



The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

Muhammad Diky Firjatullah¹, Rahma Yuliani²

^{1,2}Lambung Mangkurat University

ABSTRACT

Published Online: December 09, 2025

This study examines the influence of stakeholder pressure on Corporate Social Responsibility (CSR) disclosure and its impact on firm performance among Indonesian State-Owned Enterprises (SOEs) listed on the Indonesia Stock Exchange from 2020-2023. Using a quantitative approach with Partial Least Squares Structural Equation Modeling (PLS-SEM), data were collected from 31 SOEs over four years (n=124 observations). The research measures stakeholder pressure through six dimensions: shareholder, employee, consumer, environmental, creditor, and media pressures. CSR disclosure is measured using POJK 51/POJK.03/2017 framework, while firm performance is assessed through Tobin's Q ratio. Findings reveal that only environmental pressure ($\beta=0.246$, $p=0.005$) and media pressure ($\beta=0.285$, $p=0.003$) significantly influence CSR disclosure. Shareholder pressure ($\beta=0.329$, $p<0.001$) and creditor pressure ($\beta=0.288$, $p=0.008$) positively affect firm performance, while environmental pressure ($\beta=-0.069$, $p=0.033$) and media pressure ($\beta=-0.080$, $p=0.026$) negatively impact performance. CSR disclosure negatively affects firm performance ($\beta=-0.280$, $p=0.001$) and mediates the relationship between environmental/media pressures and performance. The study enriches legitimacy and stakeholder theory by highlighting trade-offs between social transparency and short-term market valuation in emerging markets.

KEYWORDS:

Stakeholder Pressure, CSR Disclosure, Tobin's Q, State-Owned Enterprises, Indonesia

INTRODUCTION

The performance of State-Owned Enterprises (SOEs) plays a dual role as agents of national development and profit-oriented business entities. Since the enactment of Law No. 19 of 2003 (third revision, February 4, 2025), SOEs have been required not only to support the national economy and state revenue but also to deliver quality public services, pioneer new business ventures, and foster economic empowerment through the development of MSMEs and cooperatives. In efforts to enhance efficiency, effectiveness, and competitiveness, the Ministry of SOEs systematically restructured the SOE portfolio from 107

companies in 2020 to 65 in 2023 through holdings, mergers, liquidations, and spin-offs into the capital market. Despite the reduced number of entities, consolidated SOE market capitalization increased, recording a consolidated profit of IDR 327 trillion in 2023 and sustained revenue growth in 2024.

However, the stock performance of SOEs, as measured by the IDX BUMN 20 index, demonstrates substantial gaps between market expectations and actual outcomes: a decline of 18.5% in 2020 (expected +5%), a recovery of 9.2% in 2021 (expected 15–20%), a correction of 12.3% in 2022 (expected +8%), and modest growth of 3.1% in 2023 (expected +10%). This phenomenon reflects structural challenges such as high debt burdens, low operational efficiency, and governance risks that shape investor perceptions and market valuation. These conditions underscore the necessity of non-financial strategies—one of which is Corporate Social Responsibility (CSR)—to strengthen social legitimacy, respond to stakeholder pressure, and enhance long-term market performance.

Corresponding Author: Rahma Yuliani

**Cite this Article: Muhammad Diky Firjatullah, Rahma Yuliani (2025). The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023). International Journal of Social Science and Education Research Studies, 5(12), 1027-1041*

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

Based on the Minister of SOEs Regulation No. PER-05/MBU/04/2021 (revised and revoked in 2023) and OJK Regulation No. 51/POJK.03/2017, every SOE is required to allocate 2% of its profit to Social and Environmental Responsibility (TJSL) programs (MSME partnerships and community development) and to prepare sustainability reports following OJK standards. Data from the Ministry of SOEs (2023) show that CSR effectiveness varies across sectors: logistics (measurable impact 78%, sustainability 79%), finance (66%, 53%), and energy (62%, 27%). CSR budget allocations also differ: finance 44.0%, energy 30.2%, and logistics 25.9%, indicating that larger budgets do not necessarily translate into program success.

Stakeholder Theory (Freeman, 1984) and Legitimacy Theory (Gray et al., 1995) emphasize that pressure from shareholders, employees, consumers, the environment, creditors, and media exposure influences the extent of CSR disclosure. Prior studies on Indonesian manufacturing firms confirm the role of external pressure (creditors, media) and internal factors (auditors) in either expanding or constraining CSR disclosure. Meanwhile, international studies demonstrate mixed evidence regarding the effect of CSR disclosure on firm performance, with Tobin's Q showing positive associations in some contexts and negative or insignificant effects in others.

Stakeholders increasingly demand that firms, especially SOEs, enhance transparency through social responsibility disclosure. Such pressure not only affects the extent of CSR disclosure but also has implications for firm performance. The findings of Mayangsari & Suwarno (2023) show that reporting quality and sustainability-related information play an important role in shaping market reactions to firms.

A research gap therefore emerges, particularly concerning SOEs, which have unique governance mechanisms and social mandates.

Research Questions

1. Does stakeholder pressure—which includes pressure from shareholders, employees, consumers, the environment, creditors, and media exposure—affect the extent of CSR disclosure among SOEs listed on the Indonesia Stock Exchange?
2. Does the extent of CSR disclosure influence the performance of SOEs listed on the Indonesia Stock Exchange?
3. Does stakeholder pressure affect the performance of SOEs listed on the Indonesia Stock Exchange?
4. Does the extent of CSR disclosure mediate the relationship between stakeholder pressure and the performance of SOEs listed on the Indonesia Stock Exchange?

Research Objectives

This study aims to examine the relevance of Stakeholder Theory and Legitimacy Theory in the context of SOEs by

identifying the relationships between stakeholder pressure, CSR disclosure, and firm performance (Tobin's Q) of SOEs listed on the Indonesia Stock Exchange for the period 2020–2024. Specifically, this study seeks to:

- a. Analyze the influence of stakeholder pressure (shareholders, employees, consumers, the environment, creditors, and media exposure) on the extent of CSR disclosure among SOEs.
- b. Assess the effect of CSR disclosure extent on SOE firm performance.
- c. Evaluate the influence of stakeholder pressure on SOE firm performance.
- d. Examine the mediating role of CSR disclosure extent in the relationship between stakeholder pressure and SOE firm performance.

THEORETICAL REVIEW

Legitimacy Theory

Legitimacy is defined as the public perception that a company's activities are aligned with prevailing social values and norms (Gray et al., 1995). A discrepancy between corporate practices and societal expectations creates a legitimacy gap, which may threaten the continuity of a company's operations (Deegan, 2002). To close this gap, companies adopt Corporate Social Responsibility (CSR) disclosure as a legitimacy strategy. CSR disclosure not only fulfills regulatory requirements but also functions as a strategic communication tool to mitigate public and regulatory criticism and strengthen stakeholder support (Gray et al., 1995; Olateju et al., 2021).

Stakeholder Theory

Stakeholder Theory posits that companies have responsibilities toward various parties who are affected by and can influence corporate activities (Freeman & McVea, 2005). Primary stakeholders—such as shareholders, creditors, employees, and consumers—interact directly with the company, whereas secondary stakeholders—including the government, media, communities, and environmental activists—shape public opinion and regulatory decisions (Buysse & Verbeke, 2003; Sigit, 2012). CSR disclosure is viewed as a means to meet stakeholder demands, build trust, and create sustainable value (Freeman et al., 2010).

Firm Performance

Firm performance is categorized into fundamental performance and market performance. Fundamental performance is measured using financial ratios such as Return on Assets (ROA), Return on Equity (ROE), profit margins, and leverage (Ika Sari & Hasan Hafidzi, 2021). Market performance is assessed using indicators such as Price-to-Earnings ratio, Price-to-Book Value, and Tobin's Q, which reflect market expectations of a company's long-term prospects (Chung & Pruitt, 1994; Vellati et al., 2024). Tobin's Q is adopted in this study due to its ability to capture the effects of reputation and CSR disclosure quality on market valuation.

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

Extent of CSR Disclosure

The extent of CSR disclosure is measured using the Corporate Social Responsibility Disclosure Index (CSRDi), employing content analysis based on the Global Reporting Initiative guidelines or OJK Regulation No. 51/POJK.03/2017 (Haniffa & Cooke, 2005; Lailatul Qudriyah et al., 2021). Each disclosed indicator is assigned a score of 1, while non-disclosure is scored 0, enabling quantitative comparisons across firms.

Stakeholder Pressure

Various forms of stakeholder pressure influence CSR disclosure and firm performance:

- Shareholder Pressure encourages firms to expand CSR disclosure through voting rights and ownership concentration (Arrokhman & Siswanto, 2021).
- Employee Pressure demands transparency and welfare, measured using the natural logarithm of the number of employees (Rudyanto & Siregar, 2018).
- Consumer Pressure reflects demands for product safety and quality information based on GRI indicators (Girón et al., 2021).
- Environmental Pressure drives companies to disclose environmental aspects in the GRI 300 series (Aditya et al., 2023).
- Creditor Pressure promotes financial transparency, measured using the Debt-to-Asset Ratio (DAR) (Lu & Abeysekera, 2014).
- Media Pressure influences CSR report quality through media visibility, measured using the natural logarithm of the number of Google news articles (García-Benau et al., 2013).

Conceptual Framework and Hypotheses

Based on Legitimacy Theory and Stakeholder Theory, the research model proposes that stakeholder pressure (X_1 – X_6) influences the extent of CSR disclosure (M), which in turn affects firm performance (Y). Furthermore, CSR disclosure is hypothesized to mediate the relationship between stakeholder pressure and firm performance.

1. Influence of Stakeholder Pressure on the Extent of CSR Disclosure

H1: Shareholder Pressure has a positive effect on the Extent of CSR Disclosure.

H2: Employee Pressure has a positive effect on the Extent of CSR Disclosure.

H3: Consumer Pressure has a positive effect on the Extent of CSR Disclosure.

H4: Environmental Pressure has a positive effect on the Extent of CSR Disclosure.

H5: Creditor Pressure has a positive effect on the Extent of CSR Disclosure.

H6: Media Pressure has a positive effect on the Extent of CSR Disclosure.

2. Influence of CSR Disclosure Extent on Firm Performance

H7: The Extent of CSR Disclosure has a positive effect on Firm Performance.

3. Influence of Stakeholder Pressure on Firm Performance

H8: Shareholder Pressure has a positive effect on Firm Performance.

H9: Employee Pressure has a positive effect on Firm Performance.

H10: Consumer Pressure has a positive effect on Firm Performance.

H11: Environmental Pressure has a positive effect on Firm Performance.

H12: Creditor Pressure has a positive effect on Firm Performance.

H13: Media Pressure has a positive effect on Firm Performance.

4. Mediating Role of CSR Disclosure Extent

H14: The Extent of CSR Disclosure mediates the effect of Shareholder Pressure on Firm Performance.

H15: The Extent of CSR Disclosure mediates the effect of Employee Pressure on Firm Performance.

H16: The Extent of CSR Disclosure mediates the effect of Consumer Pressure on Firm Performance.

H17: The Extent of CSR Disclosure mediates the effect of Environmental Pressure on Firm Performance.

H18: The Extent of CSR Disclosure mediates the effect of Creditor Pressure on Firm Performance.

H19: The Extent of CSR Disclosure mediates the effect of Media Pressure on Firm Performance.

RESEARCH METHOD

This research method is designed to address the research questions and achieve the study objectives within a quantitative research framework involving State-Owned Enterprises (SOEs) listed on the Indonesia Stock Exchange for the 2020–2023 period. The methodological discussion includes the type of research, population and sample, data collection techniques, variables and operational definitions, and data analysis techniques.

Type of Research

This study employs a quantitative approach with a causal-associative research design. According to Sugiyono (2022), causal-associative research aims to describe and test hypotheses regarding cause-and-effect relationships among two or more variables. In this study framework, the independent variables (stakeholder pressures) function as influencing factors, the intervening variable (extent of CSR disclosure) serves as the mediator, and the dependent variable (company performance) represents the outcome being affected.

Population and Sample

The research population consists of all SOEs listed on the Indonesia Stock Exchange as of December 31, 2024, totaling 37 entities. A purposive sampling technique was applied to

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

select samples based on the criterion of consistent listing throughout the 2020–2023 period (Sugiyono, 2022). Six companies did not meet the criteria, resulting in 31 eligible companies observed over four years, yielding a total panel dataset of 124 observations.

Data Collection Technique

The study uses secondary data obtained through manual documentation. The data sources include:

- Financial statements and annual reports downloaded from the official IDX website (www.idx.co.id).
- Sustainability reports or CSR-related disclosures in accordance with POJK 51/POJK.03/2017 accessed via the companies' official websites.
- Employee numbers extracted from annual reports.
- Media coverage data collected using the Google search engine following the method of García-Benau et al. (2013).

Variables and Operational Definitions

The research variables are classified into three groups:

a. Independent Variables (X): Stakeholder Pressures, consisting of:

- **Shareholder Pressure:** Degree of ownership concentration, calculated as the proportion of dominant shareholder ownership to total outstanding shares (Lu & Abeysekera, 2014).
- **Employee Pressure:** Natural logarithm of the number of employees (TKAR = \ln number of employees) to normalize wide-range data (Saka & Noda, 2013).
- **Customer Pressure:** Proportion of disclosed customer-related indicators based on GRI Standards (TKON = k/n) (Maqbool et al., 2020).
- **Environmental Pressure:** Proportion of environmental indicators disclosed based on GRI Standards (TLIN = k/n) (Fernandez-Feijoo et al., 2014).
- **Creditor Pressure:** Debt-to-Asset Ratio (DAR = total liabilities/total assets) representing pressure from creditors (Lu & Abeysekera, 2014).
- **Media Exposure Pressure:** Natural logarithm of the number of published news articles about the company on Google during the reporting year (TMED = \ln number of news items) (García-Benau et al., 2013).

b. Intervening Variable (Z): Extent of CSR Disclosure

Measured using the CSR Disclosure Index comprising 52 indicators from POJK 51/POJK.03/2017. The index value is calculated by summing the scores (1 = disclosed; 0 = not disclosed) divided by the total indicators (Saeguso & Santoso, 2024).

c. Dependent Variable (Y): Company Performance

Measured using Tobin's Q, defined as the ratio of the total market value of the company (equity and liabilities) to the total book value of assets (Chung & Pruitt, 1994; Tobin, 1969).

$$\text{Tobin's Q} = \frac{MVS + BVL}{BVA}$$

Where:

MVS = market value of equity;
BVL = book value of liabilities;
BVA = book value of assets (Jones et al., 2011).

Data Analysis Technique

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS version 4.0 (Ghozali, 2021; Hair et al., 2019). The analysis stages include:

1. **Descriptive Analysis:** Calculating mean, standard deviation, minimum, and maximum values for each indicator to detect outliers and evaluate data distribution.
2. **Inner Model Evaluation:**
 - Coefficient of determination (R^2) to measure the explanatory power of independent variables on dependent variables (Ghozali, 2021).
 - Predictive relevance (Q^2) through blindfolding to assess model predictive capability (Ghozali, 2021).
 - Path coefficients (β) and significance testing ($p < 0.05$; $t > 1.96$) to examine causal relationships (Ghozali, 2021).
3. **Hypothesis Testing:** Hypothesis acceptance or rejection is based on p-value and t-statistics criteria at a 5% significance level (Ghozali, 2021).

ANALYSIS AND DISCUSSION

Descriptive Statistical Analysis

The descriptive statistical analysis provides an overview of the characteristics of the research data, which consist of 31 SOEs listed on the Indonesia Stock Exchange during the 2020–2023 period (124 observations). The average value of Shareholder Pressure (X1) is 0.647 (SD = 0.113), indicating low variation in shareholder dominance. Employee Pressure (X2) has a relatively high mean value (7.877; SD = 1.520), suggesting substantial differences in the number and influence of employees across companies.

Environmental Pressure (X4) and Customer Pressure (X3) have mean values of 0.406 (SD = 0.256) and 0.290 (SD = 0.311), respectively, indicating moderate to low levels of pressure. Meanwhile, Media Pressure (X6) shows a high mean value of

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

7.404 (SD = 2.062), reflecting considerable variation in media coverage intensity among companies.

The mediating variable, Extent of CSR Disclosure (Z), records a mean value of 0.834 (SD = 0.277), indicating that most SOEs have implemented CSR disclosures comprehensively. Company Performance (Y) has a mean value of 1.361 (SD = 1.105), showing relatively high variability in market performance across the sampled firms.

Table 1. Descriptive Statistics

Name	Mean	Median	Standard Deviation
Shareholder Pressure (X1)	0.647	0.610	0.113
Employee Pressure (X2)	7.877	7.574	1.520
Environmental Pressure (X4)	0.406	0.367	0.256
Customer Pressure (X3)	0.290	0.333	0.311
Creditor Pressure (X5)	0.650	0.597	0.291
Media Pressure (X6)	7.404	7.687	2.062
Extent of CSR Disclosure (Z)	0.834	0.980	0.277
Company Performance (Y)	1.361	1.027	1.105

Coefficient of Determination and Predictive Relevance

The evaluation of the coefficient of determination (R^2) and predictive relevance (Q^2) in the PLS-SEM structural model indicates limited explanatory power but baseline predictive capability. The R^2 value for Company Performance (Y) is 0.300 and for the Extent of CSR Disclosure (Z) is 0.160, both categorized as weak according to the criteria of Chin (1998) as cited by Ghozali (2021), since they fall below the moderate threshold ($R^2 \geq 0.33$). This implies that only 30% of the variability in company performance and 16% of CSR disclosure can be explained by the exogenous variables, while the remaining variance is influenced by factors outside the model. This condition suggests the need for adding predictor variables, exploring non-linear effects, or refining the model specification.

Nevertheless, the Q^2 values for constructs Y (0.159) and Z (0.064) are positive, indicating that the model possesses basic predictive relevance according to the minimum requirement ($Q^2 > 0$) and the criteria of Ghozali & Latan (2015), although the predictive strength is lower than the moderate benchmark ($Q^2 \geq 0.15$). With a methodologically valid foundation, despite its limited explanatory and predictive power, the model remains feasible for hypothesis testing and opens theoretical opportunities for developing a more comprehensive framework within the exploratory PLS-SEM context.

Table 2. Coefficient of Determination and Predictive Relevance

Variable	R-Square	Q ² Predict
Company Performance (Y)	0.300	0.159
Extent of CSR Disclosure (Z)	0.160	0.064

Path Coefficient and Significance Testing

The Effect of Stakeholders Pressure on the Extent of Corporate Social Responsibility Disclosure

The Effect of Shareholder Pressure on CSR Disclosure

Based on Table 3, Shareholder Pressure (X1) shows a negative but statistically insignificant relationship with the Extent of CSR Disclosure (Z) ($\beta = -0.112$; $p = 0.159$). This indicates that when shareholder pressure increases, companies tend to reduce their CSR disclosure levels.

Within the stakeholder theory framework (Freeman & McVea, 2005), companies are expected to serve all stakeholders, including shareholders, communities, and regulators. However, shareholders' orientation toward short-term financial returns reduces the prioritization of social and environmental issues, making management more responsive to other stakeholder groups demanding sustainability transparency.

These findings are consistent with Rizkika Alfaiz & Aryati (2019), who reported a significant negative influence of shareholder pressure on sustainability report quality, and Rudyanto & Siregar (2018), who found no significant role of shareholders in sustainability reporting quality. Overall, dominant shareholder interests contribute to minimal CSR disclosure and potentially increase information asymmetry in the market.

The Effect of Employee Pressure on CSR Disclosure

Based on Table 3, Employee Pressure (X2) has no significant effect on the Extent of CSR Disclosure (Z) ($\beta = -0.068$; $p = 0.254$), indicating that internal pressure from employees does not enhance CSR transparency.

This phenomenon reflects challenges in applying stakeholder theory in Indonesia, such as unclear stakeholder prioritization, resource constraints, and limited two-way communication between management and employees (Ardiansyah & Alnoor, 2024; Camilleri, 2017; Retnaningsih, 2015). Prior studies also support this finding: Ramadhini et al. (2020) reported that employee and consumer pressure in Indonesia has little influence on CSR disclosure, while creditor and media pressure play a more dominant role. Saputri et al. (2024) further noted that the effectiveness of employee pressure depends on organizational culture supporting sustainability and openness. Thus, although stakeholder theory identifies employees as key stakeholders, their role in practice remains suboptimal without systematic stakeholder management strategies, including interest mapping, participatory communication, and internal capacity building to ensure that employee pressure can

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

meaningfully strengthen CSR disclosure (Freeman & McVea, 2005).

The Effect of Consumer Pressure on CSR Disclosure

Based on Table 3, Consumer Pressure (X3) does not significantly affect the Extent of CSR Disclosure (Z) ($\beta = 0.026$; $p = 0.371$), leading to the rejection of the hypothesis predicting a positive influence.

Within the framework of legitimacy theory (Gray et al., 1995), this finding reflects the unique characteristics of Indonesian markets, where consumer awareness of CSR remains low and government regulation acts as the primary driver of sustainability practices. Studies by Arli & Lasmono (2010) and Solikhah & Maulina (2021) confirm that consumers in Indonesia rarely demand CSR disclosure, whereas media and external actors exert greater influence.

The implication is that companies must prioritize regulatory compliance and proactive legitimacy strategies, such as targeted public communication. Regulators should also strengthen consumer education mechanisms to ensure that market pressure meaningfully contributes to CSR transparency.

The Effect of Environmental Pressure on CSR Disclosure

Based on the results shown in Table 3, Environmental Pressure (X4) has a positive and significant effect on the Extent of CSR Disclosure (Z), with a coefficient of 0.246 and p-value of 0.005 ($p < 0.01$). This indicates that environmental pressure, together with media pressure, is one of the stakeholder forces that significantly drives CSR disclosure—unlike shareholder, employee, consumer, and creditor pressures, which show no significant effects.

Legitimacy theory (Gray et al., 1995) provides the theoretical foundation for this relationship. According to this theory, companies maintain an implicit social contract with society. When a gap arises between societal expectations and company actions (a legitimacy gap), corporate operations may be threatened. To maintain their social license to operate, companies respond to environmental stakeholder expectations through CSR disclosure as a legitimacy strategy. Key environmental stakeholders—such as environmental NGOs, local communities, and regulators—have strong influence on public perceptions and corporate legitimacy.

This result aligns with previous studies in Indonesia and internationally. Ramadhini et al. (2020) confirmed the positive influence of environmental stakeholder pressure on CSR disclosure in Indonesian manufacturing and mining sectors. Internationally, Yuliani (2003) also reported similar conclusions.

This study reinforces the application of legitimacy theory within the Indonesian context and provides empirical evidence that environmental pressure is a primary driver of CSR transparency. Practically, firms should monitor environmental pressure as a predictor of CSR quality, design disclosure

policies aligned with industry-specific environmental risks, and establish stricter reporting standards in high-impact sectors.

The Effect of Creditor Pressure on CSR Disclosure

Based on Table 3, Creditor Pressure (X5) does not significantly influence the Extent of CSR Disclosure (Z), with a coefficient of 0.032 and a p-value of 0.366 (> 0.05). This indicates that creditor pressure is not a determining factor in CSR disclosure among the observed companies.

According to stakeholder theory (Freeman & McVea, 2005), creditors are key stakeholders due to their financial interests. However, based on the Stakeholder Salience Model by Mitchell et al. (1997), which highlights power, legitimacy, and urgency attributes, creditors in Indonesia may lack the urgency attribute, reducing their ability to influence managerial attention regarding CSR disclosure.

Previous research supports this conclusion. Giannarakis (2014) reported that creditor influence on CSR is mediated more by environmental awareness than leverage capability. Dewi & Sedana (2019) found a negative relationship, indicating that highly leveraged firms reduce CSR spending to meet financial obligations. These consistent findings indicate that creditor pressure has limited effectiveness in driving CSR disclosure in Indonesia.

The Effect of Media Pressure on CSR Disclosure

Based on Table 3, Media Pressure (X6) has a positive and significant effect on the Extent of CSR Disclosure (Z), with an original sample coefficient of 0.285 and a p-value of 0.003 ($p < 0.05$). This suggests that greater media pressure leads to broader CSR disclosure by companies.

This finding provides empirical support for legitimacy theory, particularly as proposed by Gray et al. (1995), which states that organizations use social reporting to maintain positive relationships with stakeholders and ensure operational continuity. Legitimacy is achieved when the values of the organization align with broader societal values. Under media pressure, CSR disclosure serves as a strategy to bridge the legitimacy gap between societal expectations and perceptions of corporate conduct. Deegan (2002) defines legitimacy as a general perception that organizational actions are desirable or appropriate within socially constructed norms and values.

Longitudinal data from 2020 to 2023 show increasing trends in both media pressure (from 6.846 to 8.069) and CSR disclosure (from 0.636 to 0.942), indicating that Indonesian companies are becoming increasingly responsive to public expectations on CSR practices.

These findings are supported by earlier studies. Alfariz & Widiastuti (2021) found that media exposure positively influences CSR disclosure, reinforcing the role of media in shaping public perceptions of corporate environmental commitment. A longitudinal study by Guthrie & Parker (1989) of large Australian companies also observed that variations in CSR reporting reflect corporate responses to social and

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

environmental expectations, strengthening the role of media as a catalyst for CSR transparency.

Table 3. Path Coefficient Test and Significance of the Influence of Stakeholders Pressure on the Extent of Corporate Social Responsibility Disclosure

Path	Original Sample (O)	P-Values
Shareholder Pressure (X1) → the Extent of CSR Disclosure (Z)	-0.112	0.159
Employee Pressure (X2) → the Extent of CSR Disclosure (Z)	-0.068	0.254
Consumer Pressure (X3) → the Extent of CSR Disclosure (Z)	0.026	0.371
Environmental Pressure (X4) → the Extent of CSR Disclosure (Z)	0.246	0.005
Creditor Pressure (X5) → the Extent of CSR Disclosure (Z)	0.032	0.366
Media Pressure (X6) → the Extent of CSR Disclosure (Z)	0.285	0.003

The Influence of the Extent of CSR Disclosure on Corporate Performance

According to legitimacy theory developed by Gray et al. (1995), organizations seek to align their activities with societal norms and values to maintain external legitimacy. Within this framework, CSR disclosure functions as a mechanism to preserve the “social contract” between companies and society. When a discrepancy arises between corporate actions and societal expectations (a legitimacy gap), firms tend to expand CSR disclosure to mitigate this gap.

This finding aligns with Elbardan et al. (2023), who reported a negative effect of CSR disclosure on profitability and firm value in India, particularly regarding environmental and social components. Similar evidence is reported by Solikhah & Maulina (2021) in Tanzania, where CSR disclosure negatively affects Return on Equity (ROE), explained through stakeholder theory and legitimacy theory. Gray et al. (1995) further argue that in emerging markets, CSR disclosure is often more of a legitimacy response than a value-creation strategy. The concept of “window dressing” reinforces this perspective, in which CSR reporting serves as cosmetic legitimacy rather than genuine value creation.

In settings with weak governance, such as many emerging economies, CSR is often used to signal credibility to foreign investors, potentially resulting in inefficient resource allocation.

In Indonesia, mandatory CSR regulations (Law No. 40/2007 and OJK Regulation No. 51/POJK.03/2017) create compliance-driven pressure that may increase costs without strategic

integration, thereby reducing operational efficiency and firm performance.

Table 4. Path Coefficient Test and Significance of the Influence of CSR Disclosure on Corporate Performance

Path	Original Sample (O)	P-Values
the Extent of CSR Disclosure (Z) → Corporate Performance (Y)	-0.280	0.001

The Influence of Stakeholders Pressure on Corporate Performance

The Influence of Dominant Shareholder Pressure on Corporate Performance

Based on the analysis presented in Table 4.5, dominant shareholder pressure (X1) has a positive and significant effect on corporate performance (Y), with a path coefficient of 0.329 and a p-value of 0.0001 ($p < 0.01$). This indicates that greater pressure from dominant shareholders leads to improved corporate performance.

In line with stakeholder theory developed by Freeman & McVea (2005), shareholders are regarded as primary stakeholders due to their direct financial interests and essential capital contributions. Freeman defines stakeholders as any group or individual that can affect or be affected by the achievement of organizational objectives. In this context, shareholder pressure manifests through demands for transparency, accountability, and optimal investment returns, which motivate management to enhance stakeholder relationships and create value.

These findings are consistent with previous studies in both Indonesian and international contexts. Rizkika Alfaiz & Aryati (2019) reported a positive influence of shareholder pressure on firm performance and sustainability practices (coefficient = 0.622; t-value = 7.9521). Guthrie & Parker (1989) also found that improvements in corporate governance increase shareholder expectations, providing additional empirical support for Freeman’s stakeholder theory.

The Influence of Employee Pressure on Corporate Performance

Based on the analysis presented in Table 4.5, employee pressure does not significantly affect corporate performance, with a path coefficient of -0.013 and a p-value of 0.429 ($p > 0.05$). The small negative coefficient indicates a very weak relationship between the two variables.

From the perspective of stakeholder theory (Freeman & McVea, 2005), employees are primary stakeholders whose interests are critical to organizational success. The stakeholder balance perspective states that companies capable of managing relationships with diverse stakeholders can maintain overall performance even amid pressure from certain groups. These

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

findings imply that firms in this study have implemented effective stakeholder management practices—such as responsive policies and open communication channels—which allow them to absorb employee pressure without compromising performance.

This conclusion is consistent with empirical studies highlighting the complex relationship between work pressure and organizational outcomes. Hidayati et al. (2023) found a positive relationship between job stress and employee performance in Indonesian insurance companies, while other studies report negative or insignificant effects. Internationally, Timotius & Octavius (2022) documented a significant negative correlation between stress and productivity ($r = -0.35$, $p < 0.001$) in a U.S. study, and Xu et al. (2021) emphasized the paradoxical nature of performance pressure, which can produce positive or negative outcomes depending on motivational mechanisms.

Practically, this indicates the need for improved managerial capacity to balance diverse stakeholder interests to sustain optimal organizational performance. Theoretically, the finding reinforces Freeman's argument that sustainable value creation depends on holistic management of all stakeholder relationships, not solely those of shareholders.

The Influence of Consumer Pressure on Corporate Performance

Based on the analysis presented in the table, consumer pressure (X3) does not have a significant effect on corporate performance (Y), with a path coefficient of 0.005 and a p-value of 0.476 ($p > 0.05$). This indicates that, within the companies examined, consumer pressure does not directly contribute to corporate performance improvement.

The concept of the *legitimacy gap* is essential for understanding the dynamics between stakeholder pressure and corporate performance. According to Deegan (2002), a legitimacy gap may arise under three conditions: when corporate performance changes but public expectations remain static; when public expectations evolve while corporate performance does not; or when both shift in opposite directions. To close this legitimacy gap, companies may adopt various legitimacy strategies (Gray et al., 1995), such as educating the public about actual changes, altering public perceptions without changing behavior, diverting attention, or reshaping external expectations.

This finding is consistent with prior research indicating that industries with direct consumer interaction, such as airlines, face stricter scrutiny due to service sensitivity, while the financial and manufacturing sectors are less affected by consumer sentiment. Supporting evidence includes Rizkika Alfaiz & Aryati (2019), who found that government and employee pressure had a more significant effect on sustainability reporting in Indonesia than consumer or investor pressure, suggesting that the hierarchy of stakeholder influence in Indonesia differs from other countries. Duan et al. (2022)

reported that consumer pressure is more effective in pollution-prone manufacturing sectors; using GPS data, they documented a decline in store visits following ESG-related incidents, particularly in democratic regions with younger, more educated populations. The effect was weaker for firms selling durable goods, indicating that product characteristics shape consumer responses to ESG performance.

From a legitimacy theory perspective, the insignificance of consumer pressure suggests that companies may obtain legitimacy from other dominant sources, such as regulatory or institutional stakeholders. This may indicate that the social contract between firms and consumers is not yet fully developed. Practically, firms need to adopt a comprehensive stakeholder management approach, enhance responsiveness to consumer expectations, increase transparency and communication, and integrate consumer feedback into performance management systems.

The Influence of Environmental Pressure on Corporate Performance

Based on the analysis presented in Table 4.5, environmental pressure (X4) has a negative and significant influence on corporate performance (Y), with a path coefficient of -0.069 and a p-value of 0.033 ($p < 0.05$). This indicates that companies facing higher levels of environmental pressure tend to experience a decline in performance.

Legitimacy Theory, as proposed by Gray et al. (1995), provides the conceptual foundation for understanding corporate responses to environmental pressure by emphasizing three legitimacy conditions: conditional legitimacy, unknown legitimacy, and conditional illegitimacy. Companies often operate under conditional legitimacy, where their actions are deemed acceptable only if they meet certain environmental expectations. Environmental pressure creates a legitimacy gap when societal expectations are misaligned with corporate practices.

Environmental pressure negatively affects performance primarily through increased operational costs, particularly compliance costs, which reduce market value in the short term. This aligns with the neoclassical view that environmental regulation increases business costs and adds environmental uncertainty, complicating strategic decision-making.

Previous studies support this finding. Sarumpaet (2005) found no significant relationship between environmental performance and financial performance among Indonesian firms. Klassen & McLaughlin (1996) also observed negative effects of environmental disclosure on firm performance.

These findings align with the traditionalist perspective asserting a trade-off between profitability and environmental responsibility. According to legitimacy theory (Gray et al., 1995), firms can adopt four strategies to manage environmental pressure: educational (communicating actual improvements), perceptual (changing public perception), manipulative

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

(diverting attention), and normative (shifting societal expectations). For Indonesian firms, strategic management of environmental pressure is essential through green innovation, proactive stakeholder communication, and effective environmental disclosure to sustain long-term legitimacy and mitigate reputational risk.

The Influence of Creditor Pressure on Corporate Performance

Based on the analysis presented in the table, creditor pressure (X5) has a positive and significant effect on corporate performance (Y), with a path coefficient of 0.288 and a p-value of 0.0081 ($p < 0.01$). This indicates that a one-unit increase in creditor pressure improves corporate performance by 0.288 units, with a 99% confidence level ($\alpha < 0.01$).

Stakeholder Theory, as developed by Freeman & McVea (2005), offers the theoretical foundation for this finding by positioning creditors as key stakeholders with substantial influence over corporate governance. The theory emphasizes value creation for all stakeholders; thus, creditor pressure can serve as a constructive monitoring mechanism that promotes long-term success through operational efficiency and transparent reporting.

Creditor pressure affects corporate performance through three interrelated governance mechanisms:

1. **Disciplinary effects**, which compel management to reduce waste and optimize resource allocation;
2. **Monitoring intensity**, which enhances transparency and accountability through stricter reporting and performance evaluation;
3. **Resource optimization**, which encourages firms to prioritize profitable investments over less productive projects.

These findings are consistent with previous studies. Nini et al. (2011) documented that covenant violations trigger CEO turnover, restructuring, and reductions in capital expenditures, ultimately improving performance. Lin et al. (2019) found that increased creditor monitoring limits risky acquisitions and encourages profitable investments. Practically, these insights suggest that firms should view creditor pressure as an opportunity to enhance operational efficiency, while creditors can leverage their monitoring role to sustainably improve firm value.

The Influence of Media Pressure on Corporate Performance

Based on the analysis presented in the table, media pressure has a negative and significant effect on corporate performance, with a path coefficient of 0.080 and a p-value of 0.026 ($p < 0.05$). Data from the 124 companies indicate an average media pressure score of 7,404 with a standard deviation of 2,071, reflecting considerable variation across firms. A correlation coefficient of 0.1341 between media pressure and corporate

performance reinforces the existence of this negative relationship.

According to legitimacy theory (Gray et al., 1995), firms attempt to align internal values with societal expectations. A “legitimacy gap” emerges when discrepancies occur between corporate performance and public expectations, and media exposure can widen this gap. Deegan (2002) identifies three causes of legitimacy gaps: changes in corporate performance, shifts in public expectations, or both moving in opposite directions simultaneously. Media acts as a social control mechanism that monitors corporate behavior and amplifies legitimacy pressures.

Previous studies support the negative impact of media pressure on performance. Chen & Zhang (2021) found that media pressure increases compliance costs, reduces strategic flexibility, and diverts resources toward legitimacy-related activities, undermining short-term operational efficiency. These findings reinforce the relevance of legitimacy theory in explaining the adverse effects of media pressure.

Gray et al. (1995) identify four legitimacy strategies—educational, perceptual, manipulative, and adaptive—that firms may adopt. Under intense media scrutiny, companies must invest in CSR, public communication, and compliance, often diverting focus from core operations.

Practically, managers are advised to implement proactive legitimacy strategies, balancing transparency with efficiency to maintain operational performance without sacrificing social legitimacy.

Table 5. Path Coefficient Test & Significance of Stakeholder Pressure on Corporate Performance

Path	Original sample (O)	P values
Shareholder Pressure (X1) → Corporate Performance (Y)	0.329	0.000
Employee Pressure (X2) → Corporate Performance (Y)	-0.013	0.429
Consumer Pressure (X3) → Corporate Performance (Y)	0.005	0.476
Environmental Pressure (X4) → Corporate Performance (Y)	-0.069	0.033
Creditor Pressure (X5) → Corporate Performance (Y)	0.288	0.008
Media Pressure (X6) → Corporate Performance (Y)	-0.080	0.026

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

The Influence of Stakeholder Pressure on the Extent of CSR Disclosure and Its Impact on Corporate Performance

The Influence of Shareholder Pressure on the Extent of CSR Disclosure and Its Impact on Corporate Performance

Based on the analysis presented in the Table, the indirect influence of shareholder pressure (X1) on Corporate Performance (Y) through CSR Disclosure (Z) shows a path coefficient of 0.031 with a p-value of 0.188 ($p > 0.05$). This indicates that the mediation effect is statistically insignificant in the Indonesian corporate context. The findings suggest that firms experiencing greater shareholder pressure tend to exhibit a lower level of CSR disclosure yet demonstrate better financial performance.

From the perspective of legitimacy theory (Gray et al., 1995), corporations hold a social contract with society, requiring their actions and performance to be socially acceptable. The insignificance of shareholder pressure on CSR disclosure and corporate performance implies that firms may prioritize legitimacy from other stakeholders—such as government bodies, communities, or media—over shareholders. Legitimacy theory highlights that organizational survival depends on the alignment between corporate values and societal norms. When a legitimacy gap arises, firms employ legitimacy strategies such as expanding CSR disclosures to maintain their social license to operate. In Indonesia, external stakeholders such as media and creditors seem to exert greater influence on CSR disclosure than shareholders, emphasizing firms' tendency to seek legitimacy from these actors.

These findings align with prior studies emphasizing the complexity of stakeholder pressure, CSR disclosure, and corporate performance. Alfariz & Widiastuti (2021) found that shareholder pressure has no significant effect on sustainability report quality in Indonesia, whereas employee and consumer pressure is associated with improved reporting quality. Ramadhini et al. (2020) noted that creditor and media exposure significantly influence CSR disclosure in Indonesian manufacturing firms. Helmig et al. (2017) suggested that the impact of CSR on market performance is moderated by market dynamism. These studies collectively reveal that the effects of CSR disclosure on firm performance vary across regulatory and market environments.

Practically, the results indicate that shareholder pressure does not necessarily drive broader CSR disclosure or improve short-term performance. Investors should recognize that while CSR disclosure may not directly enhance performance, it provides long-term legitimacy benefits. Consistent with legitimacy theory (Gray et al., 1995), this study enriches the literature by illustrating the unique legitimacy strategies employed in emerging markets, where shareholders may not be the primary drivers of CSR disclosure.

The Influence of Employee Pressure on the Extent of CSR Disclosure and Its Impact on Corporate Performance

The analysis presented in the Table indicates that the pathway from Employee Pressure (X2) → CSR Disclosure (Z) → Corporate Performance (Y) yields a coefficient of 0.019 with a p-value of 0.2701 ($p > 0.05$). According to legitimacy theory (Gray et al., 1995), organizations seek to align their actions with social norms through informative, perceptual, deflective, and normative strategies. In state-owned enterprises (SOEs), strong foundational legitimacy may diminish employee influence over CSR disclosure.

The insignificance of this mediation effect may be attributed to the presence of a legitimacy gap, whereby well-performing firms do not require additional legitimacy through CSR reporting. Alternatively, firms may employ internal legitimacy strategies such as employee welfare programs rather than external CSR disclosure.

Prior research supports this nuanced relationship. Ramadhini et al. (2020) found mixed effects of stakeholder pressure on CSR in Indonesia. Aditya et al. (2023) noted that high-profile industries such as SOEs naturally exhibit high CSR disclosure levels, reducing the marginal impact of additional employee pressure. These findings underscore the complex relationship between internal stakeholder pressure and CSR disclosure, particularly within the unique institutional context of Indonesian SOEs.

The Influence of Consumer Pressure on the Extent of CSR Disclosure and Its Impact on Corporate Performance

The path analysis shows that consumer pressure (X3) has no significant indirect effect on Corporate Performance (Y) through CSR Disclosure (Z). This suggests that most firms in the sample do not perceive substantial consumer demand for better CSR practices or disclosures.

This aligns with legitimacy theory (Gray et al., 1995), which posits that social reporting is used to maintain a social contract with stakeholders. Weak consumer pressure may reflect a legitimacy gap, where public expectations do not align with managerial perceptions of legitimacy needs. In Indonesia, the social contract between firms and consumers is still evolving, unlike in advanced economies where consumer pressure is a major driver of CSR practices.

The findings are consistent with Ramadhini et al. (2020), who documented weak consumer influence in Indonesian manufacturing, and Su et al. (2024), who reported insignificant external pressure on CSR disclosure in Indonesia's food and beverage industry. These results reinforce the idea that external stakeholder influence—particularly consumers—remains weak in Indonesia's business environment.

Overall, consumer pressure does not significantly influence corporate performance through CSR disclosure. This confirms that low consumer awareness of CSR is a characteristic of the Indonesian market. Legitimacy theory explains this through an

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

underdeveloped social contract, highlighting the need for context-based strategies to improve CSR effectiveness.

The Influence of Environmental Pressure on the Extent of CSR Disclosure and Its Impact on Corporate Performance

The pathway analysis indicates a significant negative mediation effect of environmental pressure (X4) on Corporate Performance (Y) through CSR Disclosure (Z), with a coefficient of -0.069 and a p-value of 0.033 ($p < 0.05$). This suggests that firms exposed to greater environmental pressure tend to increase CSR disclosure as an adaptive response, yet this response paradoxically leads to lower corporate performance. This implies that CSR disclosure in such contexts is reactive and defensive rather than strategic.

Legitimacy theory (Gray et al., 1995) offers a strong theoretical foundation for this finding. According to the theory, organizations attempt to align their operations with societal norms through four legitimacy strategies: educative (substantive change), perceptual (altering stakeholder perceptions), manipulative (deflecting attention), and expectation-based (shaping public expectations). In this study, firms appear to be employing perceptual and manipulative strategies—increasing CSR disclosure to maintain social legitimacy without substantial improvements in operational performance.

Supporting studies such as Mahmood et al. (2021) show that firms with poor environmental performance tend to increase disclosure to influence public perception. Nuswantara & Pramesti (2020) reported regulatory pressure on CSR practices in Indonesian mining firms. Alessa et al. (2024) confirmed that stakeholder pressure significantly influences environmental and social disclosure. These findings reinforce the theoretical implication of legitimacy theory: CSR disclosure often functions as a symbolic response, failing to enhance performance in the short run.

The Influence of Creditor Pressure on the Extent of CSR Disclosure and Its Impact on Corporate Performance

The mediation analysis indicates that creditor pressure (X5) does not significantly influence Corporate Performance (Y) through CSR Disclosure (Z). The path coefficient is -0.009 with a p-value of 0.373 ($p > 0,05$), confirming that the mediation hypothesis is statistically rejected. Bivariate correlations also show a very weak relationship between creditor pressure and CSR disclosure ($r = 0.007$), and a negative correlation between CSR disclosure and Corporate Performance ($r = -0.232$).

According to legitimacy theory (Gray et al., 1995), firms are expected to improve CSR disclosure to retain legitimacy in the eyes of creditors. However, the findings show that this strategy is ineffective in improving performance in Indonesia. Deegan’s (2002) legitimacy strategies—including providing information on operational changes—appear ineffective in this mediation pathway. The ineffectiveness is likely due to symbolic rather

than substantive CSR practices, which lack influence on operational outcomes.

This result aligns with studies such as Giannarakis (2014), who found weak creditor influence on CSR disclosure. Lu & Abeysekera (2014) also observed weak creditor pressure in emerging markets. In contrast, Roberts (1992) documented positive links between creditor pressure and CSR disclosure in developed markets. The discrepancy highlights differences in institutional settings and capital market maturity.

The Influence of Media Pressure on the Extent of CSR Disclosure and Its Impact on Corporate Performance

The analysis indicates that the indirect effect of media pressure (X6) on Corporate Performance (Y) through CSR Disclosure (Z) is negative and significant, with a path coefficient of -0.080 and a p-value of 0.026 ($p < 0.05$). This suggests that media pressure strongly influences CSR disclosure, which in turn negatively affects corporate performance. The negative correlation between CSR disclosure and corporate performance ($r = -0.232$) further supports this conclusion.

Legitimacy theory (Gray et al., 1995) provides a basis for understanding this phenomenon through the concept of a legitimacy gap. Firms facing legitimacy issues tend to increase CSR disclosure without actual improvements in operational performance. Studies such as Rizkika Alfaiz & Aryati (2019) show that positive media exposure increases CSR disclosure, while negative coverage has little effect. The significant negative mediation effect (-0.066 ; $p = 0.035$) highlights the tension between legitimacy-driven disclosure and economic outcomes.

CSR disclosure influenced by media often functions as symbolic communication or window dressing, offering minimal contribution to operational efficiency (Deegan, 2002; Roberts, 1992). For example, major Indonesian banks such as BBRI and BMRI experienced a decline in Tobin’s Q despite increased CSR disclosure, indicating limited operational improvements. This underscores the need for aligning CSR strategies with long-term value creation.

Table 6. Path Coefficient Test & Significance of Stakeholder Pressure on CSR Disclosure and Its Impact on Corporate Performance

Path	Original sample (O)	P values
X1 → Z → Y	0.031	0.188
X2 → Z → Y	0.019	0.270
X3 → Z → Y	-0.007	0.375
X4 → Z → Y	-0.069	0.033
X5 → Z → Y	-0.009	0.373
X6 → Z → Y	-0.080	0.026

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study confirms that stakeholder pressure plays varying roles in driving the extent of Corporate Social Responsibility (CSR) disclosure and influencing corporate performance. Environmental pressure and media pressure were found to significantly increase the extent of CSR disclosure, while pressure from shareholders, employees, consumers, and creditors had no significant effect. These findings support the relevance of legitimacy theory and stakeholder theory, particularly in the context of Indonesian State-Owned Enterprises (SOEs), where external pressures tend to be more dominant than internal ones.

Although extensive CSR disclosure is generally expected to strengthen social legitimacy, the results indicate that broader CSR reporting has a negative impact on corporate performance in the short term. This suggests the presence of **legitimacy costs**, arising from resource allocation toward administrative reporting without being accompanied by substantive, strategically integrated CSR programs. Conversely, pressure from shareholders and creditors directly enhances performance through financial efficiency and innovation, while environmental and media pressures generate trade-offs between transparency demands and operational effectiveness.

The mediation analysis reveals that CSR disclosure significantly mediates only the effects of environmental and media pressure on corporate performance—both with negative mediation paths. The other four mediation paths—shareholder, employee, consumer, and creditor pressures—were insignificant, indicating that CSR disclosure has not yet functioned effectively as a mechanism for transforming stakeholder pressure into sustainable performance improvement.

Recommendations

Based on the findings and limitations of this study, several recommendations are proposed to enhance the effectiveness of CSR measurement and implementation in future research and practice:

1. Refinement of Stakeholder Pressure Measurement Methodology

- a. Develop more comprehensive proxies for consumer pressure using a combination of quantitative and qualitative methods, such as direct surveys and in-depth interviews, to accurately capture consumer perceptions.
- b. Use multidimensional indicators for measuring employee pressure, including turnover rates, job satisfaction, union presence, and the frequency of industrial disputes. Qualitative approaches through interviews with employee representatives can also enrich the understanding of internal pressure dynamics.

2. Integration of CSR Measurement Frameworks

Standardize CSR measurement exclusively using **OJK Regulation No. 51/POJK.03/2017** to ensure consistency across indicators and variables, facilitate comparisons among SOEs, and align with prevailing regulatory requirements. This approach also reduces overlap between voluntary (GRI) and mandatory (POJK) standards, leading to more focused and valid data analysis.

3. Prioritizing the Quality of CSR Programs

Rather than emphasizing the quantity of reporting, SOE management should prioritize designing and implementing CSR programs with measurable outcomes and tangible impacts. This can be achieved through collaboration with external stakeholders (government agencies, environmental NGOs, local communities) to develop strategic and sustainable programs.

4. Strengthening Substantive Monitoring and Evaluation

Regulators—particularly the Financial Services Authority (OJK) and the Ministry of SOEs—are encouraged to develop substantive evaluation mechanisms to ensure that CSR reporting reflects actual program commitments and outcomes. This may include establishing standardized sustainability performance indicators and requiring independent verification of CSR reports.

By implementing these recommendations, CSR disclosure within Indonesian SOEs is expected not only to meet external expectations but also to generate strategic value for both companies and the broader community.

REFERENCES

1. Aditya, I., Linda, R., Razak, A., & Fuada, N. (2023). Determinants of the quality of sustainability reports in companies included in the Kompas 100 Index. *International Journal of Business, Economics and Law*, 29(1), 1.
2. Alessa, N., Akparep, J. Y., Sulemana, I., & Agyemang, A. O. (2024). Does stakeholder pressure influence firms' environmental, social and governance (ESG) disclosure? Evidence from Ghana. *Cogent Business & Management*, 11(1). <https://doi.org/10.1080/23311975.2024.2303790>
3. Alfariz, R., & Widiastuti, H. (2021). The influence of media exposure, managerial ownership, and the Indonesia Sustainability Reporting Award on corporate social responsibility (CSR) disclosure.
4. Al-Tuwaijri, S. A., Christensen, T. E., & Hughes, K. E. (2004). The relations among environmental disclosure, environmental performance, and economic performance: A simultaneous equations approach. *Accounting, Organizations and Society*, 29(5–6), 447–471.
5. Ardiansyah, M., & Alnoor, A. (2024). Integrating corporate social responsibility into business strategy:

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

- Creating sustainable value. *Involvement International Journal of Business*, 1(1). <https://ejournal.agungmediapublisher.com/index.php/ijib>
6. Arian, A., Sands, J., & Tooley, S. (2023). Industry and stakeholder impacts on corporate social responsibility (CSR) and financial performance: Consumer vs. industrial sectors. *Sustainability*, 15(16). <https://doi.org/10.3390/su151612254>
 7. Ariesanti, A. (2017). The relations among environmental performance, environmental and corporate performance. *The Indonesian Journal of Accounting Research*, 20(1). <https://doi.org/10.33312/ijar.348>
 8. Camilleri, M. A. (2017). Corporate sustainability and responsibility: Creating value for business, society and the environment. *Asian Journal of Sustainability and Social Responsibility*, 2(1), 59–74. <https://doi.org/10.1186/s41180-017-0016-5>
 9. Carroll, A. B. (1999). Corporate social responsibility: Evolution of a definitional construct. *Business & Society*.
 10. Chen, B., & Zhang, A. (2021). How does corporate social responsibility affect the cost of equity capital through operating risk? *Borsa Istanbul Review*, 21(Suppl. 1), S38–S45. <https://doi.org/10.1016/j.bir.2021.01.005>
 11. Chung, K. H., & Pruitt, S. W. (1994). A simple approximation of Tobin's Q. *Financial Management*, 23(3), 70–74.
 12. Deegan, C. (2002). The legitimising effect of social and environmental disclosures: A theoretical foundation. *Accounting, Auditing & Accountability Journal*, 15(3), 282–311. <https://doi.org/10.1108/09513570210435852>
 13. Dewi, P. A. C., & Sedana, I. B. P. (2019). Pengaruh profitabilitas, ukuran perusahaan, dan leverage terhadap pengungkapan corporate social responsibility. *E-Jurnal Manajemen Universitas Udayana*, 8(11), 6618. <https://doi.org/10.24843/ejmunud.2019.v08.i11.p12>
 14. Duan, T., Li, F.-W., Michaely, R., & Chian, K. (2022). Consumer reactions to corporate ESG performance: Evidence from store visits. (Preprint).
 15. Dybvig, P. H., Warachka, M., & others. (n.d.). *Tobin's q does not measure corporate performance: Theory, empirics, and alternatives*. (Working paper).
 16. Elbardan, H., Uyar, A., Kuzey, C., & Karaman, A. S. (2023). CSR reporting, assurance, and firm value and risk: The moderating effects of CSR committees and executive compensation. *Journal of International Accounting, Auditing and Taxation*, 53. <https://doi.org/10.1016/j.intaccudtax.2023.100579>
 17. Elkington, J. (1997). *Enter the triple bottom line*. (Book/Report).
 18. Fernandez-Feijoo, B., Romero, S., & Ruiz, S. (2014). Effect of stakeholders' pressure on transparency of sustainability reports within the GRI framework. *Journal of Business Ethics*, 122(1), 53–63. <https://doi.org/10.1007/s10551-013-1748-5>
 19. Freeman, R. E., & McVea, J. (2005). A stakeholder approach to strategic management. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.263511>
 20. García-Benau, M. A., Sierra-Garcia, L., & Zorio, A. (2013). Financial crisis impact on sustainability reporting. *Management Decision*, 51(7), 1528–1542. <https://doi.org/10.1108/MD-03-2013-0102>
 21. Ghozali, I. (2021). *Structural equation modeling dengan metode alternatif partial least squares (PLS)* (5th ed.). Badan Penerbit Universitas Diponegoro.
 22. Giannarakis, G. (2014). The determinants influencing the extent of CSR disclosure. *International Journal of Law and Management*, 56(5), 393–416. <https://doi.org/10.1108/IJLMA-05-2013-0021>
 23. Girón, A., Kazemikhasragh, A., Cicchiello, A. F., & Panetti, E. (2021). Sustainability reporting and firms' economic performance: Evidence from Asia and Africa. *Journal of the Knowledge Economy*, 12(4), 1741–1759. <https://doi.org/10.1007/s13132-020-00693-7>
 24. Gray, R., Kouhy, R., & Lavers, S. (1995). Corporate social and environmental reporting: A review of the literature. *Accounting, Auditing & Accountability Journal*, 8(2), 47–77. <https://doi.org/10.1108/09513579510146996>
 25. Guthrie, J., & Parker, L. D. (1989). Corporate social reporting: A rebuttal of legitimacy theory. *Accounting and Business Research*, 19(76), 343–352. <https://doi.org/10.1080/00014788.1989.9728863>
 26. Helmig, B., Spraul, K., & Ingenhoff, D. (2017). Under positive pressure: How stakeholder pressure affects corporate social responsibility implementation.
 27. Ika Sari, M., & Hasan Hafidzi, A. (2021). *Dasar-dasar manajemen keuangan*. ResearchGate.
 28. Jones, J. S., Miller, S. A., & Yeager, T. J. (2011). Charter value, Tobin's Q and bank risk during the subprime financial crisis. *Journal of Economics and Business*, 63(5), 372–391.
 29. Khan, F. U., Khan, F., & Umair, A. (n.d.). Stakeholder governance and the CSR of banks: A game theory approach.
 30. Klassen, R. D., & McLaughlin, C. P. (1996). The impact of environmental management on corporate performance. *Management Science*, 42(8), 1199–1214. <https://doi.org/10.1287/mnsc.42.8.1199>
 31. Liang, H., & Renneboog, L. (2020). Corporate social responsibility and sustainable finance: A literature review. SSRN. <https://ssrn.com/abstract=3698631>

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

32. Lin, L. X., Antón, M., Azar, J., et al. (2019). Creditor monitoring under common ownership. *Working paper*. <https://www.wsj.com/articles/>
33. Liu, C., & Wang, X. (2022). Media and institutional investors' focus on the impact on corporate sustainability performance. *Sustainability*, 14(21). <https://doi.org/10.3390/su142113878>
34. Lu, Y., & Abeysekera, I. (2014). Stakeholders' power, corporate characteristics, and social and environmental disclosure: Evidence from China. *Journal of Cleaner Production*, 64, 426–436.
35. Mahmood, F., Qadeer, F., Saleem, M., Han, H., & Ariza-Montes, A. (2021). Corporate social responsibility and firms' financial performance: A multi-level serial analysis underpinning social identity theory. *Economic Research–Ekonomiska Istraživanja*, 34(1), 2447–2468.
36. Mahmud, T. (2019). Legitimacy theory and its relationship to CSR disclosures: A literature review.
37. Mayangsari, S., & Suwarno, T. E. (2023). Audit report quality, sustainability and profitability on stock price in Indonesia securities exchange. *Jurnal Magister Akuntansi Trisakti*, 10(2), 193–202.
38. Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Towards a theory of stakeholder identification and salience. *Academy of Management Review*, 22(4), 853–886.
39. Muarif Maqbool, M., Hussain, R. T., & Aslam, M. (2020). Corporate social responsibility as a source of financial performance: Evidence from Pakistan.
40. Nilawati, Y. J., Purwanti, E., & Nuryaman, F. A. (2019). The effect of stakeholders' pressure and corporate financial performance on transparency of sustainability report. *Jurnal Akuntansi Trisakti*, 5(2), 225–238. <https://doi.org/10.25105/jat.v5i2.4867>
41. Nini, G., Smith, D. C., & Sufi, A. (2011). Creditor control rights, corporate governance, and firm value. SSRN.
42. Octora, V. C., & Amin, M. N. (2023). Pengaruh tekanan stakeholder dan board governance terhadap kualitas laporan keberlanjutan. *Owner*, 7(3), 2021–2030. <https://doi.org/10.33395/owner.v7i3.1443>
43. Olateju, D. J., Olateju, O. A., Adeoye, S. V., & Ilyas, I. S. (2021). A critical review of the application of legitimacy theory to corporate social responsibility. *International Journal of Managerial Studies and Research*, 9(3).
44. Rahayu. (2020). *Kinerja keuangan perusahaan*.
45. Ramadhini, A., Adhariani, D., & Djakman, C. D. (2020). The effects of external stakeholder pressure on CSR disclosure: Evidence from Indonesia. *DLSU Business & Economics Review*, 29(2).
46. Rizkika Alfaiz, D., & Aryati, T. (2019). Pengaruh tekanan stakeholder dan kinerja keuangan terhadap kualitas sustainability report dengan komite audit sebagai variabel moderasi.
47. Roberts, R. W. (1992). Determinants of corporate social responsibility disclosure: An application of stakeholder theory. *Accounting, Organizations and Society*, 17(6).
48. Rubio-Andrés, M., Ramos-González, M. M., Sastre-Castillo, M. Á., & Gutiérrez-Broncano, S. (2023). Stakeholder pressure and innovation capacity of SMEs in the COVID-19 pandemic. *Technological Forecasting and Social Change*, 190. <https://doi.org/10.1016/j.techfore.2023.122432>
49. Rudyanto, A., & Siregar, S. V. (2018). The effect of stakeholder pressure and corporate governance on the sustainability report quality. *International Journal of Ethics and Systems*, 34(2), 233–249. <https://doi.org/10.1108/IJOES-05-2017-0071>
50. Saeguso, E. S., & Santoso, E. B. (2024). Exploring the role of environmental impact in maximizing the effect of CSR on profitability. *E-Jurnal Akuntansi*, 34(11). <https://doi.org/10.24843/EJA.2024.v34.i11.p13>
51. Saka, C., & Noda, A. (2013). The effects of stakeholders on CSR disclosure: Evidence from Japan. SSRN.
52. Sarumpaet, S. (2005). The relationship between environmental performance and financial performance of Indonesian companies. *Jurnal Akuntansi & Keuangan*, 7.
53. Sigit, T. H. (2012). *Etika bisnis modern: Pendekatan pemangku kepentingan*. UPP STIM YKPN.
54. Solikhah, B., & Maulina, U. (2021). Factors influencing environment disclosure quality and the moderating role of corporate governance. *Cogent Business & Management*, 8(1). <https://doi.org/10.1080/23311975.2021.1876543>
55. Su, E., Mahmood, R., & Md. Som, H. (2024). Navigating external pressures: A study on CSR disclosure practices in an emerging region. *Cogent Business & Management*, 11(1). <https://doi.org/10.1080/23311975.2024.2375408>
56. Suharyani, R., Ulum, I., & Jati, A. W. (2019). Pengaruh tekanan stakeholder dan corporate governance terhadap kualitas sustainability report. *Jurnal Akademi Akuntansi*.
57. Supandi, F. F. A. (2024). Profitability in moderating the effect of CSR disclosure on company value. *ECo-Buss*, 7(2), 1054–1064. <https://doi.org/10.32877/eb.v7i2.1684>
58. Timotius, E., & Octavius, G. S. (2022). Stress at the workplace and its impacts on productivity: A systematic review. *Industrial Engineering and Management Systems*, 21(2), 192–205. <https://doi.org/10.7232/iems.2022.21.2.192>

Muhammad D. F. et al, The Influence of Stakeholder Pressure on the Extent of Corporate Social Responsibility Disclosure and Its Impact on Firm Performance (An Empirical Study on State-Owned Enterprises Listed on the Indonesia Stock Exchange for the Period 2020–2023)

59. Tobin, J. (1969). A general equilibrium approach to monetary theory.
60. Vellati, D., Oktaviani, M., & others. (2024). Pengaruh ROA, public ownership, dan LDR terhadap Tobin's Q pada perusahaan perbankan BUMN.
61. Villiers, C. de, & Van Staden, C. J. (2011). Where firms choose to disclose voluntary environmental information. *Journal of Accounting and Public Policy*, 30(6), 504–525.
62. Wai-Khuen, W., Boon-Heng, T., & Siow-Hooi, T. (2023). The influence of external stakeholders on environmental, social, and governance (ESG) reporting. *Foresight and STI Governance*, 17(2), 9–20.
63. Western, S. (2003). *Business ethics, the changing environment, and stakeholder management*.
64. Xu, X., Wang, Y., Li, M., & Kwan, H. K. (2021). Paradoxical effects of performance pressure on employees' in-role behaviors. *Frontiers in Psychology*, 12. <https://doi.org/10.3389/fpsyg.2021.744404>
65. Yuliani, R. (2003). Pengaruh karakteristik perusahaan terhadap praktik pengungkapan sosial dan lingkungan di Indonesia.