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Determinants Factors of Corporate Social Responsibility Disclosures in Hospitality and Tourism Companies in Indonesia and Thailand

Abstract: Corporate Social Responsibility (CSR) has been recently looked upon as one aspect of sustainable business development. CSR in the tourism industry is an important aspect of integrating social and environmental concerns in strategies, policies, and business operations in interactions with the community and the company's stakeholders. This study aims to assess and examine the critical factors that influence the formation of Corporate Social Responsibility Disclosure (CSRD) in hospitality and tourism sector companies. The writing of this research was due to previous studies that showed contradictory results regarding the factors that influence CSRD. Furthermore, research on the factors that influence CSRD in Indonesia and Thailand's hospitality and tourism industries is rarely done. This study uses company data from 2015 to 2019 with the Generalized Least Square and Weighted Least Square methods in data analysis. This study examines the effect of Profitability, Leverage, Firm Value, Liquidity, Firm Size on CSRD. In addition, this study contributes to research on the influence of Firm Value on CSRD, which is still rarely done. This study shows that Leverage and Firm Size have a significant positive effect on CSRD, while Firm Value has a significant negative impact on CSRD.

Keywords: Corporate Social Responsibility; Profitability; Leverage; Firm value; Hospitality and Tourism

INTRODUCTION

In the current business environment, Corporate Social Responsibility (CSR) is considered an important issue for the company's agenda (Bidari and Djajadikerta, 2020; Nguyen et al., 2021). The relationship between business activities and their impact on the environment and society has been discussed since the mid-1900s (Hermawan and Mulyawan, 2014; Masoud and Vij, 2021). The dimensions of CSR have emerged from economic, legal, ethical and philanthropic to be economic, environmental and social (Khuong and Anh, 2023, Trianaputri & Djakman, 2019, Devie et al., 2020). This study focuses on Indonesia and Thailand, known for their rich culture and natural resources. This natural wealth makes visitors interested in adventuring and exploring Indonesia and Thailand. Therefore, companies in hospitality and tourism contribute a sizeable economic resource to the country's development. In the Asia Pacific region, the tourism industry has become one of the primary sources of foreign exchange earnings, such as in Thailand and Indonesia. (Oxford Business Group, 2018; Oxford Business Group, 2019). In addition, the tourism sector has a vital role in the country's economic growth, such as reducing the number of unemployed by creating jobs, increasing foreign currency income, increasing tax revenues, and attracting international investment.

Along with the increasing demands in tourism and hospitality, the latest research from United National World Tourism Organization (UNWTO) released in 2019 predicted that carbon dioxide emissions from those industries will increase by around 25% by 2030 (UNWTO, 2021). This situation is due to the contribution of the hospitality and tourism industries to greenhouse gas emissions. Stakeholder theory assumes that the tourism industry should be responsible and pay more attention to problems caused by industry performance, such as climate change due to greenhouse gas emissions, rising sea levels, and global warming that disrupt the ecological balance (Archer et al., 2005; Toyota, 2018). Stakeholders have different interests; thus, a company can fulfil its stakeholder by disclosing its social responsibility activities (Hatane and Soewarno, 2022; Khuong et al., 2022). The CSR disclosure (CSRD) is also beneficial to the company to gain legitimation from society (Theodoulidis et al., 2017; Khuong et al., 2022). The CSRD can be a medium for stakeholders to ensure that a company is adaptable to social changes (Bayoud et al., 2012; Thao et al., 2019; Kabir and Thai, 2021).

This study aims to analyse factors that determine the CSRD and its components. Five variables are used in this research: Profitability, Leverage, Firm Value, Liquidity and Firm Size. Profitability is an essential source for management to be free and flexible in disclosing information to stakeholders (Deswanto and Siregar, 2018; Ardi and Yulianto, 2020). Previous studies have examined the relationship between firm value and CSRD that larger firms gained stronger investor reactions due to their greater visibility of CSRD (Cordeiro and Tewari, 2015). A small firm value will motivate management to disclose more CSR and utilise CSRD as a firm resource that attracts the trust of stakeholders (Gonzalez-Padron et al., 2016, Nguyen et al., 2021). That company signal to stakeholders that it can carry out social activities better than other companies (Nguyen et al., 2021), indicating a higher level of voluntary CSRD. The company's size has a potential influence on disclosure in a company. As the company grows, the public and stakeholders require companies to disclose information more openly because they are increasingly interested in its performance (Semuel et al., 2019; Ardi and Yulianto, 2020).

Previous research found contradictory results in research on Profitability, Leverage, Liquidity, and Firm size (Bayoud et al., 2012; Esa and Ghazali, 2012; Kansal et al., 2014; Hermawan and Mulyawan, 2014; Hapsoro and Sulistyarini, 2019; Bidari and Djajadikerta, 2020; Lolo and Yuliandhari, 2020; Nguyen et al., 2021). At the same time, number of studies that discuss the impact of firm value on CSRD is still limited. The results from this study can give insight into tourism and hospitality companies, as the results promote the driving factors of CSR disclosures. This study investigates drivers to disclose three components of CSRD: community, corporate governance, and environment to provide more comprehensive results. The subject in this study is companies in the hospitality and tourism industry from 2015 to 2019, primarily from Indonesia and Thailand.

From the Resource-based view (RBV) perspective, the contribution of CSR can be viewed from two important things (Zahidy et al., 2019). First, RBV focuses on the outcome as the primary resource for stakeholders to disclose CSR. Second, RBV can be explicitly recognised as intangible resources such as corporate culture and reputation from the perspective of CSR itself. In developing CSRD, transparency and company's intention to carry out environmental care activities are important. However, the information disclosed is sometimes inconsistent with company initiatives and shows low integrity and credibility (Luo et al., 2019; She and Michelon, 2019). Therefore, this study aims to investigate further the factors that influence CSRD, which helps increase company transparency and management's ability to improve business in the future.

Companies with high profitability have greater resources to fund CSR activities and then fund the disclosure costs in the annual report. On the other hand, companies with high profits gain legitimacy from stakeholders that they should carry out and report social responsibility (Semuel et al., 2019; Zahidy et al., 2019; Ardi and Yulianto, 2020, Nguyen et al., 2021). Companies with higher debt levels will tend to use their resources to service their loans. Limited financial resources reduce a firm's ability to invest in meaningful CSR activities (Zahidy et al., 2019). Thus, there are fewer resources for expressing social responsibility. On the other hand, this company also does not disclose too much to avoid attention from creditors (Deswanto and Siregar 2018, Semuel et al., 2019; Ardi and Yulianto, 2020). Firm value describes the company's value from the market side compared to the company's book value. If the company value is not as expected, it will encourage the company to disclose its social responsibility to increase its reputation. The benefit of this enhanced reputation is not only to provide investors with higher cash flows but also to increase their competitive advantage and ease of doing business (Semuel et al., 2019).

Liquidity is the company's ability to use current assets to pay short-term liabilities. It indicates that company has sufficient short financial resources. Companies with high liquidity can provide a signal to stakeholders that the company can carry out social responsibility that is more meaningful than other companies (Semuel et al., 2019; Lole and Yuliandhari, 2020, Nguyen et al., 2021). Bidari and Djajadikerta (2020) found that large companies have the potential to disclose more social responsibility than what is demanded by stakeholders. Based on the legitimacy theory, large organisations need to disclose more and more information (Bayoud et al., 2012; Masoud and Vij, 2021). Disclosure of more social responsibility aims to gain and maintain public trust, even though it absorbs larger resources (Bidari and Djajadikerta, 2020; Nguyen et al., 2021).

Based on the discussion above, this research formulates four hypotheses as follows:

H1. Profitability enhances the CSRD
H2. Leverage diminishes the CSRD
H3. Lower firm value enhances the CSRDD
H4. Liquidity increases the CSRD
H5. Higher firm size leads to higher CSRD

This study extends its testing to the components of CSRD, namely community (a), corporate governance (b), environmental (c) and total CSRD (d)

METHODS

This study examines a sample of 26 companies in the hospitality and tourism sector, consisting of 14 Indonesian and 12 Thailand companies, obtained from Bloomberg and the 2015-2019 company annual reports. This quantitative research used a purposive sampling method to ensure that companies have adequate data availability, such as CSR disclosure information needed during 2015-2019. The total observations are in Table I.

Table I. Number of Observations

Sampling criteria	Number of Observations
Hospitality and tourism industry in Indonesia and Thailand from 2015-2019	53
(-) Hospitality and tourism companies which inconsistently published their annual reports and had insufficient financial and CSR data from 2015- 2019	27

Final Hospitality and tourism companies	26
The observations (26 x 5)	130 observations for 5 years

The dependent variable of this study is Corporate Social Responsibility Disclosure (CSRD). As described previously, this study aims to determine the factors that influence CSR disclosure. This study used a measurement with the Kinder, Lydenberg, Domini & Co (KLD) index to provide a comprehensive and objective picture of CSRD disclosure. This study used seven dimensions of KLD; Community Disclosure (COMD), Corporate Governance Disclosure (CGD), Diversity Disclosure (DIVD), Employee Disclosure (EMPD), Environmental Disclosure (ENVD), Human Rights Disclosure (HUMD), and Product Disclosure (PROD) (Hatane et al., 2021). This study had two categories in each dimension: Strength and Concern of each disclosure. Strength indicators are used to evaluate the company's strengths or strengths the related to CSRD dimensions, while concerns evaluate the weaknesses or shortcomings caused by the company (Hatane et al., 2021; Hatane and Soewarno, 2022). CSRD calculation used a dichotomous approach where the value of "0" is non-disclosure, and "1" is the disclosed item.

Internationalisations persuade companies to implement CSR activities as a deliberate strategy to strengthen the corporate image (Hatane and Soewarno, 2022). This situation shows the importance of the community in the company's eyes and uses the Community Disclosure component to ascertain the nature of its social care to the community. In addition, if stakeholders can see CSRD opportunities well, they will place more importance on transparency and accountability in the companies' corporate governance. Disclosure of Corporate Governance can reduce the gap in the legitimacy of information between companies and the public (Semuel et al., 2019). Competencies possessed by stakeholders must be based on good communication about the company's goals as a driving force in corporate governance. Therefore, this study takes Community Disclosure (COMD) and Corporate Governance Disclosure (CGD) as specific dependent variables in this study. Many issues, such as global warming and climate change strengthen the business perspective of a caring environment (Zeppel and Beaumont, 2012). The hospitality and tourism industries, in particular, contribute to climate change and, at the same time, suffer from climate change (Solimar International, 2014). Responsibility for the environment is mutually beneficial for the company and the environment (Deswanto and Siregar, 2018). In addition to environmental care, companies with good environmental policies will save g money in long-term business processes (Deswanto and Siregar, 2018; Ardi and Yulianto, 2020). Therefore, we used Environment Disclosure (ENVD) as one of the specific dependent variables in this study. The specific dependent variable in this study has considered legitimacy theory, stakeholder theory, and resource-based value as the theoretical basis. The specific dependent variables are Community Disclosure (COMD), Corporate Governance Disclosure (CGD), Environment Disclosure (ENVD), and Total CSR Disclosure (TOTD), which are described as Corporate Social Disclosure (CSRD) variables.

Table II. Operational Variables Definition

Variable	Indicator	Operational Definition	Measurement

Community Disclosure (COMD)	KLD	The measurement used to measure CSR disclosures in the community components.	COMD = Total community disclosures strength - Total community disclosures concern
Corporate Governance Disclosure (CGD)	KLD	The measurement used to measure CSR disclosures in the corporate governance components.	CGD = Total corporate governance disclosures strength - Total corporate governance disclosures concern
Environment Disclosure (ENVD)	KLD	The measurement used to measure CSR disclosures in the environmental components.	ENVD = Total environment disclosures strength – Total environment disclosures concern
Total CSR Disclosure (TOTD)	KLD	The measurement used to measure total CSR disclosures.	TOTD = (Total community disclosures strength - Total community disclosures concern) + (Total corporate governance disclosures strength - Total corporate governance disclosures concern) + (Total diversity disclosures strength - Total diversity disclosures concern) + (Total employee relations disclosures strength - Total employee relations disclosures concern)+ (Total environment disclosures strength – Total environment disclosures concern)+ (Total human rights disclosures strength - Total human rights disclosures concern) + (Total products disclosure strength - Total products disclosures concern)
Profitability	Return on Asset (ROA)	The relative numbers of company's profit on total assets	ROA = $\frac{Earning\ Before\ Tax}{TotalAsset}$
Leverage	Debt-to-Asset	Measuring the company's external funding sources	LEV = $\frac{TotalDebt}{TotalAsset}$
Firm Value	Market-to-Book Ratio (MBR)	Measuring the market value of the company compared to the book value of the company	MBR = $\frac{MarketCapitalization}{TotalBookValue}$

Liquidity	Current Ratio	Measuring the company's ability to meet short-term obligations	Current Ratio = $\frac{CurrentAsset}{CurrentLiability}$
Firm Size	Log Total Asset	The size of the company: big or small	$log\ TotalAsset$

There are statistical equations to explain the research framework. Statistical equations for this research framework are:

$$COMD_{i,t} = \beta_0 + \beta_1 Profitability_{i,t} + \beta_2 Leverage_{i,t} + \beta_3 FirmValue_{i,t} + \beta_4 Liquidity_{i,t} + \beta_5 FirmSize_{i,t} + e$$

$$CGD_{i,t} = \beta_0 + \beta_1 Profitability_{i,t} + \beta_2 Leverage_{i,t} + \beta_3 FirmValue_{i,t} + \beta_4 Liquidity_{i,t} + \beta_5 FirmSize_{i,t} + e$$

$$ENVD_{i,t} = \beta_0 + \beta_1 Profitability_{i,t} + \beta_2 Leverage_{i,t} + \beta_3 FirmValue_{i,t} + \beta_4 Liquidity_{i,t} + \beta_5 FirmSize_{i,t} + e$$

$$TOTD_{i,t} = \beta_0 + \beta_1 Profitability_{i,t} + \beta_2 Leverage_{i,t} + \beta_3 FirmValue_{i,t} + \beta_4 Liquidity_{i,t} + \beta_5 FirmSize_{i,t} + e$$

In where:

$COMD_{i,t}$	= Community Disclosures score of company i in period t
$CGD_{i,t}$	= Corporate Governance Disclosures score of company i in period t
$ENVD_{i,t}$	= Environmental Disclosures score of company i in period t
$TOTD_{i,t}$	= Total CSR Disclosures (sum of COMD (Community Disclosures), CGD (Corporate Governance Disclosures), DIVD (Diversity Disclosures), EMPD (Employee Relation Disclosures), ENVD (Environmental Disclosures), HUMD (Human Rights Disclosures), PROD (Product Disclosures) of company i in period t
$Profitability_{i,t}$	= Return of asset of company i in period t
$Leverage_{i,t}$	= Total debt to asset of company i in period t
$FirmValue_{i,t}$	= Market to book value of company i in period t
$Liquidity_{i,t}$	= Current ratio of company i in period t
$FirmSize_{i,t}$	= Natural Logarithm Total Asset of company i in period t
$\beta 0$	= constant coefficient
$\beta_{1,2,3,4,5}$	= variables' regression coefficient
e	= *error*

RESULTS AND DISCUSSION

The data analysis method used is panel data regression with Generalized Least Square and Weighted Least Square techniques. The first data analysis performed was descriptive analysis, which showed the mean, standard deviation, minimum value, and maximum value of the independent and dependent variables based on Table III. Companies mostly made community disclosures, with an average of 4.046 and a maximum of 7.00. This analysis proves that companies disclosed many CSR activities in donating and dealing directly with the community. Diversity disclosures have a minimum value of -1, which indicates that the concern dimension is more dominant than the diversity strength component within the company. Employee disclosures, environmental disclosures, human rights disclosures, and product disclosures show a minimum value of 0 which means that there are still companies that do not disclose CSR or have balanced dimensions of strength and concern.

The majority of companies in the tourism industry in Indonesia and Thailand have low attention to the importance of CSR disclosures; the data showed that from 53 tourism industries, 27 companies did not consistently publish CSR in the company's annual report in 2015-2019. The standard deviation of the total CSR disclosures shown in the table below was also very high, with a value of 5,011. The maximum value of profitability after tax was 26.05 from the tourism industry of Indonesia and Thailand, where the minimum value of profitability shows a negative number of -8.63. The average profitability of the company is 5.7, with a standard deviation of 5.924.

Table III. Descriptive Analysis

	Minimum	Maximum	Mean	Standard Deviation
COMD	1.000	7.000	4.046	1.413
CGD	1.000	5.000	3.800	1.007
DIVD	-1.000	5.000	1.535	1.535
EMPD	0.000	6.000	3.438	1.093
ENVD	0.000	6.000	2.623	1.856
HUMD	0.000	3.000	2.069	0.8995
PROD	0.000	3.000	1.177	0.8396
TOTD	8.000	28.00	19.14	5.011
Profitability	-8.630	26.05	5.700	5.924
Leverage	0.000	0.6361	0.126	0.1476
Firm Value	0.000	13.56	2.604	2.883
Liquidity	0.06872	12.20	1.764	1.686
Firm Size	3.674	7.095	5.521	0.7941

Source: Data Hospitality dan Tourism Industry 2015-2019

Based on the panel test in Table IV, the right approach for panel data regression was found. Based on the tests, community disclosures, corporate governance disclosures, and total CSR disclosures used random effects, while environmental disclosures used a fixed effect approach. After determining the right approach, a heteroscedasticity test must be carried out first. Based on the Chi-square test from Table IV, the p-value of each variable shows the number <0.05, which indicates that the hypothesis has a problem and does not meet the homoscedasticity. Therefore, the research method used is Generalised Least Square for the components of community disclosures (COMD), corporate governance disclosures (CGD), and total CSR disclosures (TOTD). In contrast, environmental disclosures (ENVD) used the Weighted Least Square method to solve the heteroskedasticity problem in the fixed panel effect.

Table IV. Panel Test

	Chow Test (p-value)	Breusch-Pagan Test (p-value)	Hausman Test (p-value)	Result	Heteroskedasticity Test Statistic (p-value)
COMD	4.77894e-020	2.8847e-025	0.348303	RANDOM EFFECT	P(Chi-square(20) > 34.900080) = 0.020643
CGD	1.53663e-024	4.39749e-033	0.88446	RANDOM EFFECT	P(Chi-square(20) > 38.018579) = 0.008809
ENVD	3.1743e-032	6.07581e-032	0.0155154	FIXED EFFECT	P(Chi-square(20) > 46.800426) = 0.000625
TOTD	3.71176e-022	3.5477e-028	0.391672	RANDOM EFFECT	P(Chi-square(20) > 43.130414) = 0.001965

Next, the collinearity test was done by checking the standard Variance Inflation Factor (VIF). Based on the results in Table V, the independent variables were free from multicollinearity.

Table V. Regression Panel

Variables	Predicted sign	Coefficient	Std. Error	t-ratio	p-value	Sig.
Community disclosures (F-value = 8.21307; Adjusted R^2 = 0.175652)						
Constant		2.98275	1.51891	1.964	0.0496	**
Profitability	+	0.0165247	0.0201776	0.8190	0.4128	
Leverage	-	2.72874	1.20560	2.263	0.0236	**
Firm Value	-	−0.0597447	0.0455109	−1.313	0.1893	
Liquidity	+	−0.0305112	0.0565790	−0.5393	0.5897	
Firm Size	+	0.118275	0.281150	0.4207	0.6740	
Corporate Governance Disclosures (F-value = 18.7469; Adjusted R^2 = 0.316308)						
Constant		0.423775	1.01843	0.4161	0.6773	
Profitability	+	−0.00141584	0.0119327	−0.1187	0.9056	
Leverage	-	1.92425	0.756805	2.543	0.0110	**
Firm Value	-	−0.00688767	0.0272386	−0.2529	0.8004	
Liquidity	+	0.0234162	0.0333811	0.7015	0.4830	
Firm Size	+	0.541660	0.187250	2.893	0.0038	***
Environmental Disclosures (F-value = 34.83431; Adjusted R^2 = 0.567363)						
Constant		1.22600	0.647725	1.893	0.0607	*
Profitability	+	−0.0461907	0.0192643	−2.398	0.0180	**
Leverage	-	1.95403	0.918350	2.128	0.0353	**
Firm Value	-	−0.269613	0.0354158	−7.613	<0.0001	***
Liquidity	+	−0.252978	0.0694759	−3.641	0.0004	***
Firm Size	+	0.442150	0.127696	3.463	0.0007	***
Total CSR Disclosures (F-value = 19.148; Adjusted R^2 = 0.289852)						
Constant		6.30444	5.01121	1.258	0.2084	

Profitability	+	−0.0751602	0.0635869	−1.182	0.2372	
Leverage	-	6.92174	3.88641	1.781	0.0749	*
Firm Value	-	−0.325112	0.144095	−2.256	0.0241	**
Liquidity	+	−0.00728400	0.178140	−0.04089	0.9674	
Firm Size	+	2.31652	0.925274	2.504	0.0123	**

Note : ***1% significance level, ** 5% significance level, * 10% significance level

Variance Inflation Factors (VIF) : Profitability = 2.099; Leverage = 1.366; Firm Value = 1.736; Liquidity = 1.362; Firm Size = 1.331

Table IV displays that profitability is proven to have a significant adverse effect on environmental disclosures. However, it has no significant effect on community disclosures, corporate governance disclosures, and total CSRD. This finding made the statement h1 rejected. Profitability is unfavourable for environmental disclosures, presumably because companies tend to disclose CSR to improve the company's image. Although the hospitality and tourism industries' involvement in climate change is extensive, the industry's actions in dealing with the environment are thoroughly limited. Table III reveals that Profitability has a high standard deviation, indicating a wide data variation. That fact can also explain this finding. The results of this study raised the idea that companies with good financial performance do not seem to overthink CSR disclosures in their annual reports. The company disclosed its social responsibility activities only as an obligation to gain legitimation from the stakeholders (Asmery et al., 2017; Semuel et al., 2019; Ardi and Yulianto, 2020).

Leverage increases CSRD and all of its components significantly, which means it rejects H2. These results indicated that more debt would boost greater CSRD. Esa and Ghazali (2012) found that companies with higher leverage will include CSR information in their annual reports as a social initiative managers consider, explaining these unexpected results. This effort is to maintain a good reputation in the community in developing an organisation. Firm value does not significantly affect the community and corporate governance disclosures, which means it rejects H3a and H3b. However, firm value affects CSRD negatively on total CSR disclosures and environmental disclosures. In total CSR disclosures, the negative influence is shown at a significant level of 5%, while in environmental disclosures at a significant level of 1%. These findings led to the acceptance of H3c and H3d. This finding proves that the smaller the company's value assessed by the market, the more motivating stakeholders to disclose CSR. Shen et al. (2021) research supports this statement, which describes that companies with high CSRD scores show more investor attention indicators than low CSRDs. This finding suggests that the company's stakeholders are aware of CSRD to attract investors' attention because the company's market value is still relatively low.

Liquidity has a significant negative effect on environmental disclosures at a significant level of 1%. This unexpected result shows that the smaller the company's liquidity, the more CSR is disclosed. Liquidity also does not significantly affect other components, such as community disclosures, corporate governance disclosures, and total CSR disclosures. Hussainey et al. (2011) supported this finding and found that liquidity does not affect CSRD. This finding can refer to the characteristics of the company that can affect CSR disclosures. Based on the conclusion of the data above, the hypothesis between liquidity and CSRD is rejected (H4).

Firm size has no significant effect on community disclosures but has a significant positive effect on other components, which means it rejects h5a while h5b, h5c, h5d is accepted. The results of these community disclosures show that the company's size does not affect the CSR disclosures of public concern. Bayoud et al. (2012) support this study, which found no effect between firm size and the level of CSRD of the company. The positive effect of firm size on corporate governance disclosures, environmental disclosures, and total CSRD is in line with previous studies, which stated that stakeholders in large companies are more aware of the importance of corporate governance disclosures of CSR activities (Bidari and Djajadikerta, 2020; Nguyen et al., 2021; Masoud and Vij, 2021). Resource-based view theory can also be related to this finding with the use of significant resources by stakeholders to see more of the aspects of suitability between the company's ability to manage its resources, capabilities and opportunities. This theory explains how companies can use resources well to gain a competitive advantage.

Table VI. Regression Panel Indonesia and Thailand in Total CSRD

	Indonesia		Thailand	
Variables	Coefficient	Sig.	Coefficient	Sig.
Profitability	-0.0644373		-0.0606473	
Leverage	15.2198	***	1.36862	
Firm Value	-1.02687	***	-0.481207	***
Liquidity	-0.0616472		-1.28636	***
Firm Size	3.82254	***	-3.27718	***

Note: ***1% significance level

Based on Table VI, the company's leverage shows a significant positive effect on CSRD in Indonesia. The smaller the firm value, the more companies disclose CSRD to improve the company's reputation in both countries. Low corporate liquidity triggers Thailand's companies to inform more about CSR. Firm size has a significant effect in both countries with different directions of influence. Indonesian hospitality and tourism industries will be more active in disclosing CSR if the company's size gets more prominent, while Thailand's industries are the opposite. Different management and understanding of top management in each sector and country can influence management decisions towards CSR disclosures. Therefore, all countries and sectors in the relationship between CSRD and its influencing factors cannot be equalised.

CSRD has a vital role in its social and environmental implementation. Therefore, analysing the factors that influence CSRD helps to understand the company's performance in disclosing CSR. CSRD reduces information asymmetry, showing company transparency and thereby increasing legitimacy. This CSRD can be achieved with good communication between stakeholders and awareness of ethics and social responsibility, which plays an essential role in corporate governance. In its implementation to employees, CSRD can motivate employees to engage in CSR activities directly. This situation affects job satisfaction, feels work involvement, and can improve the quality of employees' work life. CSRD also affects the community through the company's concern for the environment by providing support, trust, and loyalty.

According to the descriptive statistic results, among the seven components of CSR in KLD measurement, four elements are still minimum in the level of disclosures. They are diversity, employee relations, environmental and product disclosures. This situation is presumably due to government regulations that oblige and are considered an external driving factor that forces companies to disclose CSR. CSRD in tourism and hospitality companies of Indonesia and Thailand are also suspected to be philanthropists. The CSR activities focus on financial contributions that aim to benefit the community to build the company's image in society. The tourism and hospitality companies in these countries look like they are not expanding their CSR activities in the implementation of humanitarianism that genuinely respects the value of human life. The contribution of humanitarianism can be seen not only financially but giving their lives to serve others. This study's highest number of disclosures is the community element, indicating that companies disclose many of their CSR activities in donating and maintaining relationships with the community.

The results of this study contribute to the government through support for the importance of monitoring the social responsibility of the tourism and hospitality industry. Environmental sustainability is a major concern in this industry. Because the social responsibility carried out by companies in this industry is still philanthropic in nature, the government needs to reinforce the social responsibility of this industry through government regulations. Climate change and global warming, which are world issues now, should be a particular concern in implementing corporate CSR. The hospitality and tourism industries must continue to contribute to reducing greenhouse gas development in tackling climate change. A hotel that can be used as an example in its implementation is the Intercontinental Hotels Group, committed to reducing greenhouse gas emissions through the Hotel Carbon Measurement Initiative (HCMI) by operating Crown Plaza and Holiday Inn. The hotel can track and manage carbon reductions (Intercontinental Hotels Group, 2015).

CONCLUSION

This study's main objective is to examine further the relationship between factors that influence CSRD using panel regression analysis for 130 annual reports as of 2015-2019 from the hospitality and tourism industries in Indonesia and Thailand. This study aimed to examine the relationship between Profitability, Leverage, Firm Value, Liquidity, Firm Size, and CSRD. The measurement of CSRD used the KLD method that was adjusted for companies in Indonesia and Thailand. This study takes three major components of CSR relevant to the tourism and hospitality industry: community, corporate governance, and environment. The results from this study contribute to RBV and stakeholder theories. Debt is essential for enhancing the disclosures of community, CG, environment and total CSR. Companies need to satisfy their stakeholders by arranging and disclosing their sustainability activities. Leverage and Firm Size were found favourable in enhancing the CSR disclosures. Lower market share prices in tourism and hospitality companies even force the companies to disclose more about their sustainability activities to gain legitimation from the investors. Furthermore, Profitability is not the essential factor that may influence CSR disclosures. There are some limitations to this study. First, this study only focuses on the tourism and hospitality industries in Indonesia and Thailand. Different sectors and countries can provide different perspectives on the relationship between

CSRD and the factors that influence it. Second, the business environment dynamics can change unexpectedly; therefore, corporate social responsibility disclosures can be expanded.

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