

## CHAPTER 5

### CONCLUSION

#### 5.1 Conclusion

This study was conducted to examine the effect of company size, industry sensitivity, and media exposure on modern slavery disclosure in companies listed on the Indonesia stock exchange in 2021-2023. Based on the research results described in the previous chapter, it can be concluded that:

Company size has a significant positive influence on modern slavery disclosure in Indonesia. This means that the larger the company size and the higher the company's sensitivity to modern slavery, the better the modern slavery disclosure. This shows that institutional demands related to modern slavery disclosure in large companies are greater and companies that have higher risks will be greater. Therefore, companies are forced to disclose more comprehensive information related to modern slavery issues to meet external demands and maintain the company's reputation.

Based on the results of the study, it was also found that media exposure has a negative effect on modern slavery disclosure in Indonesia. This means that when modern slavery practices that occur in companies are exposed by the media, the disclosure of modern slavery decreases. This finding suggests that when the company is hit by negative issues related to modern slavery, the company will not immediately disclose the information, but the company may only respond to the media with a general statement regarding the issue. However, the effect of media exposure is not significant on modern slavery disclosure.

## 5.2 Implication

The results of this research are expected to provide several important implications both theoretically, practically, and for policy makers related to the disclosure of modern slavery in Indonesia. This research can enrich the literature related to the disclosure of modern slavery, especially those that occur in Indonesia. This is because, research related to modern slavery is still rarely done, especially in Indonesia. The results of the study which found that company size and industry sensitivity have a positive and significant effect on modern slavery disclosure can strengthen the results of previous studies so that they consistently support the institutional theory used as the basis for this study. Meanwhile, the insignificant effect of media exposure, which tends to be negative, challenges common assumptions about the role of the media as a driver of transparency, which requires further research.

Practically, these results suggest that large companies and those in sensitive industries should prioritise modern slavery disclosure by allocating adequate resources and that policymakers need to consider more explicit regulation as well as efforts to enhance the role of the media as a catalyst for transparency. In addition, the insignificant findings on control variables such as profitability, board size, and company age indicate that management cannot rely solely on traditional governance structures or financial pressures to drive disclosure of complex social issues..

## 5.3 Limitation

This research has endeavoured to make a meaningful contribution to the understanding of the factors that influence disclosure of modern slavery in

Indonesia. However, as with any research, there are limitations that need to be recognised, which may also provide opportunities for future research.

1. This research is limited to six industry sectors, namely basic materials, energy, industrial, healthcare, financials, and technology. Whereas the industrial sector in Indonesia based on IDX IC has 12 sectors classifications.
2. The measurement of modern slavery disclosure in this study is only based on content analysis of the company's annual report and sustainability report. Some companies may provide general statements without specific details about the efforts made on the company's website.
3. The measurement of media exposure in this study uses dummy variables and may not be fully comprehensive.

#### **5.4 Future Direction**

The limitations identified in this study provide significant opportunities for future research to deepen the understanding of modern slavery disclosures in Indonesia.

1. Future research can expand the scope of the company sample to include all industrial sectors, in addition to a more detailed approach such as using subsector classification can provide a more specific picture of modern slavery disclosure.
2. Future research can also measure modern slavery disclosures through various media such as company websites and company social media to see broader disclosures.
3. Measurement of media exposure for further research can use more comprehensive measurements such as using sentiment analysis to see

whether media coverage related to modern slavery is positive, negative, or neutral. In addition, analysing broad media exposure such as public sentiment on social media also needs to be considered.

