

ABSTRACT

In recent years, environmental and social issues have become major concerns at both global and national levels. The increasing awareness among the public and stakeholders regarding the negative impacts of business activities on the environment and social inequality has encouraged companies to not only pursue financial profit but also to demonstrate social responsibility. Corporate Social Responsibility (CSR) has thus emerged as a process of integrating social and environmental responsibilities into a company's business operations. This study aims to examine the effect of CSR on financial performance by introducing family ownership as a moderating variable.

The research involves 477 observational data points from non-financial companies listed on the Indonesia Stock Exchange (IDX) during the period 2021–2023. The sampling technique used is purposive sampling, and data were collected through content analysis of companies' annual and sustainability reports. The data were analyzed using multiple linear regression to test the effect of CSR on financial performance, and multigroup regression analysis was employed to assess the moderating effect of family ownership on the CSR–financial performance relationship.

The findings of this study indicate that CSR has a significant positive effect on financial performance. However, the presence of family ownership does not strengthen the positive effect of CSR on financial performance.

Keywords: *corporate social responsibility, financial performance, family ownership*