VOLUME 10 NOMOR 1 2025
BAKI
Berkala Akuntansi dan Keuangan Indonesia

THE DOUBLE-EDGED EFFECT OF CORPORATE GOVERNANCE: THE INTERACTION OF MANAGERIAL ABILITY AND CORPORATE GOVERNANCE REDUCES SUSTAINABILITY REPORTING

EFEK BERMATA DUA DARI TATA KELOLA PERUSAHAAN: INTERAKSI ANTARA KEMAMPUAN MANAJERIAL DAN TATA KELOLA PERUSAHAAN MENGURANGI PELAPORAN KEBERLANJUTAN

Dieza Risqi Ardila Yusuf[1], Frida Fanani Rohma[2*]

[1,2] *Universitas Trunojoyo Madura*
[*]*Corresponding Author: frida.frohma@trunojoyo.ac.id*

I N F O A R T I K E L

Histori Artikel: Tanggal Masuk 27 April 2024
Revisi Diterima 21 September 2024
Tanggal Diterima 24 September 2024
Tersedia Online 31 Maret 2025

Keywords: Governance, Managerial ability, Sustainability Reporting, Banking, Reduction

A B S T R A C T

This research aims to investigate the interaction effect of governance on the relationship between managerial ability and sustainability reporting in the banking industry in Indonesia. A green economy with social, environmental, and sustainability aspects is a substantial issue that is considered to have an impact on capital markets and foreign investment. Banking has a significant role in green financing to maintain environmental and financial stability. Thus, sustainable reporting is crucial for stakeholders as a sustainable green economy develops. This research uses quantitative methods involving banking data in Indonesia listed on the Indonesia Stock Exchange. The results of this research show that managerial ability can encourage sustainability reporting. Interestingly, the findings of this study show that corporate governance reduces the influence of managerial ability on sustainability reporting. Thus, the existence of good working principles does not mean that it can prevent individuals from rationalizing opportunistic actions. An organized instrumental climate in a governance system can be a double-edged sword that encourages individuals to optimize group interests by minimizing information disclosure to reduce disclosure costs.

Kata Kunci: Tata Kelola, Kecakapan Manajerial, Pelaporan Berkelanjutan, Perbankan, Reduksi

A B S T R A K

Penelitian ini bertujuan untuk menginvestigasi efek interaksi tata kelola pada hubungan kecakapan manajerial dan pelaporan keberlanjutan pada industri perbankan di Indonesia. Ekonomi hijau dengan aspek sosial, lingkungan dan keberlanjutan menjadi isu substansial yang dinilai dapat berdampak pada pasar modal dan investasi asing. Perbankan memiliki peran utama dalam ranah pembiayaan hijau untuk menjaga stabilitas lingkungan dan keuangan. Dengan demikian, seiring berkembangnya ekonomi hijau berkelanjutan, adanya pelaporan berkelanjutan memiliki peran krusial bagi stakeholders. Penelitian ini menggunakan metode kuantitatif dengan menggunakan 63 data perbankan di Indonesia yang terdaftar di Bursa Efek Indonesia. Hasil penelitian ini menunjukkan bahwa kecakapan manajerial dapat mendorong pelaporan keberkelanjutan. Menariknya, temuan penelitian ini menunjukkan bahwa tata kelola perusahaan mereduksi pengaruh kecakapan manajerial terhadap pelaporan berkelanjutan. Dengan demikian, adanya prinsip kerja yang baik bukan berarti mampu mencegah individu untuk tidak merasionalisasikan tindakan yang bersifat oportunistik. Iklim instrumental yang terorganisir pada sistem tata kelola dapat menjadi pisau bermata dua yang mendorong individu untuk mengoptimalkan kepentingan kelompok dengan meminimalkan keterbukaan informasi guna mengurangi biaya pengungkapan.

Berkala Akuntansi dan Keuangan Indonesia p-ISSN: 2459-9581; e-ISSN 2460-4496
DOI: 10.20473/baki.v10i1.55272

1. Introduction

The issues of global warming, the environment, and social sustainability are topics that attract the attention of many stakeholders (Matuszak et al., 2019; Naciti, 2019; Rohma, 2023; Rokhayati et al., 2022; Russo & Perrini, 2010). The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (2019a, b) explains the link between the green economy and green financing by banks to maintain environmental stability. One way of implementing a green economy can be seen in the disclosure of sustainability reports (Rohma, 2021). Wijaya et al. (2020) explained that sustainability reports include financial and non-financial information regarding social and environmental issues that make companies develop sustainably. The first regulation regarding sustainability reporting in Indonesia was issued by the Financial Services Authority (OJK) through POJK No. 51 dated 27 July 2017 (Sumiyati & Suhaidar, 2020).

Khan et al. (2022) explain and prove that managerial ability is a crucial factor that encourages sustainable reporting. The managerial ability helps realize good managerial performance and tasks that are more capable of processing information (Ariantika & Geraldina, 2019; Rohma & Khoirunnisa, 2024). A high level of proficiency will make managers more skilled at processing information (Lopatta et al., 2022; Shahab et al., 2020; Ariantika & Geraldina, 2019). Capable managers can reveal information to demonstrate sustainable performance and competitive advantage (Rajabalizadeh & Oradi, 2022l; Doukas & Zhang, 2021; R). However, research findings regarding the relationship between managerial ability and sustainable reporting show inconsistent results.

Khan et al. (2022) found that managerial ability drives a company's sustainable practices. Meanwhile, Aniktia & Khafid (2015) show no relationship between managerial ability and sustainable reporting. Inconsistencies in the research results may occur due to phenomena not captured in previous research. Based on the stewardship theory perspective, Donaldson & Davis (1991) managers will tend to behave in the common interest or for organizational goals. Based on stewardship theory, individuals minimize personal interests to optimize organizational interests (Rohma, 2022). Socially responsible companies take initiatives to protect the environment (Murtaza et al., 2021).

Based on the stewardship theory perspective, organizational performance accountability is essential in achieving sustainable development goals for all stakeholders. One form of effort to become a steward can be reflected by implementing mechanisms for company operational activities through a good governance system. Chigudu (2021) explains that good governance is needed by describing corporate governance as a practice where the company is controlled and directed. Corporate economic, social and environmental responsibilities make companies play a role in implementing good corporate governance (Sunaryo et al., 2018; Aprilia, 2018). Companies can disclose information in the form of sustainability report disclosures as a form of corporate responsibility to the public (Yondrichs et al., 2021). Therefore, this research seeks to answer the inconsistencies of previous research by elaborating on the stewardship perspective captured in the governance construct by testing the moderating effect of governance on the relationship between managerial ability and sustainable reporting.

This research uses quantitative methods involving banking companies on the Indonesia Stock Exchange. The research results show that managerial ability can potentially improve sustainability reporting. Interestingly, this research shows that the presence of governance can reduce the relationship between managerial ability and sustainable reporting. In essence, good work principles do not mean being able to prevent individuals from rationalizing opportunistic actions for the benefit and stability of the organization by minimizing the costs of disclosure.

This research contributes to 3 main streams. First, theoretically based on a stewardship perspective, this research shows that individuals' tendencies as stewards can encourage them to cover up information to minimize the company's disclosure costs. Second, empirically, this research answers the inconsistency of previous research results regarding the relationship between managerial ability and sustainability reporting. This research shows a phenomenon not captured earlier in the governance construct. Third, practically, the findings of this research are of concern to stakeholders to increase caution and sharpen the interpretation of available financial information. Good corporate governance is not necessarily a predictor of openness and bias-free information.

The structure of this research is comprehensively divided into several discussions. The following section continues with the literature review and hypothesis development. The third part includes a review of research methods. The fourth section consists of the results of the analysis and discussion. The fifth section contains conclusions, limitations, and suggestions.

2. Literature Review and Hypothesis Development

2.1 Stewardship Theory

Stewardship theory was developed by Donaldson & Davis (1991), which states that individual behavior tends to be a trustee by prioritizing collective or shared interests above personal interests. Stewardship theory focuses on non-financial impacts and directs company management activities (Schillemans & Bjurstrøm, 2019). Stewardship theory is primarily concerned with identifying situations where the interests of principals and stewards can be aligned (Pastoriza & Montreal, 2008). Stewardship theory places more excellent value on the convergence of goals among the parties involved in corporate governance than on the personal interests of agents (Pastoriza & Montreal, 2008). The context of stewardship theory in this research explains the relationship between the principal and management (stewards) in achieving the common goal of encouraging information transparency through sustainable reporting.

2.2 The Influence of Managerial Ability on Sustainability Reporting

Stewardship theory explains that company performance can increase because of the trustworthiness and loyalty of company managers towards commitment within the company (Kurniawan, 2013; Chrisman, 2019). Stewards with good managerial ability will likely have adequate expertise in their responsibilities (Isnugrahadi & Kusuma, 2009; Aniktia & Khafid, 2015; Septiana, 2012). Khan et al. (2022) show that a CEO's managerial ability positively influences a company's sustainability practices. Khan et al. (2022) found that social and economic sustainability increases with increasing CEO managerial ability in companies.

Ariantika & Geraldina (2019) explain that managerial ability can increase the positive influence of sustainability reports. More capable managers tend to be able to respond to economic pressures and competitive markets (Rajabalizadeh & Oradi, 2022; Doukas & Zhang, 2021; Diouf & Boiral, 2017). Ariantika & Geraldina (2019) stated that the more skilled a manager is in managing assets and disclosing aspects of sustainable reporting, the more company profits can be increased. Thus, capable managers have the potential to have a good understanding of the company's environmental and social issues and, therefore, tend to report more comprehensive sustainability reports. Thus, the hypothesis proposed in this research is:

H1: Managerial ability has a positive effect on sustainability reporting.

2.2 Interaction of Corporate Governance and Managerial Ability on Sustainability Reposting

Capable managers tend to have more effective ways to organize company management to carry out their responsibilities (Bruwer & Coetzee, 2016). Higher managerial ability will provide more robust performance for the company (Gong et al., 2021). Managerial ability enables companies to identify risks and opportunities to overcome problems, including social and environmental issues (Khan et al., 2022). Sustainability reports would allow companies to measure and track their performance in terms of sustainability and provide helpful information to stakeholders (Rajabalizadeh & Oradi, 2022). Stewardship theory emphasizes building trust and strong relationships between management and organizational stakeholders. Individuals who become trustees and have good management will likely be responsible for managing the company better (Murtaza et al., 2021). Based on stewardship theory, corporate governance will direct and control the company to achieve corporate balance and provide accountability (Nuraisah & Laily, 2022; Murtaza et al., 2021). Good corporate governance requires transparency in decision-making and accountability for the decisions made. This can strengthen the relationship between managerial ability and sustainability report disclosure because managers will tend to disclose relevant and significant information for the company. Therefore, it is possible that corporate governance can influence the relationship between managerial ability and sustainability report disclosure. Thus, the fourth hypothesis proposed in this research is:

H2: Corporate governance strengthens the relationship between managerial ability and sustainability reporting.

3. Research Methods

3.1 Research Population and Sample

The population in this research is banking companies listed on the Indonesia Stock Exchange during the 2018-2022 period that publish sustainability reports. This research uses objects in banking companies because banking is a financial institution that has an essential role in economic activities at both national and international levels. Regulation 51/POJK.03/2017 states The sampling technique was carried out using Purposive Sampling, namely determining samples with specific targets or considerations: banking companies listed on the Indonesia

Stock Exchange, publishing annual reports for 2018 - 2022, and publishing sustainability reports for the period 2018 - 2022.

3.2 Operational Definition and Measurement of Research Variables

The dependent variable in this research is sustainable reporting, a form of voluntary reporting as a form of corporate social and environmental responsibility (Tobing et al., 2019; Fatihah & Widiatmoko, 2022). The Sustainability Report proxy based on the Global Reporting Initiative (GRI) G4 indicators measure sustainability reporting in research. These indicators include The economic part, consisting of 1 dimension, four aspects, and nine indicators. The environmental section comprises one dimension, 12 factors, and 34 indicators. The social part shall consist of 4 dimensions, 29 aspects, and 48 indicators. This research refers to research by Rahaditama (2022), which uses Sustainability Reporting, which will be assessed by comparing the number of disclosures made by the company with the number of disclosures required in the GRI. Sustainability reporting disclosure is measured by scoring one if an item is disclosed, and 0 if it is not. After giving scores to all items, the scores are then added up to obtain a total score for each company, according to the following formula SR= (Number of Items Disclosed from 91 items in the GRI-G4 version)/(91 Items in the GRI-G4 Version)

The independent variable in this research is managerial ability, which is skills or personal characteristics that help achieve managerial performance and tasks (Ariantika & Geraldina, 2019; Septiana, 2012). Managerial abilities are measured using Data Envelopment Analysis (DEA). Manager abilities are practical if the results are closer to number 1 (Wicaksono & Rahmawati, 2019). The calculation of managerial ability can be formulated as follows: KM = (Loans): (Deposits + Labor Expense + Fixed Assets).

The moderating variables in this research are corporate governance, the processes and structures used to direct and manage the company's business and activities towards increasing business growth and corporate accountability (Wahyudi, 2021). In this research, corporate governance is the rules, elements, and legal systems that control company activities that aim to control and direct the company so that company activities operate according to expectations (Nuraisah & Laily, 2022). The measurement of corporate governance in this research refers to research by Wahyudi (2021), using the number of independent commissioners divided by the total number of commissioners. Board of Independent Commissioners = (number of independent board of commissioners) / (total number of board of commissioners)

3.3 Data analysis technique

The data analysis and hypothesis testing technique used is Moderated Regression Analysis (MRA). Before testing the hypothesis with MRA, assumptions are tested to obtain initial confidence that the data used meets the best, linear, unbiased, estimated criteria. The assumption tests used include residual normality testing, autocorrelation testing, multicollinearity testing, and heteroscedasticity testing.

4. RESULTS AND DISCUSSION

4.1 Result

This research uses 47 banking companies listed on the Indonesia Stock Exchange. However, 34 banking companies do not consistently publish financial reports, so it uses data from 13 banking data that consistently report during 2018-2022. Therefore, there are 65 data. Descriptive statistics of research data show the pattern as presented in Table 1. The analysis results in Table 1 show that sustainable reporting has an average value of 211834319.7 and a standard deviation of 99158465.83. The maximum and minimum values of the sustainability reporting variable are 384615385.0 and 21978022.00. Managerial ability has a mean of 3.4637, a standard deviation of 2.12539, a maximum value of 9.24, and a minimum value of 1.05. Corporate governance has an average value of 0.5563, a standard deviation of 0.07026, a maximum value of 0.75, and a minimum value of 0.43.

Table 1. Descriptive Statistics

Variables	N	Min	Max	Mean	Std. Deviation
Sustainability reporting	65	21978022,00	384615385,0	211834319,7	99158465,83
Managerial Ability	65	1,05	9,24	3,4637	2,12539
Corporate Governance	65	0,43	0,75	0,5563	0,07026

Source: Processed data, 2023

This research tests assumptions to provide initial confidence that the data used in hypothesis testing is best, linear, unbiased, and estimated. First, the residual normality test using One Sample Kolmogorov-Smirnov showed a p-value>0.327. Thus, the residuals are normally distributed. Second, multicollinearity testing using tolerance and VIF values is presented in Table 2, indicating that all variables have a tolerance value > 0.10 and a Variance Inflation Factor (VIF) value < 10, so there is no multicollinearity problem.

Table 2. Multicollinearity

Variable	Tolerance	VIF
Managerial ability	0,940	1,063
Corporate Governance	0,943	1,061

Source: Processed data, 2023

Third, testing heteroscedasticity using the Glejser test, presented in Table 3, shows that the value of all variables is $p>0.05$. Therefore, there is no violation of the heteroscedasticity assumption. The four autocorrelation tests use Durbin Watson, presented in Table 4. The test results in Table 4 show that Durbin Watson (DW) is 1.479. When compared with the DW table with the number of observations (n) = 65 and the number of independent variables 3 (k = 3). The DU value obtained in the DW table is 1.6960, and the DL value is 1.5035. Value 4 - DU = 4 -1.6960 = 2.304. Then, DU < DW < (4-DU) = 1.6960 < 1.943 < 2.304. So, it can be concluded that there is no autocorrelation. The fulfillment of all assumptions provides initial confidence that the data meets the criteria of best, linear, unbiased, and estimated. Therefore, hypothesis testing can be carried out. The test results show a coefficient value of 0.966, as presented in Table 5. This indicates a strong relationship of 96%.

Table 3. Heteroscedasticity Test

Variable	t	Sig.
Managerial ability	-1,992	0,051
Corporate governance	-1,629	0,108

Source: Processed data, 2023

Table 4. Autocorrelation Test

Model	Adjusted R Square	Durbin Watson
1	0,124	1,943

Source: Processed data, 2023

Table 5. Determination Test

Model	R	R *Square*	*Adjusted R Square*
1	0,984	0,986	0,966

Source: Processed data, 2023

Table 6. Hypothesis Testing

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Managerial ability	53392659,46	4289673,002	1,114	12,447	0,000

Managerial ability* Corporate governance	-92120365,1	327419,131	-1,017	-11,062	0,000

Source: Processed data, 2023

Hypothesis testing uses MRA testing, as presented in Table 6. The first hypothesis predicts that managerial ability can influence sustainability report disclosure. The results of the multiple regression test presented in Table 6 show that the influence of managerial ability on sustainability reporting disclosure has a P value <0.000; t = 12.447, with β = 1.114. Based on these results, it can be concluded that there is a positive influence on the relationship between managerial ability and sustainability reporting, so H1 is supported.

The second hypothesis predicts that corporate governance can moderate the influence of managerial ability on sustainability report disclosure. The results of the analysis in Table 6 show that the results of the interaction between corporate governance variables and managerial ability have a P value <0.000; t = -11.062, with β = -1.017. These findings indicate a negative moderating relationship between corporate governance and managerial ability in sustainability reporting. These findings suggest that corporate governance weakens the influence of managerial ability on sustainability reporting. They are reducing the disclosure of sustainability reports. Based on these results, it can be concluded that a relationship between corporate governance and managerial ability can weaken the influence of sustainability report disclosure, so H2 is supported.

4.2 Discussion

This research predicts and finds that managerial ability positively affects sustainability reporting. This finding aligns with research by Ariantika & Geraldina (2019) that managerial ability can strengthen the positive influence of sustainability report disclosure. The more skilled the manager, the more they will consider improving the company's quality, one of which is by disclosing sustainability reports (Chrisman, 2019). This research also shows the same results as Doukas & Zhang (2021) that managers who are talented or capable have a greater tendency to build a social culture within the company. This research's findings align with the stewardship theory by Donaldson & Davis (1991), which states that managers will tend to behave in the common interest or for organizational goals. Managers who conduct under the common interest will increase company performance, one of which is by disclosing sustainability reports.

Based on the stewardship perspective, organizational management focuses on harmonizing between principals and stewards to achieve common goals. A manager's decision-making will impact decision-making in their company (Romadhon & Kusuma, 2020). A capable manager can carry out efficient company business processes and make decisions that provide added value to the company. The results of this research also align with Rajabalizadeh & Oradi's (2022) finding that managerial ability is a manager's ability to make and implement decisions that can lead the company to higher efficiency. Based on the stewardship theory perspective, capable managers have a responsibility and play an essential role in disclosing sustainability reports. Individuals with good skills will strive to improve the quality of the company. One way to enhance the company's quality is to inform sustainability reports.

This research predicts and finds that corporate governance can moderate the managerial skill variable on sustainability report disclosure. Interestingly, the findings of this study indicate that the existence of corporate governance can weaken the relationship between managerial ability and sustainability report disclosure. This research is not in line with Jefri (2018) that managers always act in such a way as to maximize the company's interests, achieve good corporate governance, and encourage management to disclose sustainability reports. This research aligns with the agency perspective of Jensen & Meckling (1976) that company managers have complete information compared to principals. These differences in information provide an opportunity for agents to take action related to personal interests. Flowerastia et al. (2021) explained that a culture of honesty and good work ethics in a company does not mean it can prevent individuals from rationalizing actions that are not under stakeholders. Individuals can rationalize wrong actions to achieve organizational goals even though they are already in a very positive work environment. The results of this research are in line with research by Najib & Rini (2019), Farida et al. (2021), and Rohemah et al. (2023), which shows that the existence of good governance does not provide a guarantee that no irregularities will be committed.

Anderson et al. (2009) explained that management tends not to disclose information because disclosure requires significant costs for the organization. Rohma & Chamalinda (2023) explain that management tends to take dysfunctional actions to maintain financial stability and business continuity. This finding also aligns with Zyglidopoulos et al. (2009) and Nahartyo et al. (2020), who argue that dysfunctional behavior can occur very smoothly if carried out by experienced people with managerial ability. Thus, corporate governance established to maintain business stability can weaken the influence of managerial ability on sustainable reporting. The tendency of managers to minimize the cost of disclosure to preserve the company's financial stability weakens the impact of managerial ability on sustainable reporting.

5. Conclusion

Research shows that managerial ability drives sustainable reporting. Interestingly, the presence of governance can weaken the influence of managerial ability on sustainable disclosure. The existence of corporate governance can be a double-edged sword; one side can guarantee positive performance implementation. However, on the other hand, it can encourage individuals to behave dysfunctionally to maintain financial stability by minimizing disclosure costs. This research has implications for two main streams. First, this research addresses inconsistencies in previous research through the construct of governance as a phenomenon not captured in earlier research. Second, practically, this research provides initial detection to warn stakeholders that the existence of governance cannot be used as an indicator of business health and sustainability. Despite its implications, this research has limitations. Several companies did not consistently provide sustainability report disclosures during the observation period. Thus, several banking companies cannot be used as research samples. Although this research uses secondary databases, it is limited to one financial sector. Therefore, readers need to be careful in interpreting the generalization of the results.

References

Anderson, R. C., Duru, A., & Reeb, D. M. (2009). Founders, heirs, and corporate opacity in the United States. *Journal of Financial Economics*, *92*(2), 205-222.

Aniktia, R., & Khafid, M. (2015). Pengaruh Meknisme Good Corporate Governance dan Kinerja Keuangan terhadap Pengungkapan Sustainability Report. *Accounting Analysis Journal*, *4*(3).

Aprilia, E. A. (2018). Effect of Good Corporate Governance and Sustainability Report Disclosure Structure on Company Value and Economic Added Value As Intervening Variable. *EAJ Economics and Accounting Journal*, 1(3): 225.

Ariantika, E. N., & Geraldina, I. (2019). Implikasi kecakapan manajerial pada laporan keberlanjutan dan kinerja perusahaan. *Jurnal Dinamika Akuntansi dan Bisnis,* 6(1), 39-50. https://doi.org/10.24815/jdab.v6i1.10815

Bruwer, J. P., & Coetzee, P. (2016). A literature Review of the Sustainability, the Managerial Conduct of Management and the Internal Control Systems Evident in South African Small, Medium and Micro Enterprises. *Problems and Perspectives in Management*, *14*(2). https://doi.org/10.21511/ppm.14(2-1).2016.09

Chigudu, D. (2021). Picking up Pieces of Good Corporate Governance to Sustain National Railways of Zimbabwe. *Indian Journal of Corporate Governance*, *14*(1), 27–47. https://doi.org/10.1177/09746862211007042

Diouf, D., & Boiral, O. (2017). The Quality of Sustainability Reports and Impression Management : A Stakeholder Perspective. *Accounting, Auditing & Accountability Journal*, *30*(3), 643–667. https://www.emerald.com/insight/content/doi/10.1108/AAAJ-04-2015-2044/full/html

Donaldson, L., & Davis, J. H. (1991). Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns. *Australian Journal of Management*, *16*(1), 49–64. https://doi.org/10.1177/031289629101600103

Doukas, J. A., & Zhang, R. (2021). Managerial Ability, Corporate Social Culture, and M&As. *Journal of Corporate Finance*, *68*, 101942. https://doi.org/10.1016/j.jcorpfin.2021.101942

Farida, Hidayati, N., & Purwantini, H., A. (2021) Disclosure of Islamic Corporate Governance and Sharia Compliance on Fraud in Sharia Commercial Banks. *Urecol Journal. Part A: Economics and Business*, 1(1), 39

Fatihah, A. Al, & Widiatmoko, J. (2022). Pengaruh Corporate Governance Efficiency Terhadap Pengungkapan Sustainability Report Dan Dampaknya Terhadap Kinerja Keuangan. *KRISNA: Kumpulan Riset Akuntansi*, *14*(1), 80–92. https://doi.org/10.22225/kr.14.1.2022.80-92

Flowerastia, R. E., Estralita T., & Herlina, B. (2021). Fraud Awareness, Internal Control and Corporate Governance on Fraud Prevention and Detection. Advances in Social Science, Education and Humanities Research, volume 570. *Proceedings of the International Conference on Economics, Business, Social, and Humanities.*

Gong, Y., Yan, C., & Ho, K. C. (2021). The Effect of Managerial Ability on Corporate Social Responsibility and Firm Value in the Energy Industry. *Corporate Social Responsibility and Environmental Management*, *28*(2), 581–594. https://doi.org/10.1002/csr.2070

Isnugrahadi, I., & Kusuma, I. W. (2017). Pengaruh Kecakapan Manajerial terhadap Manajemen Laba dengan Kualitas Auditor sebagai Variabel Pemoderasi. *Prosiding Simposium Nasional Akuntansi XII*, 1–25.

Jefri, R. (2018). Teori Stewardship dan Good Governance. *Jurnal Riset Edisi XXVI*, *4*(3), 14–28.

Jensen, M., & Meckling, W. (1976). Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure. *The Economic Nature of the Firm: A Reader, Third Edition*, 283–303. https://doi.org/10.1017/CBO9780511817410.023

Khan, M. K., Zahid, R. M. A., Shahzad, K., Hussain, M. J., & Kitendo, M. M. (2022). Role of Managerial Ability in Environmental, Social, and Economics Sustainability: An Empirical Evidence from China. *Journal of Environmental and Public Health*, *2022*. https://doi.org/10.1155/2022/8588385

Khan, M. K., Zahid, R. M. A., Shahzad, K., Hussain, M. J., & Kitendo, M. M. (2022). Role of Managerial Ability in Environmental, Social, and Economics Sustainability: An Empirical Evidence from China. *Journal of Environmental and Public Health*, *2022*. https://doi.org/10.1155/2022/8588385

Kurniawan, E., & Astuti, R. (2021). Pengaruh Corporate Governance , Kepemilikan Institusional , Leverage dan Growth Terhadap Tingkat Materialitas Sustainability Report. *Jurnal Akuntansi Dan Keuangan*, *3*(1), 72–90. https://uia.e-journal.id/Akrual/article/view/1533

Lopatta, K., Kaspereit, T., Tideman, S. A., & Rudolf, A. R. (2022). The Moderating Role of CEO Sustainability Reporting Style in the Relationship between Sustainability Performance, Sustainability Reporting, and Cost of Equity. In *Journal of Business Economics* (Vol. 92, Issue 3). Springer Berlin Heidelberg. https://doi.org/10.1007/s11573-022-01082-z

Matuszak, L., Różańska, E., & Macuda, M. (2019). The impact of corporate governance characteristics on banks' corporate social responsibility disclosure. *Journal of Accounting in Emerging Economies,* 9(1): 75-102, doi: 10.1108/JAEE-04-2017-0040.

Murtaza, S. A., Mahmood, A., Saleem, S., Ahmad, N., Sharif, M. S., & Molnár, E. (2021). Proposing Stewardship Theory as an Alternate to Explain the Relationship Between CSR and Employees' Pro-Environmental Behavior. *Sustainability (Switzerland)*, *13*(15). https://doi.org/10.3390/su13158558

Naciti, V. (2019). Corporate governance and board of directors: the effect of a board composition on firm sustainability performance. *Journal of Cleaner Production*, 237, 117727, doi: 10.1016/j.jclepro.2019.117727.

Nahartyo, E., Rohma, F. F., & Mursita, L. Y. (2020). The Mediating Effect of Overcompensation of Rationalisation on Instrumental Climate and Escalation of Corruption Relationship. *Asian Academy of Management Journal*, *25*(2).

Nuraisah, A. N., & Laily, N. (2022). Pengaruh Pengungkapan Sustainability Report, Good Corporate Governance, Dan Profitabilitas Terhadap Nilai Perusahaan Go Public Sektor Pertambangan Di Bursa Efek Indonesia. *Jurnal Ilmu dan Riset Manajemen (JIRM)*, 11(8).

Pastoriza, D., & Montreal, H. E. C. (2008). Humanizing the Firm and the Management Profession "When Agents Become Stewards : Introducing Learning in the Stewardship Theory Abstract : Stewardship Theory. *Business*, 1–17. file:///C:/Users/User/Downloads/SSRN-id1295320.pdf

Rahaditama, M. W. (2022). Pengaruh Kinerja Keuangan dan Tata Kelola Organisasi terhadap Pengungkapan Sustainability Reporting. *Jurnal Ekonomi Dan Bisnis*, *11*(1), 49–58.

Rajabalizadeh, J., & Oradi, J. (2022). Managerial Ability and Intellectual Capital Disclosure. *Asian Review of Accounting*, *30*(1), 59–76. https://doi.org/10.1108/ARA-11-2020-0180

Rohemah, R., & Yuliana, R. (2023). Peran Mediasi Internal Fraud Terhadap Kinerja Perbankan. *Jurnal Reviu Akuntansi dan Keuangan*, *13*(1), 70-82.

Rohma, F. F., & Khoirunnisa, F. R. (2024). The effects of knowledge sharing, self-efficacy and performance: does initiation of structure leadership matter?. *Journal of Asia Business Studies,* 18(6), 1505-1528.

Rohma, F. F., Kurniawan, F. A., Fatiha, A. T., & Surur, S. N. The effect of collectivism cognitive orientation on centrality bias and counterproductive knowledge behavior: an experimental study. *Dynamic Relationship Management Journal*, 13(2), 3-16.

Rohma, F. F. (2021). Analisis Komparabilitas dan Fleksibilitas Triple Bottom Line Pada Aliran Kas Investor. *Kajian Akuntansi*, *22*(1), 78-87.

Rohma, F. F. (2022). Mitigating The Harmful Effect of Slack: Does Locus of Commitment (Organizational Versus Colleague) Play a Role. *International Journal of Business Science & Applied Management*, *17*(3).

Rohma, F. F. (2023). Does a green economy mentality exist? An experimental study in emerging country. *Asian Journal of Business Ethics*, 1-20.

Rohma, F. F., & Chamalinda, K. N. L. (2023). Budgetary Slack Will Not Let Organization Die: Explaining Motivational and Stewardship Aspects of Conditional Slack. *Jurnal Ilmiah Akuntansi dan Bisnis*, *18*(1), 17-28.

Rokhayati, H., Sholihin, M., Supriyadi, S. & Nahartyo, E. (2022). The effect of regulatory focus and performance measurement on corporate social responsibility investment decisions. *Social Responsibility Journal* 18(5): 1004-1018.

Romadhon, F., & Kusuma, I. W. (2020). Does Managerial Ability Enhance Earnings Quality? The Moderating Role of Corporate Governance Quality and Ownership Concentration. *JEMA: Jurnal Ilmiah Bidang Akuntansi Dan Manajemen*, *17*(2), 105. https://doi.org/10.31106/jema.v17i2.6067

Russo, A. & Perrini, F. (2010). Investigating stakeholder theory and social capital: CSR in large firms and SMEs. *Journal of Business Ethics*, 91(2): 207-221.

Schillemans, T., & Bjurstrøm, K. H. (2019). Trust and Verification : Balancing Agency and Stewardship Theory in the Governance of Agencies and Stewwardship Theory in the Governance. *International Public Management Journal*, *0*(0), 1–35. https://doi.org/10.1080/10967494.2018.1553807

Septiana, H. (2012). Pengaruh Kecakapan Manajerial dan Kepemilikan Manajerial terhadap Praktik Manajemen Laba. *Jurnal Ilmiah Mahasiswa FEB Universitas Brawijaya*. https://jimfeb.ub.ac.id/index.php/jimfeb/article/view/929/849

Shahab, Y., Ntim, C. G., Chen, Y., Ullah, F., Li, H. X., & Ye, Z. (2020). Chief Executive Officer Attributes, Sustainable Performance, Environmental Performance, and Environmental Reporting: New Insights from Upper Echelons Perspective. *Business Strategy and the Environment*, *29*(1), 1–16. https://doi.org/10.1002/bse.2345

Sumiyati, S., & Suhaidar, S. (2020). How Does Important Sustainability Reporting for Investment Decision Making? *Sriwijaya International Journal of Dynamic Economics and Business*, *3*(4), 283. https://doi.org/10.29259/sijdeb.v3i4.283-300

Sunaryo, K., Fabian, A., & Dewi, S. (2018). The Effect of Good Corporate Governance and Financial Performance on Sustainability Report Disclosures and its Implications on Corporate Values. *In International Conference On Accounting And Management Science*, 196-205.

Tobing, R. A., Zuhrotun, Z., & Rusherlistyani, R. (2019). Pengaruh Kinerja Keuangan, Ukuran Perusahaan, dan Good Corporate Governance Terhadap Pengungkapan Sustainability Report pada Perusahaan Manufaktur yang Terdaftar dalam Bursa Efek Indonesia. *Reviu Akuntansi Dan Bisnis Indonesia*, *3*(1), 102–123. https://doi.org/10.18196/rab.030139

United Nations Environment Programme (2019a). *Emission gap report 2019*.

United Nations Environment Programme (2019b). *Measuring progress: towards achieving the environmental dimension of the SDGs*.

Wahyudi, S. M. (2021). The Effect of Corporate Governance and Company Characteristics on Disclosure of Sustainability Report Companies. *European Journal of Business and Management Research*, *6*(4), 94–99. https://doi.org/10.24018/ejbmr.2021.6.4.929

Wicaksono, A. S., & Rahmawati, I. P. (2019). Pengaruh Kecakapan Manajerial , Good Corporate Governance Dan Book Tax Differences Terhadap Kualitas Laba Perbankan Di Indonesia. *Jurnal Mutiara Madani*, *07*(2), 161–179.

Wijaya, T., Ellesia, B. G., Shelly, L., & Velda, V. (2020). The Effect of Good Corporate Governance and Financial Performance on Disclosure of Sustainability Report. *Jurnal RAK (Riset Akuntansi Keuangan)*, *5*(2), 85–95. https://doi.org/10.31002/rak.v5i2.3654

Yondrichs, Muliati, Laupe, S., Mayapada, A. G., Jurana, & Ridwan. (2021). The Effect of Fundamental Factors, Sustainability Reporting, and Corporate Governance on Firm Value. *Universal Journal of Accounting and Finance*, *9*(6), 1503–1509. https://doi.org/10.13189/ujaf.2021.090627

Zyglidopoulos, S. C., Fleming, P. J., & Rothenberg, S. (2009). Rationalization, overcompensation and the escalation of corruption in organizations. *Journal of Business Ethics,* 84(SUPPL. 1), 65–73. https://doi.org/10.1007/s10551-008-9685-4.