) in the two-tier board system in Indonesia, the size of BOC may improve the level of CSR disclosure. Firms with larger size of commissioner board members can reduce agency conflict through the effectiveness of their monitoring function. Then, companies with more BOC members obtain better networks with external stakeholders and access more external resources. This can increase corporate ethical behavior and corporate strategic decision making, such as CSR. As a result, a larger BOC size could help companies to enhance CSR practices. Also, prior studies support the arguments on a positive association between BOC size and CSR disclosure (e.g., Qa'dan & Suwaidan, 2019). Said et al. (2009) report empirical evidence on

the relationship between board size and CSR disclosure using Malaysian Public Listed Companies in 2016. The result shows a positive association between board size and CSR disclosure. In the case of Jordan, Qa'dan & Suwaidan (2019) also find that larger boards enhance the level of CSR disclosure. Recently, Asaolu et al. (2023) report a positive relationship between board size and sustainability growth based on listed firms in Nigerian Exchange Group from 2011 to 2010. Based on previous empirical studies, we propose hypothesis as follow:

H1: Firm with larger BOC members is positively associated with corporate social responsibility disclosure, ceteris paribus.

The Independent BOC and Corporate Social Responsibility

The presence of independent board members can increase external perspectives in representing stakeholder's voices to improve company's strategic decision making. They also improve monitoring process of company and reduce information asymmetry (Lim et al. 2007). Therefore, independent board members are likely to encourage company to disclose better CSR initiatives. Qa'dan & Suwaidan (2019) show that independent board members result poor CSR disclosure in Jordan. However, most prior studies show that independent board members increase CSR disclosure. For instance, Deschênes et al. (2015) find a positive association between independent board and CSR disclosure in the context of Canada. Using Turkey listed firm, Kiliç et al. (2015) also find similar result. Recently, Umar et al. (2023) find a positive association between independent board and CSR disclosure before COVID 19 pandemic in the context of Nigeria. Based on previous empirical studies, we propose hypothesis as follow:

H2: Firm with larger independent BOC members is positively associated with corporate social responsibility disclosure, ceteris paribus.

The gender of BOC and Corporate Social Responsibility

The literature reports that board diversity stimulates companies to pay more attention to CSR commitment (e.g., Katmon et al. 2019). Specifically, the presence of female board of commissioner affects CSR initiatives. The interaction ethical behavior between female and male boards can be a competitive advantage for organization. Having female board members can initiate better CSR practices (e.g., Harjoto & Rossi 2019). While Umar et al. (2023) find that female board is not associated with CSR expenditure before and during COVID 19 pandemic in Nigeria, many previous empirical studies demonstrate that female board is positively associated with CSR disclosure (Rao & Tilt 2016; Katmon et al. 2019; Harjoto & Rossi 2019). As an example, Katmon et al. (2019) show a positive association between female board and CSR disclosure. Awwad et al. (2023) also document that female boards increase firm performance and corporate social responsibility using listed companies in Palestine Stock Exchange from 2010 to 2020. Temiz & Acar (2023) use cross countries sample (43 countries) from 2010-2019 and report that firms higher female board representative experience higher CSR initiatives. Based on previous empirical studies, we propose hypothesis as follow:

H3: Firm with more female BOC members is positively associated with corporate social responsibility disclosure, ceteris paribus.

Accounting and Finance as the educational background of BOC, and Corporate Social Responsibility

The RBVT explains that the diverse knowledge of the board of commissioner in organization is an internal resource which allow board of commissioner members to deliver better strategic decision and add more value to their stakeholders, including promoting more CSR disclosure (Barroso-Castro et al. 2017). Also, Board members with mixed knowledge and skills will speed up the ability to evaluate the effectiveness of strategic decision making. This enables them to make evaluations from different perspectives. From AGT perspective, firms with accounting and finance backgrounds can improve their monitoring function and

reduce agency conflict. It can increase company's CSR disclosure. Therefore, board members should have different educational background, such as accounting and finance, law, engineering, information technology, and other disciplines to improve the quality of CSR disclosures. Katmon et al. (2019) document that diverse educational background of board member influences CSR disclosure positively and significantly.

Based on previous empirical studies, we propose hypothesis as follow:

H4: Firm with more BOC members who have educational background in finance and accounting is positively related to corporate social responsibility disclosure, ceteris paribus.

RESEARCH METHOD

Sample selection and descriptive statistics

In our study, we investigate the effect of comprehensive board characteristics on CSR using Indonesian publicly listed companies from 2019-2020. Our data consists of two types of information, including quantitative and qualitative data. For quantitative information, we extract financial data (e.g., firm size, leverage) from Datastream database. Next, qualitative data, such as CSR, board characteristics is manually collected from annual report in each company. After eliminating missing and incomplete data, our final sample to estimate the models is 1,069 firm-year observations. We also provide descriptive statistics of all key variables in the models to report mean, maximum, minimum, and deviation standard to obtain a clear understanding of our data before we estimate the main models.

Measurement of the variables

Dependent Variables

We use corporate social responsibility disclosure as our dependent variable. It is proxied by CSR index which consists of 20 items derived from five main dimensions: community, environment, employee information, product and service information, and value-added information (Muttakin, 2014). The CSR index (CSR_ID) proposed by Muttakin (2014) is applied in our study because it has been developed and estimated in context of emerging market. Therefore, the index is appropriate for Indonesian context compared to other CSR index developed in the context of developed countries.

Independent Variables

We focus on the effect of comprehensive board characteristics on CSR disclosure in Indonesia. Indonesian corporate governance landscape applies two-tier board system which separate board of directors and board of commissioners. The board of director focuses on company's operation and board of commissioners can conduct monitoring function. Our experimental variables are several dimensions of Board of Commissioner (BOC) diversity and composition, including BOC size (BOC_SIZE), independent BOC members (BOC_IND), gender (BOC_GENDER), and educational background (BOC_EDU).

Control Variables

In line with prior studies (e.g., Qa'dan & Suwaidan, 2019; Katmon et al., 2019), several control variables are included to examine the association between comprehensive board of commissioner and CSR disclosure in Indonesia. The control variables consist of BOD size (Said et al., 2009; Qa'dan & Suwaidan, 2019), firm size (Bonsón & Bednárová, 2015; Katmon et al., 2019), leverage (Lan et al., 2013; Katmon et al., 2019), fixed year and industry effects (Amran & Haniffa, 2011; Katmon et al., 2019).

Research Model

We investigate this following model to examine the relation of Board of Commissioner characteristics and corporate social responsibility disclosure in hypotheses 1-4:

$$CSR_ID = \beta_0 + \beta_1 BOC_SIZE + \beta_2 BOC_IND + \beta_3 BOC_GENDER + \beta_4 BOC_EDU + \beta_5 BOD_SIZE + \beta_6 FSIZE +$$

$$\beta_7 \text{LEV} + \beta_8 \text{IND} + \beta_9 \text{YEAR} + e$$

See Table 1 for the definition of each variable.

Sensitivity Analysis

One possibility problem to explore the association between comprehensive board of commissioner and corporate social responsibility is endogeneity. It is possible that firms with more CSR commitments tend to have better board characteristics. There is a possibility that the board characteristics can be endogenously determined. We use Generalized Method of Moments (GMM) to address the possibility of endogeneity problem. Also, GMM is a powerful model to address heteroscedasticity problem (Baum, Schaffer, & Stillman, 2003).

Table 1. Definition of variables

Variable	Definition
CSR_ID _{it}	CSR index consists of 5 dimensions, including community, environment, employee information, product and service information, and value-added information for firm <i>i</i> in year <i>t</i> . It has 20 components in total (Muttakin & Khan 2014; Khan et al.,2013).
BOC_SIZE _{it}	the number of BOC members for company <i>i</i> in year <i>t</i> (Said et al.,2009; Qa'dan & Suwaidan 2019).
BOC_IND _{it}	the number of independent BOC members for company <i>i</i> in year <i>t</i> (Deschênes et al.,2015; Kiliç et al.,2015).
BOC_GENDER _{it}	The number of female BOD for company <i>i</i> in year <i>t</i> (Katmon et al.,2019).
BOC_EDU _{it}	The number of female BOD for company <i>i</i> in year <i>t</i> (Katmon et al.,2019).
Control variables—firm characteristics	
BOD_SIZE _{it}	the number of BOD members for company <i>i</i> in year <i>t</i> (Said et al.,2009; Qa'dan & Suwaidan 2019).
FSIZE _{it}	the natural log of total asset for company <i>i</i> in year <i>t</i> (Bonsón and Bednárová 2015; Katmon et al.,2019).
LEV _{it}	the total long-term debt is divided by the total assets for company <i>i</i> in year <i>t</i> (Lan et al.,2013; Katmon et al.,2019).
Control variables—fixed effects	
IND _{it}	a vector of industry indicator variables classified using two-digit GICS (Amran & Haniffa 2011).
YEAR _{it}	a vector of year indicator variables: 2017; 2018; 2019 (Amran & Haniffa 2011).

FINDINGS AND DISCUSSION

Descriptive Statistics

Table 2 reports the descriptive statistics of each key variable investigated from the 1,069 samples in this empirical research. We include the mean, minimum and maximum values, as well as the standard deviation of each variable as descriptive statistics. All variables applied in this paper were winsorized at the 2nd and 98th percentiles. In the CSR_ID variable, the minimum (maximum) CSR_ID value was 0.000 (0.900) and the standard deviation value was 0.205. The results from the descriptive statistics of this CSR_ID variable is consistent with previous study conducted other studies, such as Said et al. (2009). In the descriptive statistics of the variables BOC_SIZE, BOD_SIZE, BOC_IND, BOC_GENDER, and BOC_EDU the

average values are 2.231; 4.126; 0.427; 0.320 and 1.186.

Table 2. Summary statistics of main variables

Variable	N	Mean	St. Dev	Min	Max
CSR_ID	1,069	0.376	0.205	0.000	0.900
BOC_SIZE	1,069	2.231	1.128	1.000	12.000
BOC_IND	1,069	0.426	0.125	0.000	0.830
BOC_GENDER	1,069	0.320	0.549	0.000	4.000
BOC_EDU	1,069	1.186	1.094	0.000	6.000
BOD_SIZE	1,069	4.126	1.990	1.000	12.000
FSIZE	1,069	21.643	1.889	17.920	25.920
LEV	1,069	38.799	46.398	0.000	256.800

Notes: Table 2 reports the summary statistics of the key variables based on 1,069 firm-year observations from 2019-2020

Table 3 shows the correlation of several variables except year and industry using the Pearson correlation matrix. It can be observed that the highest correlation value is 0.453 with a significance level of 1% between BOC_SIZE and BOD_SIZE. However, it is free from multicollinearity issue after checking VIF (Variance Inflation Factor). It is shown in Table 4, the value of VIF is less than 10 in the model.

Table 3. Correlation matrix

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1) CSR_ID	1.000							
(2) BOC_SIZE	0.200 ^a	1.000						
(3) BOC_IND	0.090 ^a	-0.335 ^a	1.000					
(4) BOC_GENDER	0.063 ^b	0.099 ^a	-0.064 ^b	1.000				
(5) BOC_EDU	0.170 ^a	0.297 ^a	0.088 ^a	0.037	1.000			
(6) BOD_SIZE	0.268 ^a	0.453 ^a	0.039	0.006	0.281 ^a	1.000		
(7) FSIZE	0.224 ^a	0.241 ^a	0.350 ^a	0.126 ^a	-0.046	0.211 ^a	1.000	
(8) LEV	-0.031	-0.009	0.037	-0.004	0.013	0.007	0.055 ^c	1.000

Table 3 reports the pairwise Pearson correlation matrix based on 1,069 firm-year observations. The superscripts a-c reflects two-sided significance at the 1%, 5%, and 10% levels, respectively.

Comprehensive Board of Commissioner Characteristics and CSR

In Table 4, the regression result of the relationship between several board of commissioner characteristics and CSR disclosure was reported. We find that BOC size, BOC independent, BOC gender affect CSR disclosure positively and significance at the 1 percent level. Our results are consistent with hypothesis 1,2,3 suggesting that size, independence, and gender of BOC enhance CSR disclosure of the company (Kiliç et al., 2015; Harjoto & Rossi 2019; Qa'dan & Suwaidan, 2019; Temiz & Acar, 2023; Asaolu et al., 2023). However, we find that the financial background of BOC is not associated with CSR disclosure. It is shown that one subject of educational background is not relevant to improve CSR disclosure. It is not consistent with hypothesis 4. The main result confirms the RBV theory which describes that companies will empower the diversity of their internal resources as a strategy to be more competitive in the market. The

heterogeneity of board members as internal resources can improve their strategic decision, such as CSR. Also, agency theory explains that the role of BOC is very important in order to monitor the performance of management in terms of CSR activities.

Table 4. Comprehensive Board of Commissioner Characteristics and CSR-pooled OLS

	Model
INTERCEPT	0.013 (0.17)
BOC_SIZE	0.020 ^a (3.08)
BOC_IND	0.145 ^a (2.68)
BOC_GENDER	0.022 ^b (2.07)
BOC_EDU	0.005 (0.85)
BOD_SIZE	0.016 ^a (4.56)
FSIZE	0.011 ^a (3.17)
LEV	-0.000 (1.55)
IND	Included
YEAR	Included
Average VIF	1.57
Adj. R ²	0.122
F	9.20
Prob > F	0.000 ^a
N	1,063

Table 4 shows OLS coefficient estimates, and indicator variables are included in the regression to control for year and industry fixed effects. The superscripts a-c reflects two-sided significance at the 1%, 5%, and 10% levels, respectively.

Additional Test

We use Generalized Method of Moment model to address the possibility of endogeneity problem in corporate governance research. It is possible that firms with more CSR concerns appoint better board characteristics, including larger size, more independence, etc. After addressing the possibility of endogeneity issue, the GMM result shown in table 5 is consistent with the results in table 4.

Table 5. Comprehensive Board Characteristics and CSR-GMM

	Model
INTERCEPT	42.495 ^b (2.35)
BOC_SIZE	0.019 ^a (2.69)
BOC_IND	0.180 ^a (3.50)
BOC_GENDER	0.022 ^b (2.24)
BOC_EDU	0.010 ^c (1.74)
BOD_SIZE	0.016 ^a (4.80)
FSIZE	0.012 ^a (3.60)
LEV	-0.000 (1.61)
N	1,063

Table 5 reports OLS coefficient estimates, and indicator variables are included in the regression to control for year and industry fixed effects. The superscripts a-c reflects two-sided significance at the 1%, 5%, and 10% levels, respectively.

CONCLUSIONS

We examine the effect of comprehensive board of commissioner diversity and Corporate Social Responsibility (CSR) disclosure for Indonesian listed firms. The board of commissioner members play an important role in determine strategic decision making in the context of dual board system in Indonesia. The board of commissioner as a central monitoring of corporate governance landscape in Indonesia can reduce agency problems and transfer external resources to improve corporate ethical behavior, including CSR initiatives. It also satisfies their stakeholders. In our study, it is confirmed that larger size and more independence of board of commissioner member can improve their CSR commitment. In addition, firms with more female BOC members show more initiatives on CSR. Lastly, it is shown that board of commissioner members with only accounting and finance educational background are not associated with CSR initiative.

Our research provides several important implications for academicians and practitioners. First, we can contribute to the corporate governance literature by providing empirical results on the association between comprehensive board of commissioner characteristics and CSR disclosures in the context of dual board system. Second, this study also contributes to the practices by describing a better understanding of the strategic role of board of commissioner members and how more diverse board of commissioner members can enhance CSR commitment. Third, our paper provides an empirical result as a basis for policy makers to improve corporate governance development in Indonesia, especially on the role of board of commissioner and how board of commissioner's diversity can increase corporate social responsibility initiatives.

LIMITATION & FURTHER RESEARCH

However, the results of the study should be interpreted by considering some limitations. We first collected corporate social responsibility and other corporate governance information manually. This might be possible to have incomplete or error data that can reduce the reliability of our analysis. Next, the diversity of BOC's educational background is proxied by only accounting and finance subjects. It is possible that inconsistent result on the association between BOC's education and CSR due to this limited proxy. Finally, we consider only four characteristics of BOC. This might not represent the complex role of board of commissioner member in Indonesian corporate governance landscape.

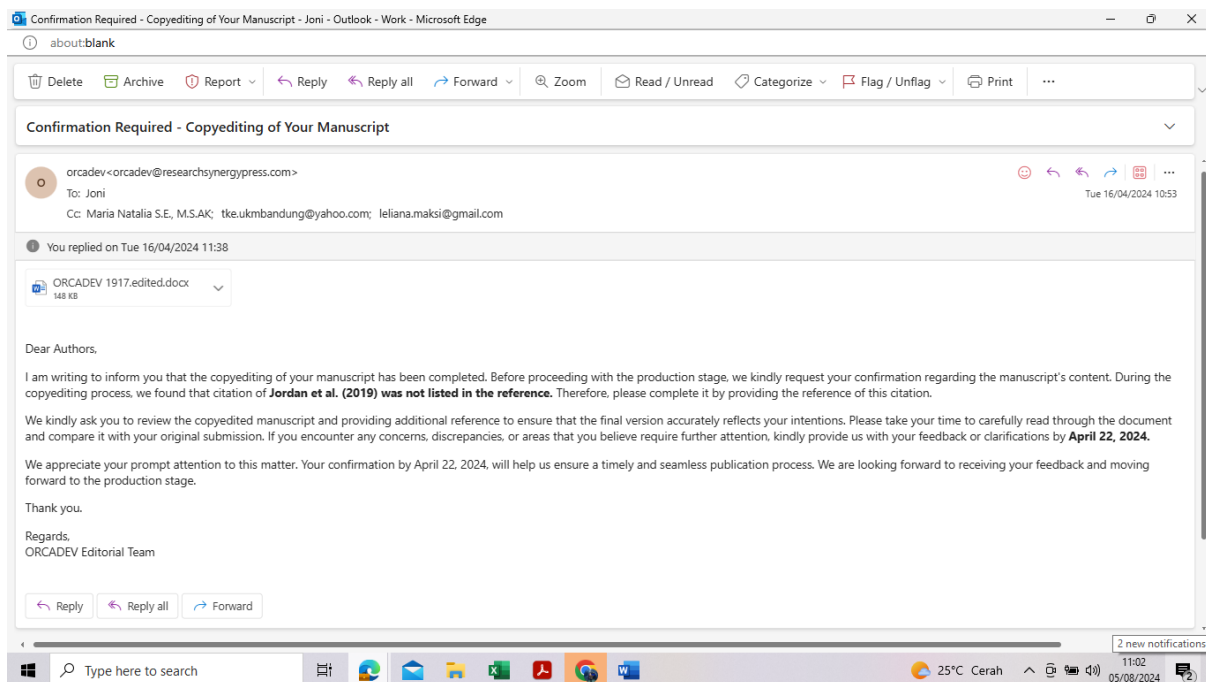
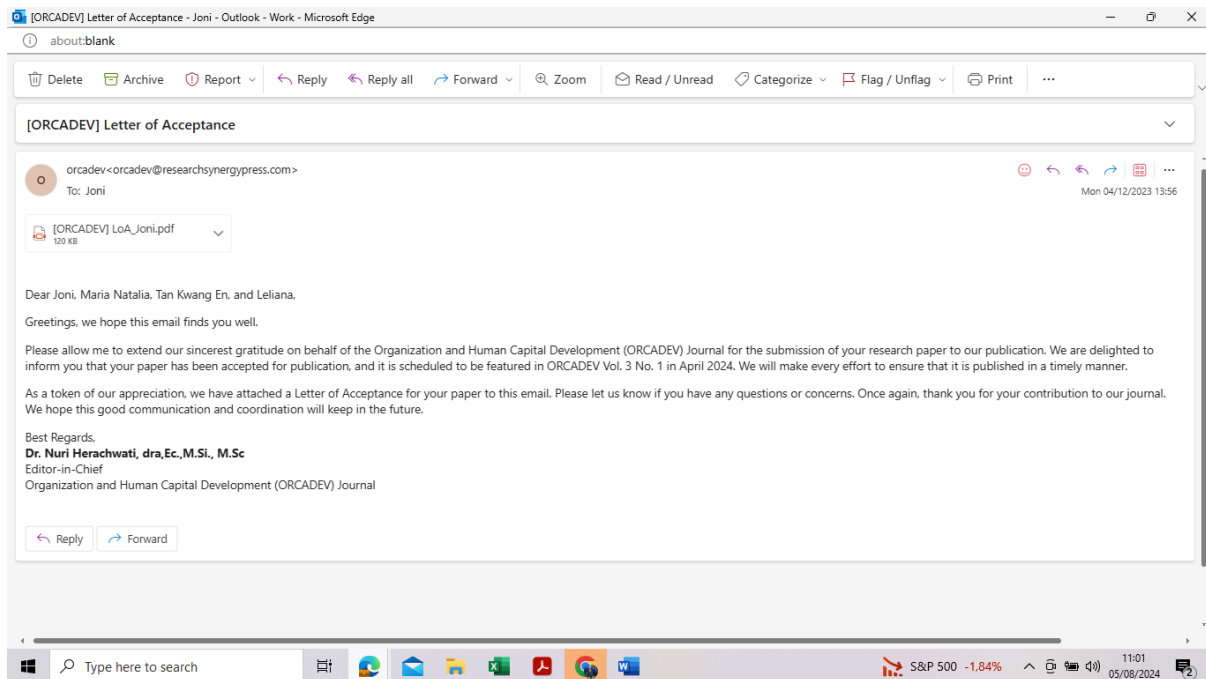
We suggest that future research can add other related characteristics, such as tenure, age, etc. to obtain more holistic understanding on the role of board of commissioner in Indonesia. In terms of educational background, future research can address more diverse educational background in relation to CSR initiatives. Next, we suggest future study to address another CSR measure to improve the robustness of the estimation. Another future research can consider a unique characteristic of corporate governance landscape in Indonesia, including family ownership to enhance the association between board of commissioner diversity and corporate social responsibility

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Surabaya, December 4, 2023

Number : 019/ORCADEV/XII/2023
Attachment : -
Subject : Letter of Acceptance

Dear

Joni, Maria Natalia, Tan Kwang En, Leliana
Universitas Kristen Maranatha, Indonesia

Congratulation! We are pleased to inform you that your paper entitled "Comprehensive Board of Commissioner Diversity and Corporate Social Responsibility Disclosure in Indonesia" was reviewed, and got positive opinion and recommendation. This paper has been accepted for publication at the peer-reviewed journal Organization and Human Capital Development (ORCADEV) to be published in April Issue, 2024.

Thank you for submitting your paper to our journal. We welcome your contributions in future.

Sincerely,

Dr. Nuri Herachwati, dra,Ec.,M.Si., M.Sc

Editor-in-Chief

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