

ABSTRACT

This study aims to analyze the effect of dividend policy on Corporate Social Responsibility (CSR) in Indonesia, with institutional ownership as a moderating variable. CSR is proxied through Environmental, Social, and Governance (ESG) disclosure, while dividend policy is measured using the Dividend Payout Ratio and Dividend Yield. Firm Size and Leverage are included as control variables.

The population of this study consist of non-financial sector companies listed on the Indonesia Stock Exchanged (IDX) during the 2018 – 2023 period. Through purposive sampling, a total of 23 companies were selected as the research sample. Data analysis was conducted using Moderated Regression Analysis (MRA) with the help of SPSS version 25.

The result reveal that Dividend Yield has a significant positive effect on CSR, whereas Dividend Payout Ratio shows a significant negative effect. Institutional ownership exerts a significant negative influence on CSR and significantly moderates the relationship between dividend policy (both Dividend Payout Ratio and Dividend Yield) and CSR in Indonesia. Specifically, the findings indicate that while a higher Dividend Yield enhances CSR disclosure, a higher Dividend Payout Ratio tends to reduce CSR initiatives. Furthermore, institutional ownership not only directly weakens CSR engagement but also plays a crucial role in moderating the effect of dividend policies on CSR.

Overall, the study highlights that dividend policy significantly impacts corporate CSR disclosure in Indonesia. Dividend based on yield tend to encourage greater CSR activities, while a higher proportion of dividend payment tends to diminish CSR disclosure. Institutional ownership, on the other hand, tends to weaken the company's commitment to CSR and serves as a key moderator in the relationship between dividend policy and CSR.

Keyword: CSR, CSR, ESG Disclosure, Dividend Policy, Institutional ownership.