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**The Role of Succession Firm in CSR Disclosure: Manufacturing Companies Listed on IDX (2018-2022)**

*Hery Haryanto 1\*, Candy 2, Jumi Liana 3*

Universitas Internasional Batam

\*Correspondence: E-mail: hery.haryanto@uib.edu

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| **A B S T R A C T** |  | **I N F O A R T I K E L** |
| This study aims to analyze the influence of family firm succession on corporate social responsibility (CSR). A sample was drawn from manufacturing companies listed on the Indonesia Stock Exchange, comprising 147 firms, equivalent to 735 data points from the years 2018 to 2022, meeting the required criteria. A quantitative approach was employed as the research method to identify relationships and effects among variables, specifically family firm succession on corporate social responsibility (CSR). Companies meeting the family firm criteria were assessed using a nominal scale in the form of dummy variables, while the disclosure of social responsibility was assessed using the Global Reporting Initiative (GRI) indicators. Data analysis was conducted using Stata software, applying descriptive statistical methods and OLS regression. The findings of this research testing are consistent with prior studies, indicating decrease in CSR levels during leadership transitions within family firms.  © 2023 Kantor Jurnal dan Publikasi UPI |  | ***Article History:***  *Submitted/Received XX XXXX XXXX*  *First Revised XX XXXX XXXX*  *Accepted XX XXXX XXXX*  *First Available online XX XXXX XXXX*  *Publication Date XX XXXX XXXX*  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  ***Keyword:***  *Corporate Social Responsibility;*  *Manufacturing;*  *Succession Firm.* |



**INTRODUCTION**

As time goes by, awareness of corporate social responsibility has increasingly become a focal point in the business world. For family businesses, this aspect has become even more important because it is not only related to business sustainability but also shapes the legacy that will be passed on to the next generation. Implementing corporate social responsibility to gain a good reputation in the eyes of the public is not an easy task. It is crucial for all company parties to drive progress, one way being by introducing the company to the community in an unconventional manner, specifically by applying social responsibility. Nowadays, corporate social responsibility has become a popular topic in Indonesia, with both large and medium-sized companies starting to pay attention to its implementation (Fatah & Haryanto, 2016). According to Sari (2012), corporate social responsibility extends beyond economic aspects to include social environmental aspects to ensure continuity. Many companies have significant global influence.

Most of globally successful companies are family companies. Succession firm are now an interesting topic of discussion, not only abroad but also in Indonesia. Hidayat dan Galib (2022) indicate that a company can be classified as a family business, if it involves at least two generations within a family and impacts company policies. Their research shows that family businesses tend to achieve better performance, largely controlled by family members who hold important positions within the company, allowing them to focus, actively engage, and seriously manage the company in various aspects, such as strategy, management, and corporate governance, thus facilitating smooth succession in the business (Nining & Eneng, 2023) .

Based data from Pahlawan *et al* (2023), family businesses in Indonesia contribute significantly to the gross domestic product, up to 82%. Family businesses must be well-managed in terms of ownership, supervision, direction, and management. While family businesses have advantages, they also have weaknesses, such as the leader’s inability to perform crucial roles effectively due to a lack of action in managing the company properly, which can threaten its existence. If there is a lack of clear organizational roles and responsibilities, the company may not achieve succession firm.

The reporting of corporate social responsibility can enhance the company’s perception and reputation among stakeholders and interested parties, such as potential investors, shareholders, and customers, thus becoming a corporate strategy to ensure customer loyalty to the chosen company. Therefore, corporate reputation is also a key factor in achieving success (Putu & Julythiawati, 2023). Although corporate social responsibility disclosure incurs significant costs, its contribution can yield much greater benefits for the company, impacting its sustainability. This is affirmed by the Limited Liability Company Law No. 40 of 2008 Article 74, which requires companies to implement social responsibility in accordance with Government Regulation No. 47 of 2012 as of April 2012 (Pondrinal, 2021). Bariroh dan Desitama (2023) explain that neglecting social responsibility can lead to environmental damage, as seen in companies producing hazardous waste (B3). Therefore, CSR disclosure is essential to maintain economic, social, and environmental balance and minimize negative impacts.

Promoting family-run businesses requires the implementation of clear goals and benefits (Nugraha & Trisnaningsih, 2022). However, due to inadequate regulations focusing solely on profit, companies do not fully implement social responsibility strategies. Considering the important role of family businesses in the economy, CSR implementation is crucial for society. Moreover, companies should not only focus on profit from their assets but also take appropriate steps to ensure the family business's sustainable success across generations. This relates to business inheritance, where further planning is formulated to introduce, direct, and manage the company properly, including selecting resources that enable control or takeover of leadership when the business owner retires or is no longer active. In general, both family and non-family companies face various evolving challenges. These challenges become more significant in family businesses because ownership and management are often combined into one entity, leading to potential conflicts of interest and complex relationship dynamics.

These challenges can lead to conflicts in balancing family interests with business interests. In the context of family businesses, decision-making requires careful consideration of existing issues, as decisions made can impact growth. The ability to maintain the long-term prosperity of the family owning the business depends on the decisions made. One advantage of family businesses is their significant contribution to the national economy, especially in Indonesia (Widagdo *et al*., 2023).

The discussion topic in this research draws several findings from other studies regarding the relationship between family businesses and social responsibility. Zeng (2020) research found that listed family businesses have a more significant level of CSR involvement. However, specific factors such as family leadership can influence the extent to which companies engage in CSR activities. Meanwhile, Sari (2016) findings indicate that CSR disclosure does not positively affect family businesses, but there are control variables that can influence CSR disclosure in family businesses. Contrarily, research by Anita dan Maissy (2022) shows that family businesses tend to strengthen the relationship with CSR, playing a crucial role in ensuring that companies, besides focusing on profit, also emphasize their responsibilities to society and the environment.

***Corporate Social Responsibility Disclosure***

Companies beneficial to society implement social responsibility with a commitment to contributing to broader economic development (Pondrinal, 2021). Social responsibility encompasses initiatives undertaken by companies to mitigate social environmental risks that may impact society, shareholders, and the company itself (Valencia & Haryanto, 2023). Corporate social responsibility is a crucial part of a company’s plan, especially in sectors where there is a misalignment between corporate profits and social goals or when disagreements arise due to fairness issues. Therefore, the main goal of CSR is to create a positive effect on society and the environment, aiming to create a balance between business interests and positive impacts on the community and its surroundings (Hermawan *et al*., 2023).

Corporate social responsibility disclosure is defined as the provision of information necessary to achieve financial reporting objectives, measuring the number of items disclosed by the company from the total number of items it possesses for a specific purpose (Yovana, D. G., & Kadir, 2020). Essentially, CSR disclosure includes enhancing the quality of life, where the company has the capability to respond to social conditions as part of a society that must be maintained and utilized (Humaira *et al*., 2023).

Companies need to take further steps to consider environmental, social, and economic aspects in their business operations, conducting business activities ethically and responsibly towards society and the surrounding environment. By considering these aspects, companies are expected to achieve long-term sustainability and foster positive relationships with involved parties. In the research by Aliyah, *et al.* (2022) the principles of CSR disclosure are outlined as follows:

1. Company sustainability involves actions taken by companies to consider the preservation of resources for the future, ensuring that the current use of resources takes into account and respects the capacity of future generations.
2. Accountability includes initiatives to act responsibly and openly about the actions taken, especially when companies interact with and impact the social environment.
3. The principle of transparency is a key aspect of reporting company activities, referring to openness of important information to public.

***Succession Firm***

The company has anticipated future succession and needs to establish clear criteria for the required successor candidates. The success of a family business in facing global challenges can be achieved through the trust that has been instilled among family members since the inception of the business. This process involves creating a strong foundation for the successors, which will facilitate the leadership transition in the established family business (Isron, 2021).

Annisa *et al.* (2021) categorize family firm into Family Owned Enterprises (FOE) or Family Business Enterprises (FBE). In FOEs, the management of the company’s operations is entrusted to professionals in accordance with company policies. Although professionally managed, family values and principles in the inheritance of the company are upheld to prioritize the company's interests and development. On the other hand, in FBEs, all operational activities remain under the control of family members as company owners. Therefore, potential conflicts in business succession among prospective successors may arise (Khairani & Patrisia, 2023).

***The Influence of Succession Firms on Corporate Social Responsibility Disclosure***

Well-managed succession firms should be accompanied by advanced steps in company development, such as implementing corporate social responsibility (CSR) disclosure. Besides the important role of the family or successors in the company, another factor contributing to the sustainability of the company into future generations is CSR disclosure. Activities that positively impact the environment can attract public attention through community engagement. Therefore, the function of social responsibility as a duty and expression of responsibility and environmental awareness is crucial for industry players. Implementing CSR is essential for every established company.

Research by Putu & Julythiawati (2023) indicates that CSR reporting can improve the company’s image and reputation, while also strengthening public trust in the products offered. Additionally, this practice can attract investors interested in investing in companies that consistently report their CSR activities. Besides its relationship with shareholders, it is also linked to various stakeholders involved in the company's activities. Therefore, every activity within the company must be carefully planned because social responsibility reflects the company's awareness and obligation to contribute to society, alongside prioritizing economic and financial goals.

Studies conducted by Stübner dan Jarchow (2023) and Langelo *et al*. (2021) demonstrate that succession firms statistically show a significant impact on CSR disclosure. Other researchers also prove that family businesses that include the next generation in achieving company succession exhibit better CSR disclosure performance than those that do not plan for succession. This is supported by the research of Guo (2022) and Tran & Nguyen (2022) which show a significant influence between succession firms and CSR. CSR performance is rated higher if there is a positive correlation between family businesses and CSR disclosure (Hendratama & Huang, 2022).

Consistent with the statements of Juwono and Mayangsari (2022) and Fawwazy (2019), research shows that family-owned companies tend to maximize CSR disclosure to gain public support and legitimacy. The more family ownership, the more significant the CSR disclosure. CSR not only helps in building a good reputation but also ensures the long-term success of the family business. Therefore, this study formulates the following hypothesis.

H1: Succession firms have a positive influence on corporate social responsibility disclosure.

**METHOD**

The purpose of the research method is to obtain results for a specific product using appropriate techniques to test the relationships between variables. Below is a conceptual model illustrating the relationships between variables:

**Figure 1. Research Model**

**Succession Firm**

**Corporate Social**

**Responsibility**

**Firm Size**

**Firm Age**

**Firm Leverage**

**Board Size**

**Board Independence**

This study evaluates the impact of independent variables on the dependent variable using a quantitative approach. This method involves sampling to test the established hypotheses (Perdana, 2023). Based on Amin *et al.* (2023), sample is a portion that serves as the actual source of data in research. In this study, the independent variable is succession within family businesses, the dependent variable is corporate social responsibility disclosure. Moreover, this study includes control variables, such as company size, company age, company growth, the size of the board of commissioners, and board independence.

Data sampling was conducted on manufacturing companies because they significantly affect financial performance for stakeholders (Risakotta et al., 2023). The researchers used a purposive sampling technique to select companies with complete data. This purposive sampling approach considers various criteria, including manufacturing companies listed on the Indonesia Stock Exchange, companies that conducted IPOs before 2019, and companies with complete annual reports and financial statements from 2018 to 2022. Based on these criteria, the researchers obtained a sample of 147 manufacturing companies out of 181 that met the determined criteria (Wahdiniawati et al., 2023).

The Corporate social responsibility disclosure is governed by a range of reporting standards. In this case study, the disclosure of corporate social responsibility will be assessed using the Global Reporting Initiative (GRI) indicators, which are widely used as a primary standard for measuring corporate social responsibility disclosure. GRI is a pioneering organization in developing global corporate social responsibility standards and is committed to continuously improving and implementing these standards worldwide. Companies that report information on corporate responsibility will receive a score of 1, while those that do not report will receive a score of 0 (Santo & Rahayuningsih, 2022).

**Table 1. Operational Definition of Variables**

|  |  |  |  |
| --- | --- | --- | --- |
| **Variable Type** | **Variable Name** | **Measurement** | **Data Source** |
| Dependent | Corporate Social Responsibility Disclosure | CSRDi=∑  Description:  CSRDi: corporate social responsibility disclosure  i: number of items with a score of 1 for company i.  n: total elements in the corporate social responsibility disclosure indicator based on the GRI method (n=91) | (Imron, 2023);(Arfianti et al., 2023) |
| Independent | Succession Firm | Using a dummy variable, a company will be assigned a value of 1 if it meets the criteria for a succession firm. If it does not, it will be assigned a value of 0. | (Guo, 2022) |
| Kontrol | Firm Size | Ln (asset total) | (Wang & Cao, 2022) |
|  | Firm Age | From the establishment of the company until the time of operational cessation | (Haryanto & Stevania, 2022) |
|  | Firm Leverage | Liability/asset total | (Lai et al., 2020) |
|  | Board Size | Total number of board members | (Haryanto, 2022) |
|  | Board Independence | Ratio of independent commissioners to total board of commissioners | (Saputra *et al.,* 2023) |

**RESULTS AND DISCUSSION**

***Corporate Social Responsibility Disclosure***

Descriptive statistics offer analysis and conclusions based on collected data. Below are the results of the descriptive statistical analysis in this study, including the minimum value, maximum value, mean, and standard deviation for each variable examined.

**Table 2. Statistics Descriptive**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Min** | **Max** | | **Mean** | | **Std Dev.** | |
| CSR Disclosure | .032967 | | .8241758 | .4393810 | | .8241758 | |
| Succession Firm | .000000 | | 1.000000 | .6054422 | | .4890883 | |
| Firm Size | 21.55443 | | 35.6382 | 28.63453 | | 1.759352 | |
| Firm Age | .6931472 | | 4.691348 | 3.665083 | | .4325941 | |
| Firm Leverage | .0024803 | | 4.291262 | .512067 | | .379014 | |
| Board Size | .000000 | | 30.00000 | 8.619048 | | .3.796121 | |
| Board Independence | .000000 | | 1.000000 | .415988 | | .1196022 | |

Based on the descriptive statistics from Table 2, it is explained that the disclosure of social responsibility shows a minimum value of 0.32967 at PT Pelat Timah Nusantara Tbk and a maximum value of 0.8241758 at PT Unilever Indonesia Tbk. The average value is 0.4393810, indicating that companies listed on the Indonesia Stock Exchange disclose an average of 40 items out of the total 90 items in the GRI G-4 index. Additionally, the variable "succession firm" has a minimum value of 0.000000 in some companies due to the absence of family relationships among executives and shareholders. However, this variable also has a maximum value of 1.000000, indicating the presence of family relationships in some firms. To identify succession firm, a dummy variable is used, where "1" signifies a succession firm and "0" signifies a non-succession firm.

Company size ranges from the smallest at PT Panca Budi Idaman Tbk to the largest at PT Sreeya Sewu Indonesia Tbk. The lowest company age is 2 years for PT Aneka Gas Industri Tbk, while the highest is 109 years for PT Hanjaya Mandala Sampoerna Tbk. The leverage variable ranges from a minimum of 0.0024803 (0.25%) to a maximum of 4.291262 (429.13%), with an average of 0.512067, indicating that listed companies have an average liability value of 51% of total assets. The highest company size is 30 for PT Chandra Asri Petrochemical Tbk, and the highest independent variable is found in PT Bentoel Internasional Investama Tbk.

***Correlation Analysis Results***

Following the descriptive statistical analysis, correlation analysis was conducted to show the relationships between all variables and identify any abnormal relationships. Succession of the company as an independent variable, social responsibility as the dependent variable, and five other variables as control variables (company size, company age, company growth, board size, board independence) were examined. Referring to the study by Euginia & Triwacananingrum (2022), relationships between variables are considered normal if the correlation value between them is < 0.8. Table 3 presents the results of the correlation testing using STATA software to illustrate these relationships.

**Table 3. Correlation Analysis Results**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | ***CSR*** | ***Succession Firm*** |  | ***Firm Size*** |  | ***Firm Age*** | ***Leverage*** | ***Board Size*** | ***Board Indepen-dence*** |
| ***CSR*** | 1.0000 |  |  |  |  |  |  |  |  |
| ***Succession Firm*** | -0.1239 | 1.0000 |  |  |  |  |  |  |  |
| ***Firm Size*** | 0.4774 | -0.0873 |  | 1.0000 |  |  |  |  |  |
| ***Firm Age*** | 0.0978 | -0.0486 |  | 0.1246 |  | 1.0000 |  |  |  |
| ***Leverage*** | -0.0436 | 0.0460 |  | -0.0275 |  | -0.0096 | 1.0000 |  |  |
| ***Board Size*** | 0.5673 | -0.0901 |  | 0.4968 |  | 0.1379 | -0.0452 | 1.0000 |  |
| ***Board Independence*** | 0.0609 | -0.1062 |  | 0.0515 |  | 0.0294 | 0.0332 | 0.0405 | 1.0000 |

Based on the test results displayed in Table 3, the independent variable succession firm, measured with a dummy variable, shows a correlation coefficient of -0.1239 with social responsibility. This indicates a weak negative relationship between succession firm and social responsibility disclosure. Although weak, this suggests that firms with succession issues, particularly family-owned ones, might be associated with decreased social responsibility.

Firm size and social responsibility have a correlation coefficient of 0.4774, indicating a moderately strong positive relationship. This means that larger companies are more likely to have better levels of social responsibility. The correlation between firm age and social responsibility is 0.0978, suggesting a weak positive relationship. In other words, older companies are somewhat more likely to exhibit higher levels of social responsibility.

The correlation between leverage and social responsibility is -0.0436, indicating a very weak negative relationship. This implies no significant association between leverage levels and social responsibility of the company. On the other hand, board size and social responsibility have a correlation coefficient of 0.5673, indicating a strong positive influence. This suggests that larger board sizes are likely associated with higher levels of social responsibility disclosure.

***Regression Analysis Results***

Following the correlation analysis, regression analysis using Ordinary Least Squares (OLS) regression model was conducted, which is commonly used for its ease of analysis and minimizing the sum of squared errors (*Fathurahman*, 2012)*.* Below are the results of the OLS regression analysis as shown in Table 4.

**Table 4. Regression Analysis Results**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | ***(1)*** | ***(2)*** | ***(3)*** | ***(4)*** | ***(5)*** | | ***(6)*** | |
|  | ***CSR*** | ***CSR*** | ***CSR*** | ***CSR*** | ***CSR*** | | ***CSR*** | |
| ***Succession Firm*** | -0.0431\*\* | -0.0292\* | -0.0287\* | -0.0303\* | -0.0233\* | | -0.0223\* | |
|  | (0.0139) | (0.0122) | (0.0122) | (0.0123) | (0.0111) | | (0.0112) | |
|  |  |  |  |  |  | |  | |
| ***Firm Size*** |  | 0.0509\*\*\* | 0.0505\*\*\* | 0.0492\*\*\* | 0.0271\*\*\* | | 0.0270\*\*\* | |
|  |  | (0.00340) | (0.00342) | (0.00347) | (0.00359) | | (0.00359) | |
|  |  |  |  |  |  | |  | |
| ***Firm Age*** |  |  | 0.0146 | 0.0152 | 0.00127 | | 0.00108 | |
|  |  |  | (0.0139) | (0.0139) | (0.0126) | | (0.0126) | |
|  |  |  |  |  |  | |  | |
| ***Leverage*** |  |  |  | -0.0130 | -0.00684 | | -0.00731 | |
|  |  |  |  | (0.0158) | (0.0143) | | (0.0143) | |
|  |  |  |  |  |  | |  | |
| ***Board Size*** |  |  |  |  | 0.0214\*\*\* | | 0.0214\*\*\* | |
|  |  |  |  |  | (0.00168) | | (0.00168) | |
|  |  |  |  |  |  | |  | |
| ***Board Independence*** |  |  |  |  |  | | 0.0375 | |
|  |  |  |  |  |  | | (0.0456) | |
|  |  |  |  |  |  | |  | |
| ***Constant*** | 0.465\*\*\* | -1.000\*\*\* | -1.041\*\*\* | -1.002\*\*\* | -0.511\*\*\* | | -0.523\*\*\* | |
|  | (0.0108) | (0.0984) | (0.106) | (0.108) | (0.105) | | (0.106) | |
|  |  |  |  |  |  | |  | |
| ***N*** | 735 | 735 | 735 | 730 | 730 | | 730 | |
| ***R-squared*** | 0.013 | 0.244 | 0.245 | 0.237 | 0.377 | | 0.377 | |
| ***Adj. R-sq*** | 0.012 | 0.242 | 0.242 | 0.233 | 0.372 | | 0.372 | |
|  |  |  |  |  |  | |  | |
| ="\* p<0.05 | \*\* p<0.01 | \*\*\* p<0.001" | |  | |  |  |

Based on the regression results, succession firm shows a significant negative impact on social responsibility, contradicting the research hypothesis that assumed a positive impact. This significant negative result aligns with studies by Anita *et al.,* (2016) dan Wu *et al.,* (2021), which indicate a decline in social responsibility levels due to leadership changes in family firms. Such changes often involve shifts in management, strategies, and profit-focused priorities without adequate consideration for social responsibility disclosures. Additionally, the research confirms that a negative coefficient suggests that higher family ownership in companies correlates with lower levels of social responsibility disclosure in their annual reports. This finding is supported by Sari (2016) as well as Hendratama dan Huang (2022). In this perspective, family control structures prioritize internal interests over social and environmental responsibilities, focusing more on expanding and preserving family legacies. This can create conditions that hinder corporate responsiveness and commitment to social and environmental issues.

However, this study contrasts with findings from Langelo *et al.* (2021), Stübner and Jarchow (2023), and Guo (2022) which argue that succession planning in family firms positively influences corporate social responsibility disclosure. They suggest that founders and successors enhance commitment to corporate social responsibility. Other supportive research concludes that family ownership tends to negatively impact social responsibility disclosure levels, explaining that family-owned firms may seek to protect their reputation by withholding negative information from financial reports (Dyer & Whetten, 2006).

In addition to the regression relationship between independent and dependent variables, the influence of control variables such as company size shows a significant positive value of 0.0509. This indicates that larger companies tend to exhibit higher levels of social responsibility. This result aligns with earlier studies indicating that as company size increases, so does the implementation of social responsibility practices (Haryanto, 2022). Similarly, company age shows a positive relationship with a value of 0.0146, suggesting that older companies tend to have higher levels of social responsibility. Larger, well-established companies have more resources and capacity to engage in social responsibility initiatives, thereby supporting higher levels of social responsibility disclosure.

Strategic thinking ability enables companies to commit to long-term implementation of social responsibility. While its impact may be modest, this control variable still increases its significance in relation to corporate social responsibility. Findings regarding company size and age align with research by Chandra and Jurnali (2018), Purba and Candradewi (2019), Barlinti and Aris (2023), and Totanan *et al*., (2022) indicating that both size and age significantly influence social responsibility approaches. Larger and more established companies are likely to possess better financial resources and experience in conducting social activities, thus leading to broader social responsibility disclosures.

Company growth in the research results shows a significant negative impact, implying that higher growth rates correspond to lower levels of social responsibility. This could stem from stringent financial oversight to manage debt obligations or similar financial commitments associated with rapid growth. This negative significance aligns with previous research, such as (Khan *et al.*, 2012). Which indicates that company growth has a significant negative impact on social responsibility disclosure. Studies by Sulaeman *et al.* (2022), Surbakti and Wijayanti (2022) and Wahyuningsih and Mahdar (2018) support this, suggesting that during periods of high growth, companies may reduce social responsibility disclosures to avoid attracting scrutiny from potential investors who might perceive increased social responsibility disclosures as diverting focus from debt repayment

Furthermore, board size shows a positive influence, indicating that larger boards tend to exhibit higher levels of social responsibility. This is likely due to more rigorous and effective oversight (Sihombing *et al.*, 2020) which prioritizes social responsibility. This finding is supported by research from Hafidzi (2019) and Shafira *et al.,* (2021). Additionally, the research results on board independence indicate that a higher number of independent directors, free from internal and external company interests, correlate with higher levels of practiced social responsibility. Objective decision-making, maintaining corporate reputation, and commitment to high social responsibility standards contribute positively to business activities' environmental and social impacts. Based on these data findings, board independence also significantly influences social responsibility, consistent with studies by Khan *et al.*, (2012) and Santioso and also Chandra (2012).

**CONCLUSION**

The research results show the impact of independent variables on social responsibility, where company size and board size significantly impact social responsibility. However, other variables such as succession firm, company age, company growth, and board independence show weaker or statistically insignificant effects on social responsibility. This contradicts the initial hypothesis assuming negative impacts.

The negative impact of leadership changes in family businesses on social responsibility is due to factors like a drop in social responsibility during transitions and the tendency of family companies to protect their image by hiding negative information in reports. Company size and age significantly and positively influence social responsibility. Larger companies and those with longer operational histories tend to exhibit higher levels of social responsibility.

Company growth shows a weak negative influence on social responsibility, while board size and board independence demonstrate significant positive impacts. Larger boards with more independent members tend to exhibit higher levels of social responsibility. These results align with prior research indicating decreased social responsibility during leadership changes in family firms. Factors such as company size, age, board size, and board independence are crucial considerations in efforts to enhance corporate Social and environmental reporting. Thus, emphasizing the importance of each aspect of the company in managing social responsibility practices effectively.

This study has certain limitations, such as its focus on specific samples or analytical methods, limitations in variables and measurements to assess corporate social responsibility. Future research could expand sample scope or utilize different analytical approaches to gain deeper insights. Additionally, including additional relevant variables could broaden discussions and explore other factors influencing corporate social responsibility practices, such as cultural, political, technological factors, among others, providing comprehensive insights into how companies can effectively enhance their social responsibility practices.

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