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The Effect of Ownership Structure on Corporate Social Responsibility Moderated Financial Performance of Food & Beverage Industry in Indonesia

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Abstract

This study aims to analyze the effect of ownership structure includes institutional ownership and managerial ownership on corporate social responsibility. The study also examines the effect of financial performance on the relationship between ownership structure and CSR. The data used in this study is secondary data sourced from the annual reports of food & beverage industry listed on the Indonesia Stock Exchange (IDX) during the 2017-2021. The research sample was selected using purposive sampling method in order to obtain 29 companies as samples. The data analysis used to test the hypothesis is multiple regression analysis using the Eviews 12 software. The results show that institutional ownership and managerial ownership have a negative and significant effect on CSR. The financial performance variable measured by ROA has a negative and significant effect on moderating the relationship between institutional ownership and CSR, but the measurement with Tobins'Q has no effect on moderating the relationship. Meanwhile, financial performance measured by ROA and Tobins'Q has no effect in moderating the relationship between managerial ownership and CSR. The findings have practical implications for managers, regulators, and investor for improving CSR. Future research is expected to be able to examine the effect other ownership structures on CSR and using sample of various sectors companies.

Keywords : Corporate Social Responsibility; Institutional Ownership; Managerial ownership; Company Financial Performance

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INTRODUCTION

The phenomenon of the COVID-19 virus has caused significant changes to the entire life order, especially the tourism sector which consists of the air transportation sector, hotels or accommodation providers, and food and beverage providers. The Statistics Indicator Sub-Directorate Survey of Indonesian Central Bureau of Statistics for July 2020 showed that there was an impact of COVID-19 on the decline in the income of business actors where the largest decline occurred in the accommodation, food and beverage sector by 92.47%, the other service sectors by 90.90%, and the transportation and warehousing sector by 90.34%. The sub-sector of Food and Beverage Industry indicates that the average value of companies after COVID-19 is lower than before the pandemic based on company income (Ofeser & Susbiyantoro, 2021).

The COVID-19 pandemic has created the global health, economic and social crises that require the collaboration and commitment of all agencies, especially those in the private sector to deal with the externalities from the epidemic. During the declaration of COVID-19 pandemic as a natural disaster, it has also affected the company's business activities such as the involvement of corporate social activities, so there is hope for an increase in the social role of the company (García-Sánchez & García-Sánchez, 2020). Large companies are assumed to be more capable of dealing with disasters than the government because they are more systematic and structured as well as having resources that can be mobilized. This Corporate Social Responsibilities (CSR) activity can improve the company's performance because the initiative to participate in CSR improves reputation and gains legitimacy from the stakeholders. CSR activities are strategically designed to meet stakeholder expectations in which activities are communicated with stakeholders to ensure the sustainability of current and future business success (Kim, 2022).

Corporate Social Responsibility (CSR) becomes a critical issue in the business world which is a polemic for stakeholders in various developing countries as a form of commitment in developing a better quality of life. The idea of corporate social responsibility can be considered as a very valuable social asset. According to Resource-Based Theory (RBT), CSR can stabilize the company's financial performance by improving the company's reputation. Even companies with a high probability of bankruptcy can have better financing if they try to participate in CSR activities. CSR involvement can be used as one of the best risk management instruments for companies (Tarighi et al., 2022). However, the implementation of CSR in Indonesia is currently still not running optimally because there are still weaknesses in the regulations of the CSR concept including the restrictions on companies that are obliged to carry out CSR activities in accordance with the Limited Liability Company Law and weak sanctions (Genta, 2019). In addition, the low rate of CSR is also due to the culture and lifestyle in developing countries which often face problems of economic stability such as inflation, economic problems, education, social justice, and others (Tarighi et al., 2022).

This study was developed from research of Dakhli (2021) which analyzed the effect of share ownership structure on corporate social responsibility that was moderated financial performance in companies listed on the French Stock Exchange. The research was conducted in Indonesia because there are still few studies which analyze the influence of CSR in the Food & Beverage Industry sub-sector in developing countries such as Indonesia. In doing so, the implementation of CSR has a big impact on the Food & Beverage Industry because this industry provides basic human needs and has a big influence on public health..

In the last few decades, CSR activities have become a part of the core activities of the Food & Beverage Industry, especially companies with the highest value consumer brands. The results of the study revealed that there was a positive influence of CSR in the Food & Beverage Industry because CSR had a significant relationship with company value, increased shareholder welfare, ethics code and disclosure of company sustainability reports. CSR activities in Food & Beverage Industry companies are important because of the various potential benefits related to safety in food production and control that are valued by consumers (Macassa et al., 2022).

Based on the phenomena and background above, the researcher intends to conduct a study with the title "The Effect of Share Ownership Structure on

Corporate Social Responsibility (Corporate Social Responsibility) Moderated Financial Performance in Food & Beverage Industry Sub-Sector Companies in Indonesia". This study aims to analyze whether there is an effect of managerial ownership and institutional ownership on CSR with Moderated Financial Performance and whether there is an effect of control variables, such as Firm Size and Leverage on CSR.

THEORITICAL FRAMEWORK

Corporate Social Responsibility ("CSR")

Corporate social responsibility (CSR) activities are a form of activity to be involved and be contributed to the improvement of the environment and society. These activities have become one of the company's important investments in improving the reputation, legitimacy, public trust, and investors in the business that has long-term benefits and improvement in the company value. Investors also usually tend to invest in companies that pay more attention to CSR. Therefore, CSR has received attention from companies as a strategy to attract investors (Gaio & Rita, 2020, Gaio & Rita, 2020).

The implementation of CSR in the company's business activities and decision-making process provides business opportunities in the market which positively affect on the sustainability of the company. CSR implementation can also increase or decrease shareholder wealth, enhance information transparency, help reduce share price volatility, protect investors' interests, and protect long-term shareholder value. Previous research on Chinese Energy Companies revealed that social responsibility as measured by SCV and ownership structure was positively related to company performance and in the same way CSR promotes short-term profits and long-term growth. The company's performance increased and was directly proportional to the increase in social responsibility. Moreover, CSR can balance benefits for all stakeholders and a positive market response that can increase net income and strengthen overall financial stability (Feng et al., 2018).

Ownership Structure

According to Garanina and Aray (2021), ownership structure is a governance mechanism that influences corporate behavior, values, strategic policies, and performance. Shareholders' concerns and types of share ownership have a significant effect on CSR disclosure (Ali et al., 2022). The ownership structure of the company is shown by the diversity of investors who hold shares in the company. The ownership structure can be divided into several categories, including managerial ownership and institutional ownership.

The presence of investors with various categories may have different motivations, but in general they expect their companies to have good performance, both in terms of financial and social aspects which do not harm or endanger people's lives. The ownership structure can moderate the relationship between managers and owners, so owners can influence company decisions because they are interested in company development. Managerial ownership is the number of shares owned by managers, while institutional ownership shows shares owned by the government, financial institutions, and other companies. Institutional ownership is the involvement of external parties in determining the direction of the company. (Dakhli,2021; Tarighi et al.,2022; Ongsakul et al.,2021). Share ownership by institutions describes that institutions participate in controlling the company and become a force for external parties to reduce agency conflict. One form of control is that the institutions require the company to fulfill the interests of the community, such as carrying out social responsibility for the community. As a form of responsibility, the company discloses information including financial and non-financial information on its social activities. External share ownership can increase information about corporate social and environmental responsibility by external parties (Kim, 2019).

Meanwhile, managerial ownership is the proportion of management's ownership of company shares including Directors and Board of Commissioners who are active in decision-making. Managerial ownership is able to increase control in decision-making by management and encourage managers to be more careful in making decisions because management also obtains the benefits or losses directly from the consequences of decision making. Thus, the decisions made by managers will focus more on the interests of shareholders. Shareholders will intervene in managers in managing company profits to run optimally as well as increasing company value (Nitami, 2020).

Company's Financial Performance

A company's financial performance can assess various aspects of a company's profitability in which two indicators are often used, namely Return on Assets (ROA) and Tobin's Q. ROA is used to measure a company's accounting performance and present how a business employs its resources to generate returns. Meanwhile, Tobin's Q is a proxy for assessing the company's market performance. Tobin's Q takes into account the company's market value on the stock exchange so it can be considered as a reliable measure that presents the company's performance based on its growth potential. In this study, ROA and Tobin's are used as indicators to assess the company's financial performance as moderating variables in the study (Dakhli, 2021; Ghardallou, 2022).

Conceptual Framework

CSR policies in a company depend on the decisions of shareholders and company managerial. The majority of shareholders can control the interests of shareholders and prioritize long-term welfare, so they are motivated to establish and implement CSR as the company policy. Research related to the influence of ownership structure has been carried out previously with various research results. Based on this explanation, the conceptual framework in this study can be described as follows:

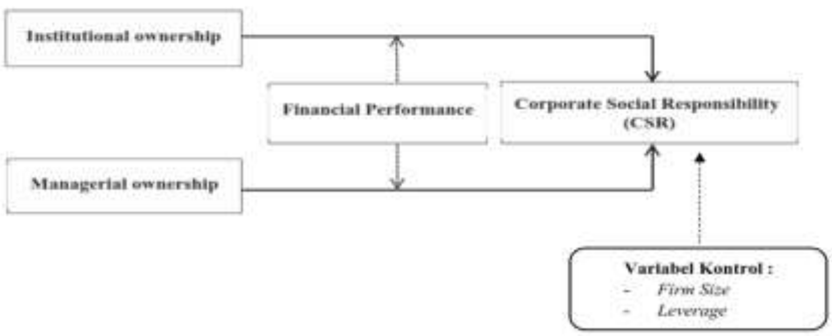

Figure 1. Conceptual Framework

RESEARCH METHOD

Variables and Measurements

The variables in this research include the dependent variable consisting of CSR, the independent variable are structure ownership consisting of managerial ownership and institutional ownership, the moderating variable is financial performance measured by ROA and Tobin'sQ and the control variable include Firm Size and Leverage. Here are the measurements for the variables to be studied:

Table 1. Variables and Measurements

Indicator	Measurements	Reference
Dependent Variable		
Corporate social responsibility (CSR)	SCV = Earnings per Share + (Tax Revenue + Salaries of Employees + Interest on Loans + Public Welfare Expenses - Social Cost)/Total Equity	Feng et al., (2018) dan Hunjra et al., (2020)
Independent Variable		
Institusional Ownership (INST)	INST= $\frac{\text{Number of institutional shares x 100\%}}{\text{Number of outstanding shares}}$	Dakhli, (2021) dan Tarighi et al., (2022)
Managerial Ownership(MGR)	MGR = $\frac{\text{Number of management shares x 100\%}}{\text{Number Of Shares Outstanding}}$	Dakhli, (2021) dan Ongsakul et al., (2021)
Moderating Variable		
Return On Assets (ROA)	ROA = $\frac{\text{Profit Before Tax \& Interest (EBIT)}}{\text{Total Assets}}$	Tarighi et al., (2022), Ongsakul et al., (2021), Karim et al.,(2020)
TOBIN'S Q	Tobin's Q = $\frac{\text{Market Value Of Equity + Debt}}{\text{Total Assets}}$	Dakhli (2021), Karim et al.,(2020)
Control Variable		
Firm Size (SIZE)	Firm Size = Natural logarithm of total assets	Tarighi et al., (2022), Dakhli (2021), Karim et al.,(2020)
Leverage (LEV)	Leverage = $\frac{\text{Total Debt}}{\text{Total Assets}}$	Tarighi et al., (2022), Dakhli (2021), Karim et al.,(2020)

Sampling Methodology

The method of data collection used is the collection of secondary data, The secondary data used are financial reports and annual reports for Food & Beverage Industry sub-sector companies listed on the IDX during 2017-2021 period which were obtained from the IDX's website and the company's official website. Using the purposive sampling method, Only 29 companies in the Food & Beverage Industry sub-sector listed on the Indonesia Stock Exchange (IDX) in 2017-2021 are eligible to be sampled with the following considerations:

Table 2. Sampling Criteria

Keterangan	Jumlah
Food & Beverage Industry Subsector Companies listed on the Indonesia Stock Exchange for the period of 2017 – 2021	83
Companies with incomplete financial statements from 2017 – 2021 and are delisted at period certain	29
Using currency foreign (USD) in financial statements	2
The company does not have Corporate Social Responsibility's cost	22
Firms with data that are not normally distributed	1
Number of companies eligible for sample	29

Research Regression Model

Research methods in accordance with the tittle of this research can be systematically described variable relation as follows:

Model 1 :

$$CSR_{it} = \beta_0 + \beta_1 INST_{it} + \beta_2\ MGR_{it} + \beta_3\ SIZE_{it} + \beta_4\ LEV_{it} + \varepsilon_{it}$$
$$= -3150.111 - 864.9552 INST_{it} - 1476.324 MGR_{it} + 321.6009 SIZE_{it}\ 317.7396 LEV_{it} + \varepsilon_{it} \quad \text{(i)}$$

Model 2 :

$$CSR_{it} = \beta_0 + \beta_1 INST_{it} + \beta_2\ MGR_{it} + + \beta_3\ ROA_{it} + \beta_4 TOBIN'SQ_{it} + \beta_5 INST_{it}\ ROA_{it} + \beta_6 MGR_{it}\ ROA_{it} + \beta_7 INST_{it}\ TOBIN'SQ_{it} + \beta_8 MGR_{it}\ TOBIN'SQ_{it} + \beta_9\ SIZE_{it} + \beta_{10}\ LEV_{it} + \varepsilon_{it}$$
$$= -4227.722 + -135.0754 INST_{it} - 3547.520\ MGR_{it} + 1206.149\ ROA_{it} + 5.776115\ TOBIN'SQ_{it} - 854.7459 INST_{it}\ ROA_{it} - 1058.945 MGR_{it}\ ROA_{it} + 25.35852 INST_{it} TOBIN'SQ_{it} + 46.74298 MGR_{it} TOBIN'SQ_{it} + 351.5957 SIZE_{it} + 62.75179\ LEV_{it} + \varepsilon_{it} \quad \text{(ii)}$$

Captions :

β = Regression Coefficient, CSR = Corporate Social Responsibility, INST = Institusional Ownership, MGR = Managerial Ownership, ROA = Return of Asset, TOBIN'S Q = Tobin'sQ, SIZE = Firm Size, LEV = Leverage, ε = Error

There are several stages of regression model testing in this research, among others:

Chow Test

Chow Test results have two options that must be determined, namely common effect or fixed effect. In this study, chow test was useful to determine which model was better and more precise. Chow Test is based on zero hypothesis where there is no individual heterogeneity and alternative hypothesis where there is heterogeneity in cross-section. Chow test on this research show that the probability value cross-section chi-square model 1 to 2 is 0.0000 smaller than $\alpha = 0.05$, then H_0 is rejected so the model used is fixed effect model. If the model chosen is a fixed effect model, then the fixed effect model will be tested using a random effect model, namely the Hausman test.

Uji Hausman

Hausman test have two options that must be determined, namely random effects or fixed effects. In this research, Hausman test is useful to determine which model is better and more appropriate. Hausman Test on this research showed that value of Probability Cross-Section Random model 1 is 0.0000 < 0.05 and model 2 is 0.0057 < 0.05, that the decision obtained is H_0 is rejected. It can be concluded that the best model is Fixed Effects Model.

F Test

F test aims to test whether the independent variables (institutional and managerial ownership) and control (Firm Size and Leverage) affect the dependent variable CSR simultaneously. Based on the test results, showed the value of Probability (F-Statistic) in model 1 of 0.0000 < 0.05 and model 2 of 0.0000 < 0.05, then H_0 is rejected. It can be concluded that simultaneously all independent variables have a significant effect on the dependent variable.

Uji Goodness of Fit (R^2)

Goodness of Fit test aims to test how much influence independent and control variables have in explaining the dependent variable. This test is analyzed through the adjusted R value in the multiple regression model. If the value is close to 1, it means that the independent variable is able to explain the dependent variable. Goodness of Fit test showed that the Adjusted R-Squared value in model 1 is 0.8959 or 89.59%. Shows that all independent variables can explain the dependent variable by 89.59%, the remaining 10.41% is explained by other variables outside the model. The Adjusted R-Squared value in model 2 is 0.9827 or 98.27%. Shows that all independent variables can explain the dependent variable by 98.27%, the remaining 1.73% is explained by other variables outside the model.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

The results of the descriptive statistical show that the CSR variable has a minimum value of -1783,493 with a maximum value of 1024,275 and the average resulting from the 145 observations studied is 119,1657 and a standard deviation of 349,9454. The minimum value of CSR is owned by PT Bakrie Sumatra Plantation Tbk in 2019 with a value of -1783,493, while the maximum value of CSR is owned by PT Astra Agro Lestari Tbk in 2021 with a value of 1024,275.

The independent variable, institutional ownership shows that minimum value of 0.000000 with a maximum value of 0.982176 and the average from the 145 observations is 0.649145 and the standard deviation is 0.233325. The maximum value of institutional ownership is owned by PT Tigaraksa Satria Tbk. in 2017 with a value of 0.982176. Meanwhile, managerial ownership shows that minimum value of 0.000000 with a maximum value of 0.299856 and the average from the 145 observations is 0.041169 and the standard deviation is 0.082046. The maximum value of institutional ownership is owned by PT Gozco Plantations Tbk. in 2017 with a value 0.299856.

The moderating variable as measured by ROA shows that minimum value of -2.573.123 with a maximum value of 1.059862 and the average from the 145 observations is 0.082840 and standard deviation of 0.279026. The minimum value of ROA is owned by PT Tiga Pilar Sejahtera Food Tbk. in 2017 with a value-2.573.123, while maximum ROA value is owned by PT Tiga Pilar Sejahtera Food Tbk. in 2020 with a value of 1.059862.

The moderating variable measured by Tobin'sQ shows that minimum value of 0.586209 with a maximum value of 12.26300 and the average from the 145 observations is 1.945286 and standard deviation is 1.842025. The minimum value of Tobin'sQ is owned by PT Dua Putra Utama Makmur Tbk.. in 2018 with a value 0.586209, while maximum value of Tobin'sQ is owned by PT Multi Bintang Indonesia Tbk. in 2018 with a value of 12.26300.

The control variable Firm Size has a minimum value of 11.58671 with a maximum value of 14.25372 and average from the 145 observations studied is 12.66393 and a standard deviation of 0.634511. The maximum value Firm Size is owned by PT Indofood Sukses Makmur Tbk. in 2021 with a value of 14.25372, while the minimum value Firm Size is owned by PT Wicaksana Overseas International Tbk. in 2018 with a value of 11,58671.

The control variable Leverage has a minimum value of 0.006817 with a maximum value of 2.899874 and average from the 145 observations is 0.570260 and standard deviation is 0.405959. The maximum value leverage is owned by PT Tiga Pilar Sejahtera Food Tbk. in 2018 with a value of 2.899874, while the minimum value Leverage is owned by PT Provident Agro Tbk. in 2018 with a value of 0.006817.

Table 3. Descriptive Statistical Analysis Results

	Mean	Median	Maximum	Minimum	Std. Dev.	Observations
CSR	119.1657	54.44429	1024.275	-1.783.493	349.9454	145
INST	0.649145	0.658098	0.982176	0.000000	0.233325	145
MGR	0.041169	0.001957	0.299856	0.000000	0.082046	145
ROA	0.082840	0.087494	1.059862	-2.573.123	0.279026	145
TOBINSQ	1.945286	1.358984	12.26300	0.586209	1.842025	145
SIZE	12.66393	12.46568	14.25372	11.58671	0.634511	145
LEV	0.570260	0.524482	2.899874	0.006817	0.405959	145
IOMOD1	0.060526	0.052563	0.693523	-1.605.204	0.179250	145
MOMOD1	0.002470	0.00000484	0.114612	-0.071140	0.015046	145
IOMOD2	1.266583	0.939562	10.02896	0.000000	1.496196	145
MOMOD2	0.071216	0.003062	0.969544	0.000000	0.175592	145

Source : Data processed using E-Views 12

H_1 : There is a significant effect between institutional ownership and CSR.

The result of the regression analysis of model 1 revealed that the effect of institutional ownership on CSR had a p value of 0.0069 ($p < 0.05$) and a coefficient value of -864.9552, indicating that the variable of institutional ownership has a negative and significant effect on CSR. This is supported by the result of regression model 2 in which the p value was 0.0008 ($p < 0.05$) and the coefficient value was -135.0754, indicating that institutional ownership has a significant and opposite effect on Corporate Social Responsibility (CSR) in Food & Beverage Industry sub-sector companies that listed on the Indonesia Stock Exchange. This presents that the higher the institutional ownership, the lower the value of CSR disclosure in the company.

This shows that institutional ownership is oriented towards company productivity, so CSR activities are seen as unfavorable activities. In addition, the average institutional share ownership is quite small, around 0.651%, making it difficult to influence and control investors. This can also happen because the majority of institutional ownership is passive, so it can increase the power of the CEO which affects on the weak supervision of institutional investors (Ali et al., 2022; Jahid et al., 2022; Rusnaeni et al., 2022).

The results of this study are in line with other studies which indicate that there is a non-linear influence of institutional ownership on the Environmental, Social, and Governance (ESG) consisting of environmental, social, and corporate governance pillars in developing countries. Another result shown is the influence of institutional ownership changes in the opposite direction depending on concentration of shareholding. Institutional ownership with a low to moderate percentage has a negative effect on ESG, but the opposite effect on institutional ownership with a high percentage or around 43% can improve ESG performance in developing countries. The lower the institutional ownership in the companies in developing countries, the investors will maintain and prioritize personal business relationships with the company and focus on a short-term perspective, but they do not play an active role as an investor. The low concentration of institutional share ownership also has an impact on the limited participation of institutional investors, so investors prioritize short-term strategies and ignore the long-term benefits of ESG activities performance such as greater economic and financial benefits, market value, company reputation and others. The low concentration of institutional ownership has an impact on the limited control of share ownership, so it cannot play an active role in promoting environmental performance and influencing stakeholders related to environmental problems (Ferrero & Lozano, 2021).

The study is not in line with the results of research in 250 companies registered in France in 2007–2018 which showed that institutional ownership had a significant positive effect on CSR (Dakhli, 2021).

H_2 : There is a significant effect between managerial ownership and CSR.

The result of the regression analysis model 1 reveals that the influence of managerial ownership with CSR has a p value of 0.0375 ($p < 0.05$) and a coefficient value of -1476,324, indicating that the managerial ownership variable has a negative and significant effect on CSR. This is supported by the result of regression model 2 where the p value is 0.0439 ($p < 0.05$) and the coefficient value is -3547.520, indicating that managerial ownership has a significant and opposite effect on Corporate Social Responsibility (CSR) in the Food & Beverage Industry sub-sector companies listed on the Indonesia Stock Exchange. This also suggests that the greater the proportion of managerial ownership in a company, the lower the CSR involvement in the company. This happens because managers prioritize on achieving short-term strategies to increase company profits that compensate managerial investors. Managerial ownership provides investors with greater decision-making power in their own interests. Managerial investors are likely to think that the investment costs in CSR activities are quite large and not proportional to the potential benefits, so companies managed by owners tend to reduce investment in CSR activities (Dakhli, 2021).

Other research also demonstrates that managerial ownership has a negative and significant effect on CSR activities because managerial investors have greater equity in which CSR involvement has an impact on managerial investors to bear with greater company operating costs, so they tend to limit CSR involvement (Withisuhakorn & Jiraporn, 2019). Moreover, other research also indicates that when facing with economic uncertainty, companies with greater managerial ownership invest significantly more in CSR because CSR offers protection against adverse events. However, under normal circumstances, managers with higher ownership stakes are significantly less involved in CSR activities (Ongsakul et al., 2021).

Other research shows managerial ownership has a positive effect on CSR activities. However, in companies with unfavorable financial conditions, managers reduce their investment in CSR and do not consider ethics or social reputation because the company requires high resources, so CSR funds will be allocated to other projects (Cho & Ryu, 2022). This is not in line with the results of research on financial organizations in Bangladesh which revealed that managerial ownership is positively related to CSR (Jahid et al., 2022).

H_3 : financial performance moderates the effect between institutional ownership and CSR.

Financial performance as measured by Return on Assets moderates the effect between institutional ownership and CSR with a probability value of 0.0001 < 0.05 and a coefficient value of -854.7459, so it can be concluded that institutional ownership has a negative and significant effect on Corporate Social Responsibility with Return on Assets as moderator. CSR negatively affects on the company's financial performance because CSR activities can cause companies to expend higher social costs which have an impact on decreasing company profitability. In developing countries, corporate social commitment becomes a long-term investment that impacts shareholder goals for unachieved value creation in the early years of CSR. Companies must also increase operational costs and have an impact on decreasing profitability, thereby reducing the value of the company (Elouidani & Zoubir, 2015).

The study is as opposed to the results of the study which showed a positive and significant relationship between institutional ownership and the company's financial performance as measured by ROA (p < 0.01). Outside shareholders have more control the actions of managers, institutional investors who have experience and technical capabilities reflected positively on the company's success, so it can improve the company's financial performance. Institutional investors can reduce agency costs, providing a wealth of experience in dealing with managerial opportunism (Alkurdi et al., 2021). The regression results on this study also indicated that ROA has a positive and s with prignificant effect on CSR with a probability value of 0.0000 < 0.05 and a coefficient value of 1206.149. In addition, research also showed that Tobins' Q has no effect on CSR with a probability value of 0.6020 > 0.05.

Financial performance as measured by Tobins' Q has no effect on moderating institutional ownership of CSR where the probability value is 0.2077 > 0.05, meaning that institutional ownership has no effect on Corporate Social Responsibility with Tobins' Q as moderator. Previous research has revealed that institutional ownership had affected on company's value at the percentage of institutional ownership of 81.2%. If the percentage of share ownership is less than 81.2%, then it cannot affect value of the company. In addition, institutional ownership has no effect because the majority of institutional ownership is passive, so it can increase the power of the CEO. This has an impact on the weak supervision of institutional investors on company's value (Rusnaeni et al., 2022).

Other study show institutional ownership has no effect on company's value because institutional investors cannot effectively monitor management performance due to information asymmetry between shareholders and management. This leads to the inability of institutional investors to control management behavior and let management control the company according to their wishes. Information asymmetry becomes an obstacle for institutional investors in monitoring management behavior, because the information held by institutions is not as good as the information held by management (Sukmawardini & Ardiansari, 2018, Al-najjar, 2021, Hertina et al., 2021).

The results of this study are not in accordance with previous studies in which financial performance has a positive and significant effect in moderating the relationship between institutional ownership and CSR. In companies with higher financial performance, the effect of institutional ownership on CSR also strengthens. Institutional ownership has a positive effect on CSR involvement. Institutional investors have a long-term investment perspective and investors are able to influence the company's CSR activities when it has a significant percentage of share equity. The company's financial performance significantly highlights the influence of institutional ownership and managerial ownership on CSR involvement (Dakhli, 2021).

H_4 : Financial performance moderates the effect between managerial ownership and CSR

Financial performance as measured by Return on Assets moderates the effect between managerial ownership and CSR with a probability value of 0.0778 > 0.05, so managerial ownership has no effect on Corporate Social Responsibility with Return on Assets as moderator. This study is not in line with the results of other studies which showed a negative and significant effect of managerial ownership and ROA on ($p<0.05$). Managerial ownership of a company with a higher ROA will be a business challenge. This is related to agency theory in which managers have a significant proportion of the company, so they are expected to prioritize their best interests (Alkurdi et al., 2021).

On the other hand, Financial performance as measured by Tobins' Q has no effect on moderating institutional ownership of CSR where the probability value of 0.7272 > 0.05, so managerial ownership has no effect on Corporate Social Responsibility with Tobins' Q as moderator. The study is in line with the results of research by Alkurdi et al., (2021) which showed that managerial ownership has no significant effect on the company's financial performance as measured by Tobin's

Q because managerial investors behave opportunistically and ignore the importance of the company's financial performance for shareholders. When managers hold a number of shares of the company and have control for decision making, managers tend to ignore the market value of the company and focus on their interests, so it may be detrimental to the interests of the company. Other studies also demonstrated that managerial ownership had no effect on company’s value because managerial ownership could not influence investors to invest in a company (Trafalgar & Africa, 2019).

The results of this study are not in line with previous studies where financial performance has a positive and significant effect in moderating the relationship between institutional ownership and CSR. In companies with higher financial performance, the effect of institutional ownership on CSR also strengthens. Institutional ownership has a positive effect on CSR involvement. Institutional investors have a long-term investment perspective and investors are able to influence the company's CSR activities when it has a significant percentage of share equity. The company's financial performance significantly highlights the influence of institutional ownership and managerial ownership on CSR involvement (Dakhli, 2021).

H_5 : There is an effect of Firm Size on CSR

The result of the regression analysis model 1 shows that the effect of firm size with CSR had a p value of 0.0004 ($p < 0.05$) and a coefficient value of 321.6009, indicating that there is a positive and significant effect between firm size variables on CSR variables. The results are supported by the results of regression model 2, revealing the p value was 0.0000 ($p < 0.05$) and the coefficient value was 351.5957. This indicates that firm size has a positive and significant effect on Corporate Social Responsibility (CSR) in Food & Beverage Industry sub-sector companies listed on the Indonesia Stock Exchange.

Firm size is one of the company's internal factors which can affect CSR disclosure in developing countries. Companies with large size will attain greater supervision from the public, media, and government, so they are able to encourage the company's CSR activities. Stakeholders can put pressure on large companies to contribute to CSR activities (Ali et al., 2022). Other findings identify the group of companies that are least likely to participate in CSR activities are medium-sized companies compared to very small or very large companies. The size of the company determines the attention of stakeholders. It is likely that the bigger a company, the company will become the attention of stakeholders. Companies require greater efforts to gain legitimacy from their stakeholders in order to create alignment of the social values of the company's activities with the norms of behavior existed in society. The bigger a company is, the more it is well-known and becomes the attention of stakeholders, so disclosure of information related to CSR is highly needed than small companies (Udayasankar, 2008). The results of the study are in line with research at financial institutions listed on the Dhaka Stock Exchange in 2007-2019 which demonstrated that firm size was positively and significantly related to CSR expenditure as indicated by a p value < 0.01 (Jahid et al., 2022).

H_6 : There is an influence of Leverage on CSR

The result of the regression analysis model 1 presents a probability value of 0.0000 with a coefficient of -317.7396, so it can be concluded that there is a negative and significant influence of leverage on CSR. Leverage reflects the company's financial risk because it can describe the company's capital structure and identify the risk of uncollectible debt. Moreover, the result indicates that the influence of CSR with leverage is opposite. The lower leverage of the companies, the higher the participation in CSR activities. Companies with low leverage are more flexible to engage in CSR activities. On the other hand, companies with higher leverage tend to engage in CSR activities. Companies with high leverage have high financial risks, so they are in the spotlight of debtholders and company managers will minimize leverage and reduce company costs to increase profits including by limiting CSR activities (Sahraoui & Kabore, 2021).

The result contradicted with the results of regression model 2 in which the p value is 0.0518 (p>0.05) and the coefficient value is 62.75179, indicating that leverage has no effect on Corporate Social Responsibility (CSR) in Food & Beverage Industry sub-sector companies listed on the Indonesia Stock Exchange.

Table 3. Regression Analysis Results

Variables	Model 1		Model 2	
	Coefficient	Probability	Coefficient	Probability
C	-3150.111	0.0045	-4227.722	0.0000
INST	-864.9552	0.0069	-135.0754	0.0008
MGR	-1476.324	0.0375	-3547.520	0.0439
ROA			1206.149	0.0000
TOBINS'Q			5.776115	0.6020
INST x ROA			-854.7459	0.0001
MGR x ROA			-1058.945	0.0778
INST x TOBINS'Q			25.35852	0.2077
MGR x TOBINS'Q			46.74298	0.7272
SIZE	321.6009	0.0004	351.5957	0.0000
LEV	-317.7396	0.0000	62.75179	0.0518

Source : Data processed using E-Views 12

CONCLUSION

Based on the results of research carried out to analyze the effect of share ownership structure on corporate social responsibility with moderating variable of corporate financial performance, it can be concluded as follows:

1. Institutional Ownership has a significant and negative effect on Corporate Social Responsibility.
2. Managerial Ownership has a significant and negative effect on Corporate Social Responsibility.
3. Financial performance as measured by ROA has a negative and significant effect in moderating the relationship between institutional ownership and Corporate Social Responsibility. Meanwhile, financial performance measured by Tobins'Q has no effect in moderating the relationship between institutional ownership and Corporate Social Responsibility.

4. Financial performance measured by ROA and Tobins'Q has no effect in moderating the relationship between managerial ownership and Corporate Social Responsibility.
5. Firm Size has a significant and positive effect on Corporate Social Responsibility.
6. Regression model 1 shows that Leverage has a significant and negative effect on Corporate Social Responsibility, while regression model 2 shows that Leverage has no effect on Corporate Social Responsibility.

POLICY AND PRACTICAL IMPLICATIONS

According to the results of research which uses CSR measurements by integrating state tax revenues, employee salaries, creditor loan interest and other values for stakeholders, and deducting social costs, there are several managerial implications of this research which can provide benefits for several parties as follows:

1. For Management
   Through this study, it can be concluded that different share ownership structures have an impact on differences in the company's CSR involvement. This study was conducted to determine the dynamic relationship between ownership structure and CSR. Managers are expected to be able to evaluate corporate governance on a regular basis in order to increase the role of ownership structure in reducing management takeovers and centralized control. This is done to minimize agency conflicts as well as developing intervention mechanisms to overcome conflicting interests of shareholders in CSR activities.
2. For the Government
   Through this research, the government as a regulator and policy maker is hoped to able to enforce the rules of share ownership structure by initiating steps that limit share ownership, but it can also promote or require institutional investment in companies listed on the Indonesia Stock Exchange to increase the percentage of institutional ownership and the contribution to CSR activities. This research may also be a reference for regulators in developing social and environmental reporting guidelines.
3. For Investor
   This research is expected to be literate for investors, to be more selective investing on a company and consider the disclosure of CSR information because increasing the value of a company. Investors can also consider the percentage in managerial ownership because tend to focus on personal interests which can harm the interests of the company so that impact on decreasing the value of company.

LIMITATIONS AND SCOPE FOR FURTHER RESEARCH

Based on the research conducted, this research has several limitations, including:

1. This research only examines the variables related to analyzing the effect of structure ownership consist of institutional ownership and managerial ownership on CSR with Moderated Financial Performance measured by ROA and Tobins'Q and also control variables, such as Firm Size and Leverage.

2. The samples are limited to the Food & Beverage Industry sub-sector listed on the IDX.

From the results of the research and discussion the limitations the research, future research is expected :

1. Adding independent variables in the share ownership structure that can affect CSR such as foreign and public ownership.
2. Using sample various sectors companies to determine the effect of ownership structure on CSR.

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