STAKEHOLDERS’ PERCEPTIONS ON DISCLOSURES OF POVERTY ALLEVIATION IN INDONESIA

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ABSTRACT
Prior research has addressed the relationship between corporate social activities and corporate performance. However, little research has been conducted to identify the factors that influence the level of social initiatives and activities. Using survey data on poverty alleviation disclosures in Indonesia, this study applies factor analysis to indentify four factors – social incentives, corporate social initiatives, corporate social responsibility (CSR) strategy, and labourrelated CSR policy. Structural equation modelling has been used to identify the structural relationship among these four factors. The statistical results indicate that the relationship between social incentives, CSR strategy and corporate social initiatives is positively and directly related. Furthermore, social incentives also influence corporate social initiatives via CSR strategy. However, there is no significant relationship between labourrelated CSR policy and other factors in this partial mediating structural model. The results also show that there is significant difference in stakeholders’ perceptions on disclosures of poverty alleviation among the gender, age, and income/salary groups. These findings improve insights for report preparers and regulators on the approp riateness of social performance indicators and policy implications to raise the level of corporate social initiatives in poverty alleviation.

KEYWORDS
Social performance indicators, corporate social responsibility, corporate social reporting, poverty alleviation, company’s strategy, social incentives, CSR strategy, Labour-related CSR policy, and corporate social initiatives.