

Sustainability report disclosure level: Evidence from telecommunications companies in Indonesia and Malaysia

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ABSTRACT

This study investigates the disclosure level of sustainability report in telecommunication industry. It specifically compares the disclosure level of companies in Indonesia and those in Malaysia using Global Reporting Initiative format template. The study compares the published reports between 2014 to 2016 periods. The results reveal that the disclosure level of sustainability reporting content for companies in both countries are in the intermediate level. Interestingly, our finding shows that companies in Indonesia disclose more content related to economy category. However, they disclose less on product-responsibility, environmental, and human rights categories compared to Malaysian companies. Furthermore, this study provides the investors with an insight on how to monitor the disclosure level of the companies in both countries and highlight the demand of specific content to increase the contribution of the companies on specific sustainability issues.

ABSTRAK

Penelitian ini menyelidiki tingkat pengungkapan laporan keberlanjutan di industri telekomunikasi. Secara khusus, penelitian ini membandingkan tingkat pengungkapan perusahaan di Indonesia dan Malaysia dengan menggunakan template format Global Reporting Initiative. Penelitian tersebut membandingkan laporan yang diterbitkan antara periode 2014 hingga 2016. Hasil penelitian menunjukkan bahwa tingkat pengungkapan konten pelaporan keberlanjutan untuk perusahaan di kedua negara berada pada tingkat intermediate. Menariknya, temuan kami menunjukkan bahwa perusahaan-perusahaan di Indonesia lebih banyak mengungkapkan konten yang berkaitan dengan kategori ekonomi. Namun, mereka lebih sedikit mengungkapkan kategori tanggung jawab produk, lingkungan, dan hak asasi manusia dibandingkan dengan perusahaan Malaysia. Bagi investor, penelitian ini memberikan wawasan tentang bagaimana memantau tingkat pengungkapan perusahaan di kedua negara dan menyoroti permintaan konten tertentu untuk meningkatkan kontribusi perusahaan pada masalah keberlanjutan tertentu.

1. INTRODUCTION

It has been common that sustainability reporting has attracted the stakeholders' interest. For example, as it is stated, that sustainability reporting has been favoured throughout the world by its stakeholders (Al Farooque & Ahulu, 2017). Another proponent, Garcia, Turro & Amat, (2014), also show that business community has been showing tremendous

interest, especially toward corporate social responsibility (CSR). Following this trend, KMPG conducted a survey in 2017 and found approximately 75% percent of 4,900 firms are published a corporate responsibility-related reports (Blasco & King, 2017). This statistical data indicates that sustainability reporting or also known as, the firms to satisfy the interest of their stakeholders conduct CSR reporting.

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CSR is a growing topic for several reasons. One of the main reasons is to investigate the factors influencing CSR reporting by firms. The results of previous studies indicate a significant relationship between firm's corporate governance and its corporate social disclosure (Haniffa & Cooke, 2005; Rao & Tilt, 2016; Al Farooque & Ahulu, 2017). The studies also found other factors that influence CSR reporting, namely culture (Haniffa & Cooke, 2005) and the industrial sector (Al Farooque & Ahulu, 2017). In addition, Mio, (2010) explains the existence of several subordinate variables that affect the company's sustainability reports quality, namely the company's complexity, the company's territorial expansion, and changes in the number of employees. Also, to be noted that voluntary environmental disclosure also enhances the firm's economic, social, and environment performance to gain development that sustainable (Kumar, 2012). Meanwhile, as carbon is one of environmental issue that addressed in CSR, Nasih et al. (2019) found that firm size indicated a positive relationship with carbon emissions disclosure. The studies bring us to reconsider that the firms actually perform CSR for several reasons and factors.

Besides the above evidence, there are also a number of factors the companies are highly interested in performing CSR disclosure. Furthermore, there are other studies explaining level of CSR quality of some industries. One of the studies aimed to investigate the companies that reported their CSR activities (Harymawan et al., 2020). Some of the studies that they have done also show relatively low results for CSR disclosure. Smit & Van, (2016) found that social reporting related to remuneration by banks listed on the Johannesburg Stock Exchange (JSE) based on the G4 Global Reporting Initiative (GRI) standard was relatively low. There are two most important standards for achieving the objectives of reporting social responsibility. It can be in relation to remuneration that they have not yet fulfilled. On the other hand, the quality of disclosure of Occupational Health and Safety (OHS) is very low (Tsalis, Stylianou & Nikolaou, 2018). The results of this study also reveal factors that influence the quality of OHS reporting practices, namely the industrial sector, the continent where the company operates, and OHSAS certification. Meanwhile Cahaya & Hervina, (2019) shows that the level of voluntary disclosure of human rights is low (36.74 percent). Limited companies are willing to disclose information related

to child, forced, and compulsory labour, as it may possess detrimental effect toward the firms' image. A study document that the board size has positively related toward human rights communication. They also found that company size is one of the control variables that possesses relationship.

The biggest problem that we have issued in our article is how the companies will attend to perform CSR. Based on the previous studies, this study aims to fill the existing research gaps in investigating the extent to which companies disclose their CSR reports by comparing directly on sustainability reports on telecommunications sector companies in Indonesia and Malaysia based on the GRI G4 standard. The originality of this study from others are the use of the multiple countries data, which has the unique institutional background. Indonesia has two-tier system, while Malaysia has one-tier system. Such differences give the different governance that will affect how the companies will attend to perform CSR activities. On the other hand, telecommunication industry is one of the biggest industries that brings economic benefit in both Indonesia and Malaysia. As a result, this study is crucial to carry out since it will bring contribution in both practical and theoretical sides. The researchers in this study analysed the data using the company's sustainability reports for three periods from 2014 to 2016 to review the consistency of the company in disclosing their CSR activities.

The results of the study have found that the level of overall standard disclosure both generally and specifically for telecommunications companies in both countries is at the middle level. These results are a mix of very high General Standard Disclosures levels and low Specific Standard Disclosures. In Specific Standard Disclosures, there are differences between telecommunications companies in both countries. In Indonesia, Economic Category disclosures are considerably high, but are low in Environmental Category, Product Responsibility Sub-Category, and especially Human Rights Sub-Category, and vice versa for disclosures in Malaysia. The results of this study are sufficient to provide an evaluation and implications for CSR disclosures in the corporate sustainability report of the telecommunications sector in Indonesia and Malaysia.

Furthermore, this study has its structure as follows: The second section explains the theoretical background of this study, the third section presents the study's research methodology, the fourth section discusses about the research's results and the last section, section explains about the conclusions of this study.

2. THEORITICAL FRAMEWORK AND HYPOTHESIS

Corporate Social Responsibility

Corporate Social Responsibility (CSR) has its characteristics. In this case, Boulouta & Pitelis, (2014) describes Corporate Social Responsibility (CSR) as a comprehensive, yet vibrant concept. It is also simultaneously complying and establishing modifications in social norms and community expectations. This definition also shows that CSR interrelated to business assumptions and responsibilities that are not merely for profit-making functions, with the aim of enhancing several social goals. The social goals can be in form of sustainable economic development, decent life quality, and/or enhance national living standards. Another concept of CSR that it has become an obligation for a company through social financing. These companies use CSR to improve their image in customer loyalty (Pangesti, 2017). However, this concept is a form of social care that the company must have in order to avoid the overuse of natural resources to achieve an efficient and effective professional environment.

Stakeholder Theory

CSR is also for building the company's image. Stakeholder theory explains that CSR disclosure is a company's channel of communication to provide information about their actions that can alter their image in stakeholders' perspective (Adams & McNicholas, 2007). Furthermore, the company expects that the disclosure can satisfy their stakeholders' needs of information and at the same time, it the company expect to obtain support from stakeholders to ensure the company's survival. High quality of company's CSR disclosure will attract the stakeholders to provide support for company regarding all of its activities that aimed to improve the performance and achieve the company's expected profit.

Legitimacy Theory

Legitimacy theory has its interrelationship with CSR. This theory also in some ways is similar

to stakeholder theory. According to Deegan, Rankin & Tobin, (2002) in the perspective of legitimacy theory, a company will voluntarily report its activities if the management considers that this is what the community expects. Legitimacy can be obtained when a match between the existence of a company that does not impede with the existing society and environment's value systems occurs. Therefore, when shift towards non-conformity is found, it will threaten the legitimacy of the company. With the unspoken social contract between the company and the public, CSR disclosure can be a medium of communication between both sides that they expect to improve the legitimacy of the company, increase company profits in the future, and ensure the current concern of the company.

GRI G4: A Standard of Sustainability Reporting

GRI is a popular framework for sustainability reporting that and is widely used by various organizations throughout the world (Del et al., 2018). Campos et al., (2013) concluded that the organizations have adopted GRI guide in various countries and regions because of the importance of this indicator for multi-stakeholders and because of the credibility and transparency provided to the organization. The framework of the GRI guideline they consider the most complete framework for reporting CSR (Giannarakis, Sariannidis, & Litinas, 2011). Furthermore, GRI presents the reporting principles about the organization's economic, environmental and social performance. In May 2013, GRI released their fourth-generation guidelines or standards, called GRI G4 (Rao & Tilt, 2016; Mendes, Oliveira, & Campos, 2019).

There are two types of Standard Disclosures, namely General Standard Disclosures and Specific Standard Disclosures (GRI, 2015). The General Standard Disclosures the researchers can use for all organizations in creating sustainability reports. The General Standard Disclosures are divided into seven sections: (1) Strategy and Analysis; (2) Organizational Profile; (3) Identified Material Aspects and Boundaries; (4) Stakeholder Engagement; (5) Report Profile; (6) Governance; and (7) Ethics and Integrity. The Specific Standard Disclosures they organized into three dimensions. People commonly know the three dimensions as triple bottom-line, which are Economic, Environmental, and Social.

The economic dimension concerns the organization's impact on its stakeholders' economic conditions and on economic systems at various levels. They are local, national and global levels. The Economic Category is defined as flow of capital among different stakeholders and it is not limited to its stakeholders but toward community as a whole.

The dimensions of environmental are in relation to the influence of organizations on both living and non-living biological systems such as land, water, air, and ecosystems. The Environmental Category includes impacts inputs (e.g., energy and water) and outputs (e.g., emissions, liquid waste and waste). In addition, it also covers several elements such as biodiversity, transportation, and products and services, as well as compliance and expenditure of environmental issue.

The social dimension concerns the organization's effect on the social system in which the organization operates. The Social Category, in particular is divided into four sub-categories, namely (1) Labour Practices and Decent Work; (2) Human Rights; (3) Society; and (4) Product Responsibility. It shows that most of the sub-category's discussion is based on globally recognized standards or other relevant international references. The companies conducted an as social dimension that is all about relationship between human being across all countries border.

Based on the presentation of the fourth-generation standard of GRI (GRI G4) above, this study will investigate the extent to which telecommunications sector companies in Indonesia and Malaysia disclose their CSR reports based on the GRI G4 standard.

3. RESEARCH METHOD

There are two telecommunications sector companies in Indonesia applying the GRI G4 standard in their sustainability report, namely PT Telkom Indonesia (Persero) Tbk. (Telkom) and PT XL Axiata Tbk. (XL), based on the GRI website database (GRI, 2019). Therefore, the subject of this study used both companies plus one company from Malaysia, namely Telekom Malaysia (TM) as a relevant comparison in the study. The selection of TM is based on telecommunications sector companies in Malaysia with the largest number of GRI standard reports based on the GRI website database with the assumption that the greater the number of reports, the better the disclosure of CSR reports by the company.

Meanwhile, the researchers did this study on the telecommunications sector companies because they are very sensitive to the issue of CSR (Giannarakis, Sariannidis, & Litinas, 2011). Telecommunications sector generally have competitive business environment; therefore, this tight competition encourages companies in the sector to attract customers as many as possible by using effective policies to communicate their activities in social responsibility, including in Indonesia and Malaysia.

The researchers did the analysis by using the company's sustainability report listed on the GRI website for three periods from 2014 to 2016 to review the consistency of the company in disclosing their CSR activities. The period of 2014-2016 used in this study is the year in which that the companies' sustainability reports are available in the GRI database by using the GRI G4 standard. The study utilizes sustainability reports rather than annual report as stand-alone sustainability reports' information since sustainability reports focused more on corporate social responsibility activities compared to the annual report (Al Farooque & Ahulu, 2017).

Moreover, the researchers carried the measurements thoroughly on all components of standard disclosures based on the GRI G4 standard, which the researchers compared to the GRI G4 index list (GRI G4 content index) included in the company's sustainability report. Furthermore, as performed in previous studies, the researchers did the assessment by using un-weighted disclosure index (Al Farooque & Ahulu, 2017). The study used binary measurement for each item where valued 1 (one) is scored when the related disclosure item is disclosed, and valued 0 (zero) when the study fails to identify the disclosure of the item. The study has also calculated the final disclosure index for each firm by deflating the total value of the company with maximum number of disclosure index list's items. By the end of the day, the content analysis is based on the results of final disclosures obtained by companies in each country.

4. DATA ANALYSIS AND DISCUSSION

In this section, the study presents the obtained results from secondary data analysis in the form of sustainability reports from three telecommunications sector companies in Indonesia (XL and Telkom) and Malaysia (TM) during the course of 2014 - 2016. The analysis

aim is to investigate the extent to which companies disclose their CSR reports. As explained in Section 3, the analysis in the study was carried out on all components of standard disclosures based on the GRI G4 standard compared to the GRI G4 index list (GRI G4 content index) included in the company's sustainability report using the unweighted disclosure index method.

XL Axiata (XL)

Table 1 presents the results of CSR disclosures from XL. Overall, the disclosure of CSR carried out by XL in their sustainability report is at the middle level (37% to 57%). On the other hand, the disclosure of corporate CSR tends to increase generally from time to time, especially in 2016 where significant increase occurs. This increased percentage is known to occur because the demand of informativeness and the transparency are also high every year. Based on stakeholders' theory, the increased of CSR disclosure will help the company to provide information that allows the company to communicate it to the stakeholder where in the end, it is expected that the asymmetry information will decrease.

The main improvement found in this study is in the Specific Standard Disclosures, in the Economic Category to be precise (reaching 89 percent). A significant increase in this category is due to the increased disclosure of the Economic Category indicator as one of the nine indicators. In 2015, the company only revealed two indicators regarding indirect economic

impacts. However, in 2016, there were eight indicators expressed by companies ranging from economic performance to procurement practices. As we know, economic category is one of the important parts in the CSR disclosure. Based on legitimacy theory, if the management is able to give more details data about some issues, it will bring good image for them and it would expect it to improve the legitimacy of the company, increase company profits in the future, and ensure the going concern of the company.

The next increase is in the Product Responsibility Sub-Category. In 2014, this sub-category reached 11 percent, and then it dropped to 0 percent in 2015. However, it increased significantly to 44% back in 2016. The increase in 2016, which the increase in disclosures shows in four (out of nine) indicators, they are: customer health and safety, product and service labelling, marketing communications, and customer privacy.

However, there is a decrease in the Human Rights Sub-Category. In this sub-category, company's disclosures tend to be very low, namely 0 percent in 2014, 8 percent in 2015 and 0 percent in 2016. In 2015, the company revealed only one (out of twelve) indicator regarding human rights assessment suppliers. This result bring interpretation that the decrease of this category must be a reason behind this. It must be a concern that the company must carefully consider in the future. Therefore, the company expects it to increase the communicativeness of the disclosure.

Table 1
Results of CSR Disclosure of XL

Standard Disclosures	2014	2015	2016
All	37%	38%	57%
General Standard Disclosures	97%	100%	100%
Specific Standard Disclosures	14%	14%	41%
Disclosures on Management Approach	100%	100%	100%
Category:			
Economic	33%	22%	89%
Environmental	9%	12%	35%
Social	15%	15%	35%
Sub-Category:			
Labor Practices and Decent Work	31%	25%	56%
Human Rights	0%	8%	0%
Society	9%	18%	36%
Product Responsibility	11%	0%	44%

Source: Sustainability Report of XL Axiata (2016, 2017, and 2018)

Telkom Indonesia (Telkom)

The disclosure of CSR by Telkom in their overall sustainability report indicates is at the middle level (46 percent to 49 percent). In general, the disclosure of CSR by companies is relatively stable but tends to decline slightly in 2016. Table 2 presents the results of the CSR disclosures.

Changes to the results of disclosure of CSR by companies are in the Specific Standard Disclosures, which are stable in the Economic Category, Human Rights Sub-Category, and Product Responsibility Sub-Category and slightly decreasing in other items. Even though the results were stable, the disclosure of Human Rights Sub-Category was very low at only 8 percent. These disclosures include one (out of twelve) indicator of freedom of association and collective bargaining.

The biggest decrease in disclosure of corporate CSR was in the Labour Practices and Decent Work Sub-Category in 2016. Previously, the company's disclosures in this category increased to 63 percent in 2015 including ten (out of sixteen) indicators, they are: employment, occupational health and safety, training and education, diversity and equal opportunity, equal remuneration for

women and men, and supplier of assessment for labour practices. Furthermore, these disclosures declined again to 50 percent in 2016 including eight (out of sixteen) indicators of employment, occupational health and safety, training and education, diversity and equal opportunity, and equal remuneration for women and men. This decreased percentage amount of labour and decent work in 2016 is because of concern about the labour issue is not properly managed or it may bring no material impact if they decreasing the labour disclosure. Meanwhile, the lowest decline in disclosure of the company's CSR was Environmental Category (to 6 percent) in 2016. In this category, the company only revealed two indicators; energy and emissions out of thirty-four available indicators.

Telekom Malaysia (TM)

Overall, the disclosure of CSR by TM in their sustainability report is also at the middle level (44 percent to 65 percent). Meanwhile, disclosure of CSR by companies increased in 2015 and decreased in 2016 as a whole. Table 3 presents the results of CSR disclosure by the company.

Table 2
Results of CSR Disclosure of Telkom

Standard Disclosures	2014	2015	2016
All	48%	49%	46%
General Standard Disclosures	100%	100%	100%
Specific Standard Disclosures	29%	30%	25%
Disclosures on Management Approach	100%	100%	100%
Category:			
Economic	67%	67%	67%
Environmental	12%	9%	6%
Social	33%	38%	31%
Sub-Category:			
Labor Practices and Decent Work	50%	63%	50%
Human Rights	8%	8%	8%
Society	36%	36%	27%
Product Responsibility	33%	33%	33%

Source: Sustainability Report of Telkom Indonesia (2016, 2017, and 2018)

Table 3
Results of CSR Disclosure of TM

Standard Disclosures	2014	2015	2016
All	44%	65%	51%
General Standard Disclosures	100%	100%	100%
Specific Standard Disclosures	23%	52%	33%
Disclosures on Management Approach	100%	100%	100%
Category:			
Economic	11%	67%	11%
Environmental	9%	35%	29%
Social	35%	60%	40%
Sub-Category			
Labor Practices and Decent Work	31%	69%	38%
Human Rights	25%	42%	25%
Society	45%	55%	27%
Product Responsibility	44%	78%	78%

Source: Sustainability Report of Telekom Malaysia (2016, 2017, and 2018)

As with the disclosure of CSR by XL and Telkom, it also found changes to the disclosure of CSR by TM in Specific Standard Disclosures. Significant changes occurred mainly in the Economic Category, which increased to 67 percent in 2015, then declined to 11 percent in 2016. In 2014, the company revealed one (out of nine) indicator of economic performance in that category (reaching 11 percent). Then, in 2015, there was a significant increase in disclosure (becomes 67 percent) which, of the nine indicators, the company revealed six indicators ranging from economic performance to procurement practices, then in 2016 the disclosure declined again (becomes 11 percent) includes only one indicator regarding procurement practices.

In comparison, disclosure to the Human Rights Sub-Category also experienced an increase and decrease in company disclosures. In 2015, disclosures in these sub-categories rose from 17 to 42 percent including five (out of twelve) indicators on non-discrimination, freedom of association and collective bargaining, child labour, compulsory labour, and indigenous rights. Furthermore, the disclosure fell back by 17 to 25 percent in 2016, which included three indicators on non-discrimination, freedom of association and collective bargaining, and forced or compulsory labour.

Yet, the highest achievement (reaching 78 percent) for changes in company disclosure was in the Product Responsibility Sub-Category in

2015. Out of nine indicators in the sub-category, the company revealed seven indicators about customer health and safety, product and service labelling, marketing communications, customer privacy, and compliance.

Disclosure of CSR in Indonesia and Malaysia

Previously, this study explained the results of CSR disclosures from each of studied company. In this section, the researchers discuss further the comparison of CSR disclosures in Indonesia and Malaysia. Table 4 illustrates the summary of the results of CSR disclosures in Indonesia (XL and Telkom) and Malaysia (TM).

According to the illustration in Table 3, there are some interesting evidence about the comparison of CSR disclosures in Indonesia and Malaysia. Firstly, the overall level of disclosure of both general and specific standards for telecommunications companies in both countries is at the middle level (37 percent until 65 percent). These results are a mixture of very high General Standard Disclosures (reaching 100 percent) and low Specific Standard Disclosures (14 percent until 52 percent). Secondly, the difference between the two countries lies in Specific Standard Disclosures, especially in the Economic Category, Environmental Category, Product Responsibility Sub-Category, and Human Rights Sub-Category. Third, in the Economic Category, company disclosures in Indonesia are relatively higher when the researchers compared to companies in Malaysia. In

Indonesia, the disclosure of these categories includes almost all indicators ranging from economic performance to procurement practices. While in Malaysia, disclosure of the same thing dropped dramatically in 2016, which included only one (out of nine) indicator regarding procurement practices. Furthermore, Indonesia's excellence in the Economic Category is allegedly due to a high economic growth target in 2017. This has a connection with the optimization of Indonesia's membership in the Group of 20 or G20 forum (*Direktorat Jenderal Perundingan Perdagangan Internasional*, 2017).

Furthermore, disclosures made by companies in Indonesia tend to be lower than in Malaysia in the Environmental Category, Product Responsibility Sub-Category, and even more so on Human Rights Sub-Category. In the Environmental Category, overall disclosure in Indonesia is lower than in Malaysia. In 2015, companies in Indonesia made disclosures of four out of thirty-four indicators about energy, water, products and services, and overall, in this category. Yet, the companies in Malaysia revealed twelve indicators regarding energy, emissions, effluents and waste, products and

services, and transport in the same year. In the Product Responsibility Sub-Category, overall, company disclosures in Indonesia only reached a maximum of 44 percent including four (out of nine) indicators of customer health and safety, product and service labelling, marketing communications, and customer privacy. Meanwhile, disclosures by companies in Malaysia reached a maximum of 78 percent including seven indicators about customer health and safety, product and service labelling, marketing communications, customer privacy, and compliance.

The overall company disclosures in Indonesia appear to be the lowest in the Human Rights Sub-category. This is due to the companies in Indonesia that only disclose a maximum of one indicator (8 percent) from twelve indicators in that category that covers freedom of association and collective bargaining. Meanwhile, companies in Malaysia reveal a maximum of five indicators (42 percent) about non-discrimination, freedom of association and collective bargaining, child labour, forced or compulsory labour, and indigenous rights.

Table 4
Summary of the Results of CSR Disclosure

Standard Disclosures	XL			Telkom			TM		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
All	37%	38%	57%	48%	49%	46%	44%	65%	51%
General Standard Disclosures	97%	100%	100%	100%	100%	100%	100%	100%	100%
Specific Standard Disclosures	14%	14%	41%	29%	30%	25%	23%	52%	33%
Discl on Management Approach	100%	100%	100%	100%	100%	100%	100%	100%	100%
Category:									
Economic	33%	22%	89%	67%	67%	67%	11%	67%	11%
Environmental	9%	12%	35%	12%	9%	6%	9%	35%	29%
Social	15%	15%	35%	33%	38%	31%	35%	60%	40%
Sub-Category:									
Labour Practices & Decent Work	31%	25%	56%	50%	63%	50%	31%	69%	38%
Human Rights	0%	8%	0%	8%	8%	8%	25%	42%	25%
Society	9%	18%	36%	36%	36%	27%	45%	55%	27%
Product Responsibility	11%	0%	44%	33%	33%	33%	44%	78%	78%

Source: Primary Data (Processed)

The low disclosure made by companies in Indonesia in some of the fields above raises the issue of the absence of rules regarding sustainability reporting in Indonesia, which raises low attention and awareness of CSR disclosures in corporate sustainability reports. This result is similar to the statement by Cahaya & Hervina (2019) which within Indonesia context, there is no regulations that mandate the companies to make standard sustainability reports. Therefore, the number of companies that voluntarily publish standalone reports in this country is considerably small.

Disclosure of financial, social, and environmental information is a dialogue between companies and their stakeholders and provides information about company activities that can change perceptions and expectations. The disclosure they did is in the hope of meeting the information needs of stakeholders and achieving support from stakeholders for the survival of a company. The better the CSR disclosure made by a company, the more stakeholders will provide full support to the company for all of its activities that aim to improve performance and achieve the expected profit of the company.

5. CONCLUSION, IMPLICATION, SUGGESTION AND LIMITATION

This study aims to investigate the extent of CSR disclosures carried out by telecommunications sector companies in Indonesia and Malaysia. The researchers di analysis by comparing the GRI G4 standard with the GRI G4 content index on the back of the company's sustainability report for the three periods from 2014 to 2016.

Based on this study, this study has several conclusions regarding the disclosure. First, the level of CSR disclosure by telecommunications sector companies in Indonesia and Malaysia as a whole is at the middle level (37 percent to 65 percent). These results are a mixture of very high General Standard Disclosures (reaching 100 percent) and low Specific Standard Disclosures (14 percent to 52 percent). Second, the differences between the two countries are in the Specific Standard Disclosures, which is, companies' disclosures in Indonesia are relatively higher compared to companies in Malaysia on the Economic Category but tend to be lower in the Environmental Category, Product Responsibility Sub-Category, and especially in Human Rights Sub-Category.

The disclosure by companies in Indonesia is better than by Malaysia in the Economic Category is due to the optimization of Indonesia's membership in the G20 forum, which has a high economic growth target in 2017. Meanwhile, the low disclosure by companies in Indonesia compared to Malaysia in Environmental Category, Product Responsibility Sub- Category, and the Human Rights Sub-Category raises the issue of the absence of regulations regarding standard sustainability reports in Indonesia. These problems can lead to low attention and awareness of CSR disclosures in the company's sustainability report. However, the results of this study are sufficient to provide an evaluation especially to the very low disclosure of the Human Rights Sub-Category in Indonesia and an implication regarding CSR disclosure in the report on the sustainability of the telecommunications sector in Indonesia and Malaysia.

Based on stakeholders' theory, the company are responsible to benefit not only to achieve profit for their own wealthiness, but also to responsible in all stakeholders. CSR is one of media to bring strategies to meet the interests of stakeholders for non-financial information related to the company's social and environmental impacts arising from the company's activities. The better CSR disclosure by the company will make stakeholders provide full support to the company for all of its activities aimed at improving performance and achieving the expected profit.

Similar to other studies, this research is inseparable from its limitations. In this study, the extent to which CSR disclosure by companies is only based on a comparison between the GRI G4 standard and the GRI G4 content index in the company's sustainability report. Subsequent research can deepen the quality of CSR disclosures by companies by conducting further investigations through primary data to obtain a clearer and more precise understanding of these disclosures.

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