

# Social, Environmental, and Economic Balance: The Role of CEO Masculinity in Presenting Quality Sustainability Reports

Afin Maulana Hidayat<sup>1</sup>, Nurika  
Restuningdiah<sup>2</sup>

{[afin.maulana.2104226@students.um.ac.id](mailto:afin.maulana.2104226@students.um.ac.id)<sup>1</sup> [nurika.restuningdiah.fe@um.ac.id](mailto:nurika.restuningdiah.fe@um.ac.id)<sup>2</sup>}  
Universitas Negeri Malang, Indonesia<sup>1, 2</sup>

**Abstract.** Important company decisions, including in preparing sustainability reports, can be influenced by the personal traits of the managing director. This study intends to ascertain whether the v of sustainability reports in enterprise companies listed on the Indonesia Stock Exchange in 2022-2023 is impacted by the CEO's degree of masculinity. The GRI 2021 standard is used to evaluate report quality, while the facial width to height ratio (fWHR) is used to quantify masculinity by facial form. Using 64 data from 32 companies and linear regression analysis, the results indicate that the more masculine a CEO is, the lower the quality of the sustainability report. Masculine CEOs tend to focus on short-term economic achievements and pay less attention to environmental and social aspects. The research also proven that a larger board of directors positively influences report quality, whereas the company's debt ratio shows no significant impact. These findings support Upper Echelon Theory and emphasize the importance of considering leader character in sustainability reporting. A balanced organizational structure can help reduce the negative influence of masculine characters in decision- making.

**Keywords:** Masculinity, CEO, fWHR, Sustainability Report, GRI 2021, Upper Echelon Theory.

## 1. Introduction

Sustainability is a topic that is often discussed in national and even international forums. Sustainability highlights the social, economic and environmental dimensions [1]. The global community has an agenda that will be realized in 2030, namely the sustainability development goals (SDGs) initiated by the United Nations [2]. Consequently, every activity carried out by individuals and organizations must consider aspects of sustainability.

The Financial Services Authority (OJK) of Indonesia introduced POJK No. 51/2017, mandating the adoption of sustainable finance practices by financial institutions, issuers, and public companies. This regulation mandates every public company to report its sustainability activities in a sustainability report. The existence of this obligation highlights how each company leader responds and reports on their company's sustainability activities, especially regarding the quality of the reports issued. Based on previous literature, companies led by masculine CEOs tend to reduce CSR activities [3].

In industry, sustainability reports are a means for companies to disclose transparently about the corporation's policies, practices and performance that have been carried out in meeting social, economic and environmental demands [4]. Sustainability reports disclose the company's actual sustainability performance [5]. Sustainability reports, which support the measurement, comprehension, and communication of the SDGs' implementation, are a reflection of corporation determination to sustainable development. Additionally, sustainability reports could increase business value [6], enhance customer trust [6], [7], enhance corporate reputation [8], and lower environmental hazards [9]. In an increasingly competitive business landscape, companies realize the importance of social, environmental and economic responsibility. This encourages them to proactively improve their sustainability performance by optimizing existing resources and capabilities [10]. Stakeholders generally value more highly companies that v sustainability principles into all dimension of their operations [11].

In preparing sustainability reports, the Global Reporting Initiative (GRI) has published the GRI 2021 standard as a guide for companies in fulfilling their obligation to prepare transparent

and comparable sustainability reports. The goal of the independent, worldwide non-profit Global Reporting Initiative (GRI) is to assist companies and organizations in accepting accountability for the effects of their operations [12]. Therefore, sustainability reports are important as business operations to generate economic benefits by considering sustainable social and environmental impacts [13].

The managing director or CEO is the highest-level manager in the company [14]. Strategic determination that has a long-term impact on the company are usually made by executives at the highest level in the chain of command [15]. Since the CEO has complete control over strategic choices that significantly affect organizational performance, their job is essential in deciding the company's future course [6]. The leadership profile of the CEO determines the strategy used by the company to survive and develop, so the personality traits of the CEO need to be studied more deeply [16], [17]. This is linear with Upper Echelon Theory which states that executive characteristics determine corporate decision making [18].

Biologically, individual character is formed through complex mechanisms in the endocrine system. This system produces hormones that act as chemical messengers that circulate in the bloodstream, instructing body cells to perform various functions, including those related to behavior and personality [19]. Masculinity in the neuroendocrinology literature is influenced by a CEO's testosterone levels, which can affect an individual's disposition to display aggressive traits [20], increasing policy variation and corporate risk [3], [21]. CEO masculinity affects how a male CEO of a company makes decisions and determines company performance [22], [24]. Managing directors with high masculinity can encourage high returns [21], and have a positive effect on risk-taking [25]. On the other hand, lead directors who have a high level of masculinity tend to report false reports [20] and practice earnings management [26]. [3] Have also researched the impact of CEO masculinity on the level of corporate CSR disclosure and obtained empirical data that CEO masculinity has a negative effect on the rank of CSR disclosure.

GRI has issued the latest standard, namely the GRI 2021 standard. This study replicates the research of [3] using the latest GRI standards, as in the research of [3] which still uses GRI G3.0, GRI G3.1, GRI G4, and GRI standards 2016. This study also utilizes artificial intelligence (AI) technology in helping to obtain accurate measurement results. Thus, the distinction between this study and the study of [3] lies in the use of the 2021 GRI standard as a guideline for measuring the quality of corporate sustainability reports and the use of AI technology. The significant difference between the GRI 2021 standard and the old standard (GRI Standards 2016) lies in the disclosure of human rights and how companies manage the impact of daily operations. With the change in standards, it raises the question of how CEO masculinity affects the quality of sustainability reports after the GRI 2021 standard is implemented.

The findings of this study might not be broadly relevant because it is restricted to manufacturing firms that are listed on the IDX. This research focuses on manufacturing companies because according to national data, manufacturing companies absorb the most labor after the agriculture and trade sectors until August 2023 [27]. This is in accordance with the new GRI standard, which emphasizes human rights. Another reason researchers choose manufacturing companies is considering the contribution of manufacturing companies in contributing greenhouse gas emissions that can damage the environment [28]. In addition, manufacturing companies also cause both active and passive impacts on natural environmental turmoil and human health due to pollutants that spread through the air, water and soil [29].

The aim of this research is to ascertain whether a managing director's masculinity has an impact on the caliber of the corporation sustainability report. With the intention of identify the traits of a managing director with regard to creating a company's sustainability report, this study applies the upper echelon theory. This research is useful for testing the upper echelon theory of [16], especially in studying the individual special characteristics of the top management team, in this case the managing director, towards corporate strategic decision making. In addition, with the latest GRI standards, this study re-examines the empirical evidence in the study [3]. For potential investors, especially sustainability observers, this research is useful as additional literature to assess the character of company leaders before making an investment.

## **2. Literature Review**

### **2.1 Upper Echelon Theory**

According to [16], organizational results both strategy and effectivity are impression of the values and cognitive bases of top-level management. Thus, [16] developed Upper Echelon Theory which states that the character of top management determines how strategies are chosen. UET is a conceptual paradigm that diagrammatically shows the reciprocal link between four key concepts: organizational performance, top management (or upper echelon) qualities, strategic decisions, and strategic situation [30]. Some firm outcomes can be predicted through top management characteristics, such as top management characteristics on tax aggressiveness [31], adopting sustainable business innovation [32], and implementing green innovation [33]. Based on the theory and some empirical evidence developed, it can be concluded that top management characteristics correlate with the policy decisions taken. Therefore, top management characteristics have a theoretical correlation with upper echelon theory [3]. This research emphasizes on the characteristics of the managing director influenced by facial masculinity, as the managing director has a significant part in top management to v on strategies such as sustainability reporting.

### **2.2 Sustainability Reporting in Indonesia**

Businesses are supposed to be able to manufacture goods that assist the environment as well as society [3]. Sustainability reports concerning finance, environment and social are a format of report that shows the company's responsibility to the surrounding environment [34]. This report is reported by the company annually [35].

The Indonesian government has created a number of rules to help businesses understand the substance of conserving the environment and society. One of the primary regulations mandates that businesses, particularly limited liability firms that utilize natural resources, reveal details about their environmental and social obligations. Article 74 of Law No. 40/2007 on Limited Liability Companies makes this clear. Additionally, government agencies and both domestic and foreign businesses that must abide by this rule are included in this category of limited liability firms. According to the law, businesses are only required to practice social responsibility if their operations involve natural resources. As a result, businesses with other business operations voluntarily practice environmental and social responsibility, including by publishing sustainability reports, which disclose corporate social and environmental responsibilities. However, in 2017, OJK passed POJK No.51/POJK.03/2017. In this regulation, OJK demands every financial service institution, issuer, and public company to perform sustainable finance in business activities. After the regulation, there was an increase in the publication of sustainability reports of public companies, although it was still in the low category [36]. With these regulations, it is hoped that public companies can increase environmental and social awareness and report their sustainability reports properly and correctly.

Although the Indonesian government has issued guidelines for disclosing economic, environmental and social sustainability reports, it gives companies the freedom to use the guidelines in reporting sustainability reports. The GRI Index is one of the most widely used sustainability reporting guidelines globally, commonly referred to as the GRI Standards. The GRI Standard is a globally used reporting framework that provides guidelines for companies to disclose their sustainability performance [37]. The use of GRI standards allows sustainability reports to be communicated, understood, and compared with other companies nationally and globally [35].

### **2.3 CEO Masculinity and Sustainability Report Quality**

Based on the upper echelon theory, company reports can be interpreted as a reflection of the values and cognitive basis of the managing director who has the most influential power in the company [16]. The masculinity of the managing director is associated with the individual cognitive character of a managing director in making strategic corporate decisions [3]. Masculine character is formed from levels of the hormone testosterone which is carried by the bloodstream and provides

signals to determine how a person acts [19]. The level of testosterone hormone that an individual has can affect the shape of the face and posture. Thus, the masculinity of a managing director can be identified from the shape of the face measured using fWHR (face Weight- to-Height Ratio) [3], [20], [21]. The score of the elements provided in a company's sustainability report, which in this study refers to the GRI 2021 standard, can be used to gauge the quality of the report. In contrast, the higher the company's score, the greater the quality of its sustainability report; the lower the score, the worse the quality of the sustainability report [38], [39].

Masculinity as one of the main director characters that influence corporate decision making has a role in determining the quality of corporate sustainability reports. This is proven empirically in the research of [3] who found that the more masculine a CEO is, the lower the level of corporate CSR disclosure. Masculine traits possessed by individuals, in this case the CEO, tend to show an aggressive attitude and have greater risks than other companies (Kamiya et al., 2019). In addition, research by [20] found empirical evidence that a managing director who has high masculinity also increases the probability of misreporting. So, it can be said that the higher the masculinity of a managing director, the higher the aggressiveness and risk, which in turn will result in low quality sustainability reports. Therefore, the researcher developed the following research hypothesis:  
Ha: Managing director masculinity negatively affects the quality of corporate sustainability reports

### 3. Method

#### 3.1 Research Design

This research uses quantitative content analysis on the influence of the characteristics of the managing director represented by masculinity on the quality of the sustainability report prepared. The main director's masculinity variable as variable (X) or independent variable and the quality of the sustainability report variable as variable (Y) or dependent variable. The object of research is manufacturing companies listed on the IDX in 2022-2023.

#### 3.2 Data Source and Type

Secondary data was used in this study. Observed masculinity data is a photo of the managing director obtained from the company's annual report. Sustainability report quality data is obtained from a list of indices disclosed in the company's sustainability report.

#### 3.3 Operational Definition of Variables and Variable Measurement Dependent Variable: Sustainability Report Quality (Y)

By using a binary coding system in calculating each disclosure item in the company's sustainability report in accordance with the 117 disclosure items in the GRI 2021 index. Quality labeling is given when the company can disclose every item in GRI 2021 [38], [39]. The more complete the disclosed items, the better the quality of the company's sustainability report. The measurement of the quality of the sustainability report is formulated as follows [39]:

$$LKI_j = \frac{\sum X_{ij}}{N_j}$$

- LKI<sub>j</sub> : Sustainability Report Index
- Σx<sub>ij</sub> : Total items disclosed
- N<sub>j</sub> : Nominal disclosure in GRI Standard 2021

#### 3.4 Independent Variable: Managing Director Masculinity (X)

Facial masculinity is the shape of an individual's face that is influenced by the content of the hormone testosterone in the body. This hormone affects the physical and character formation of individuals. This research is oriented towards the measurements used by [21] where the

measurement of CEO masculinity is carried out using facial ratios. Facial Weight-to-Height Ratio (fWHR) is obtained by measuring the zygomatic distance (cheekbone) divided by the distance between the midpoint between the innermost eyebrow and the uppermost lip. In measuring the face, a photo of the CEO obtained through the company's annual report was used.

Photo processing was carried out using the imageJ application. Before the measurement was carried out, the researchers first selected the photo of the managing director obtained through company reports and Google searches. The selection process refers to [21]. (Photos that match the measurement criteria are then calibrated in an aspect ratio of 4:6 and a standard photo height of 400 pixels using Artificial Intelligence (AI) technology.) The goal is to avoid measurement bias caused by differences in photo size. Then, researchers converted the photos into 8-bit and black and white [21]. Next, we generated a 68 face landmarks detector as a reference for researchers to accurately measure the CEO's face ratio. This pop-up process utilizes the Python library Dlib and is processed using AI. After the calibration process was complete, the researcher continued to measure the face ratio referring to [21]. The measurement results were then compared with the facial measurements of CEOs of other companies. CEOs with higher masculinity values are considered more masculine than CEOs with lower masculinity values.

Table 1 Variable Measurement		
Variables	Measurement	Reference
Dependent		
Quality of Sustainability Report	$LKI_j = \frac{\sum X_{ij}}{N_j}$	[38], [39]
	LK <sub>Ij</sub> = Sustainability Report Index ΣX <sub>ij</sub> = Total items disclosed N <sub>j</sub> = Nominal disclosure in GRI Standard 2021	
Independent		
President Director Masculinity	$CEO_{fWHR} = \frac{Weight}{Height}$	[21]
	CEO <sub>fWHR</sub> = CEO face ratio Weight of the main director = Distance between the two cheekbones Height = Distance between the inner most eyebrow and the uppermost lip of the main director	
Control		
Leverage	LEV = debt-to-assets ratio	[3]
Board Size	BSIZE = Natural logarithm of the number of directors	[3]

### 3.5 Control Variables

Control variables serve to avoid other factors that can affect the Y variable outside the masculinity variable [40]. Leverage is related to the company's financial burden, a higher debt ratio than the total assets owned by the company has the potential to change the financial strategy to focus on short-term strategies to pay off debt. As a result, companies tend to reduce long-term financial strategies such as sustainability.

The natural logarithm of the number of corporate boards of directors is known as board size. The size of the board of directors was determined by taking into account the fact that the entire board of directors contributes knowledge and experience in taking the company's sustainability into account [41].

3.6 Population and Sample

All manufacturing companies listed on the IDX since 2022 became the population of this study. Sampling using purposive sampling method with the following criteria:

- 1. Manufacturing companies on the IDX that report sustainability reports using the GRI 2021 standard;
- 2. Led by a male managing director;
- 3. Meet the criteria for measuring masculinity based on (Kamiya et al., 2019).

First, manufacturing companies were selected in consideration of the contribution of manufacturing companies in creating greenhouse gas emissions that can damage the environment [28]. In addition, manufacturing companies also cause both active and passive impacts on natural environmental turmoil and human health due to pollutants that spread through the air, water and soil [29].

Furthermore, to measure the influence of masculinity on sustainability practices, this study focuses on companies led by male CEOs. Based on the research of [20], masculinity is only relevant for measuring male leaders. Research reinforces that masculinity only exists in male individuals [42]. This study uses the GRI Standards 2021 index as a reference to measure the quality of corporate sustainability reports. Therefore, the research sample is limited to companies that have prepared sustainability reports based on these standards. Some populations that did not include the criteria in this research observation were eliminated so that the total sample amounted to 32 companies and 64 observation data. Elimination details are presented in Table 2.

Table 2 Research Sample Selection		
No	Selection	Total
1	Manufacturing companies listed on the IDX in 2022-2023	189
2	Manufacturing companies listed on the IDX in 2022-2023 and do not publish sustainability reports using the GRI 2021 standard.	(142)
3	Manufacturing companies on the IDX in 2022-2023 that use GRI 2021 and are led by a female CEO.	(5)
4	Companies that are not included in the masculinity measurement criteria based on (Kamiya et al., 2019).	(10)
Number of Research Samples		32

3.7 Classical Assumption Test

SPSS version 26 is the software used in performing the statistical process. Before conducting regression analysis, it is necessary to ensure that the research data has been Best Linear Unbiased Estimator (BLUE) [43], by conducting a classical assumption test. With a Kolmogorov-Smirnov test result of 0.200 ( $>0.05$ ), the traditional assumption test results demonstrate that the data is normal distrubused. The autocorrelation test through the Run test produces a value of 0.078 ( $>0.05$ ), so there are no autocorrelation symptoms in this study. This research data also does not have multicollinearity as evidenced by the tolerance value of 1.000 ( $>0.1$ ) and VIF 1 ( $<10$ ) for both independent variables. The heteroscedasticity test shows no symptoms of heteroscedasticity when the Glejser test produces a value of 0.051 ( $>0.05$ ) for the masculinity variable and 0.358 ( $>0.05$ ) for the leverage variable [44].

3.8 Multiple Linear Regression

This study applies two regression models to determine the relationship between CEO masculinity and the quality of corporate sustainability reports. The first model regresses masculinity and sustainability report quality, while the second model regresses masculinity and sustainability report quality with the addition of control variables. Two models are used to determine the effect of masculinity on the quality of sustainability reports when there are no control variables and when

there are control variables. To analyze these variables, the following equation is used:

**Model 1:**

$SRDi = \alpha + \beta_{CEO\text{f}WHR} + \varepsilon$

**Model 2:**

$SRDi = \alpha + \beta_{CEO\text{f}WHR} + \beta_{LEV} + \beta_{BSIZE} + \varepsilon$

- SRDi
- = Sustainability Report Quality
- $\beta_{CEO\text{f}WHR}$
- = Managing Director Masculinity
- LEV
- = Ratio of total liabilities divided by total assets

4. Result and Discussion

4.1 Descriptive Statistics

Table 3 presents the minimum value of lead director masculinity is 1.66, the maximum is 2.27 with an average of 1.88. The companies sampled in this study have a fairly good average disclosure of sustainability reports, namely 59% or it can be said that the average company has disclosed 69 of the 117 GRI 2021 disclosure items. The variable quality of the sustainability report (SRD) has a minimum value of 0.26, namely at PT Ultrajaya Milk Industry & Trading Company Tbk. in 2022. The maximum value is 0.95, namely PT Chandra Asri Petrochemical Tbk. in 2022 and 2023. Overall, the average value of sustainability report quality is 0.59. The leverage variable (LEV) as the control variable in this study has a minimum value of 0.11, namely PT Ultrajaya Milk Industry & Trading Company Tbk. in 2023. The maximum value is 0.7, namely PT Ever Shine Tbk. in 2022. Overall, it has an average of 0.40 with a standard deviation of 0.15. Finally, Board Size after being transformed through the natural logarithm using SPSS has a maximum value of 2.71 at PT Chandra Asri Petrochemical Tbk. in 2022-2023 and a minimum of 0.69, namely PT Diamond Ice Cream Industry Tbk. in 2023. More complete descriptive statistical results are presented in table 3.

Table 3. Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CEOfWHR	64	1.66	2.27	1.8756	.13417
SRD	64	.26	.95	.5900	.15317
LEV	64	.11	.70	.4028	.14778
BSIZE	64	.69	2.71	1.6930	.43040
Valid	N 64				
(listwise)					

4.2 Multiple Linear Regression Analysis

Table 4. Multiple Linear Analysis Results						
Variables	Model 1			Model 2		
			Sig			Sig
	B	t		B	t	
CEOfWHR	-0.396	-2.914	0.005	-0.347	-2.997	0.004
LEV				0.056	0.520	0.605

<b>BSIZE</b>		0.180	0.506	0.000
<b>F test</b>	0.005			0.000
<b>Adjusted R Square</b>	0.106			0.357

Based on the Beta results in table 4, CEO masculinity has a value of -0.396 and has a negative influence on the quality of sustainability reports. Companies with masculine CEOs tend to have poor quality sustainability reports. The regression equation resulting from this study is as follows:

$Y = 1.333 - 0.396X + \varepsilon.$  (Model 1)

$Y = 0.914 - 0.347X + 0.056Z + 0.180Z + \varepsilon.$  (Model 2)

The F test results demonstrate that the two factors work together to impact sustainability report quality. The sig value indicates that, in part, the masculinity variable in model 1 significantly lowers the caliber of sustainability reports. 0.005 is less than 0.05. Therefore, the alternative hypothesis in this study fails to be rejected, that the masculinity of the CEO has a negative effect on the quality of the company's sustainability report. The Adjusted R Square value is 0.106, meaning that CEO masculinity can explain 10.6% of the variability in the quality of corporate sustainability reports.

In model 2, the leverage variable has no significant effect on the quality of sustainability reports as evidenced by the sig value.  $0.605 > 0.05$ . In contrast, the Board Size variable contributes to encouraging companies to produce quality sustainability reports as evidenced by its significant and positive effect, namely with a Beta value of 0.180 and a significance of 0.000 on the quality of sustainability reports. Model 2 is proven to significantly increase the Adjusted R Square value to 0.357. This means that model 2 explains about 35.7% of the variability in the quality of sustainability reports compared to model 1.

4.3 Men and Masculinity

Biological literature recognizes an endocrine system that produces hormones that circulate in the bloodstream and affect organs in the body. One of the hormones in this system is testosterone. Interstitial Cell Stimulating Hormone (ICSH) activates interstitial cells in the testes, resulting in the production of testosterone and androgen hormones. Testosterone levels in a man have the ability to increase libido which forms muscle and bone mass [19].

[45] Documented in their research that women have estrogen and growth hormones that can play a role in influencing facial shape. In addition, [45] also documented that women's facial structures tend to have more fat in the cheeks than men. It is concluded that testosterone levels that affect the level of masculinity if measured through facial shape, then the shape of the male face is more reflective of testosterone levels. Furthermore, [45] also found that the face Weight-to-Height ratio in men has a positive relationship with testosterone.

4.4 The Effect of Masculinity on Sustainability Report Quality

The quality of sustainability reports is negatively impacted by the CEO's masculinity, according to the empirical findings of this study. This implies that the sustainability report's quality decreases with the CEO's level of masculinity. According to the study's findings, the managing director's face masculinity is a determinant of the quality of the company's sustainability report, which is empirical evidence in the field of behavioral accounting. In line with the upper echelon theory, this study proves that the characteristics of an upper echelon such as the managing director have a strong influence in making policy decisions, thus affecting the quality of the resulting corporate reports (Hambrick & Mason, 1984). In this study, the maximum value of masculinity is 2.27, namely at PT Semen Baturaja Tbk (SMBR) in 2022. In 2023, PT SMBR experienced a change of managing director who had a lower masculinity level than in 2022, which was 1.94. This change in managing director increased the value of PT SMBR's sustainability report disclosure from 0.46 to 0.60, so that the masculinity of a managing director has a negative influence on the quality of the sustainability report.



The findings in this study strengthen the results of previous research which states that the masculinity of the CEO has a negative effect on CSR disclosure as measured using the GRI disclosure index as conducted in this study [3]. The relationship between masculinity and the quality of sustainability reports is based on the premise that the ratio of height and width of the face can represent masculine behavior that affects the nature of individuals in making decisions. Research by [45] reinforces by finding evidence that men with high testosterone levels tend to have a wide face shape, a wide face shape has the potential to have a high face Weight-to-Height ratio, a person can be said to be masculine if he has a high fWHR. Thus, the level of masculinity can be identified through the shape of the face. The relationship between masculinity and the character of the main director is explained in the research of [20] who found empirical evidence that the more masculine a person is, the more aggressive they tend to be. This aggressive character was then successfully documented in the research of Kamiya et al. (2019), namely that a masculine character tends to want to have social dominance, one of which is to acquire other companies.

The implementation of the results in this study in the research sample is shown in a company that has a minimum value of masculinity, namely PT Astra Internasional Tbk (PT ASII). The managing director of PT ASII launched a target called Astra 2030 Sustainability Aspirations in May 2022 which is based on a rejuvenated 3-P Roadmap strategy, namely the Porotofolio Roadmap which focuses on the economy and environment, the People Roadmap which focuses on people and the Public Contribution Roadmap which focuses on community development. The Astra 2030 Sustainability Aspirations program encourages Astra to focus on all three aspects of sustainability, namely the environment, economy, and society. On the other hand, the maximum value is owned by PT Semen Baturaja Tbk (PT SMBR) in 2022. The president director of PT SMBR believes that economic performance is very important to achieve in implementing sustainable activities. In 2022, PT SMBR's strategy is centered on economic improvement, which strengthens customer connections, cost efficiency initiatives across multiple domains, and staff competency improvement, which focuses on constructing a talent management system to create superior and professional human resources. This finding implies that a masculine CEO tends to focus on operational efficiency and short-term oriented RKAP achievements, as opposed to a non-masculine CEO like Astra who makes policies that explore more deeply the long-term impact. Upper Echelon Theory is supported by the findings in this study, where the character of the managing director has an influence in determining corporate strategy.

The more masculine the CEO, the worse the quality of his company's sustainability report, and vice versa. As research by [3] that masculinity has a negative effect on CSR disclosure. Although the government through the OJK orders every public company to pay attention to the balance of environmental, social and economic aspects through the obligation to report sustainability reports, the managing director still dominates in making decisions on how company policies balance environmental, social and economic aspects. This indicates that even though the state has made it mandatory for every company to consider the balance of environmental, economic and social aspects through sustainability reports, a managing director still has the power to take over decisions that determine how the focus of the sustainability strategy is chosen. The company can focus on the economic aspect only like PT SMBR. This scheme supports the upper echelon theory.

Apart from the individual character of a managing director, external factors such as the company's debt ratio and board members may contribute to the company's sustainability decision-making. Leverage as a control variable through the debt-to-assets proxy. The regression results in this study found that leverage has no influence on the quality of corporate sustainability reports. Thus, the leverage variable is said not to be able to control the masculinity variable in this study. This result is supported by the research of [46] who found empirical evidence that leverage has no effect on CSR disclosure. The same result was also found, showing that leverage has no effect on the quality of sustainability reports [47].

In addition, the number of board members serving in the company can provide input for the managing director in making sustainability decisions. This study found that the more board members a company has, the better the quality of the company's sustainability report. In contrast to the masculine character of the CEO, this finding can be a consideration for stakeholders in determining the structure of the company. The masculine character that is oriented towards short-term policies can be disregarded when considering increasing the number of board members.

## 5. Conclusions And Suggestions

This study shows that the level of masculinity of a CEO has a negative influence on the quality of a company's sustainability report. The higher the level of masculinity, as measured by the face width to height ratio (fWHR), the lower the quality of sustainability disclosures made by the company. Managing directors with masculine characters tend to have aggressive and domineering traits, so that the focus of policies is more inclined towards economic efficiency and achieving short-term targets, and less attention to environmental and social aspects as a whole. This is in line with the Upper Echelon theory [16] which states that the characteristics of top executives have a significant effect on the strategic direction of the company. A clear example can be seen in PT SMBR in 2022, which has a highly masculine CEO and focuses its sustainability strategy on economic aspects, compared to PT Astra, which has a non-masculine CEO and instead launched a long-term strategy, namely Astra 2030 Sustainability Aspirations.

This finding also indicates that the role of the CEO is very dominant in determining the focus of the sustainability strategy, even though regulations from OJK already require reporting that includes economic, social and environmental aspects. External factors such as leverage are shown not to affect the quality of sustainability reports, while the number of board members has a positive influence, as it can provide a more balanced view in strategic decision-making. Therefore, an inclusive corporate governance structure, such as increasing the number of board members, can be a balancing mechanism against the tendency of decision bias stemming from the masculine character of the CEO.

Thus, this study makes an important contribution to the field of behavioral accounting by highlighting the importance of considering psychological and biological factors in assessing corporate leadership and its impact on corporate sustainability strategies. This study has implications for stakeholders in developing organizational structures and policies for appointing corporate leaders to consider the need for the involvement of other board members who can help provide input to the masculine CEO in paying attention to the balance of economic, environmental, and social aspects so that the company can continue to have a high sustainability score. The first limitation in this study is that the research sample only examines manufacturing companies on the IDX, suggesting that future research should increase the research sample to be wider, for example involving all company sectors on the IDX. The second limitation regarding the measurement of masculinity which only refers to quantitative measurements through facial ratios that have been carried out by many previous studies so that in future studies it can be considered to test the validity and reliability of measurements to experts. The third limitation in this study only examines the determinants of sustainability reports from the masculinity of a male CEO, in future studies it can be considered to examine femininity in female CEOs as a determinant of sustainability reports.

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