

Research Article

The Effect of Corporate Social Responsibility Disclosure on Corporate Financial Performance with Ownership Structure as a Moderating Variable in Mining Companies Listed on the IDX (2020-2024 period)

Adha Al Fatah*, and Ernie Hendrawaty

Department of Management, Faculty of Economics and Business, Universitas Lampung, Bandar Lampung, Indonesia

*Corresponding Author: adhaalfatah27@gmail.com | Phone: +6281995170464

ABSTRACT

This research investigates the influence of Corporate Social Responsibility (CSR) on firms' financial performance and explores the moderating effects of Ownership Concentration (OC), Ownership Balance (OB), and Ownership Type (OT) within Indonesian mining companies. Adopting a quantitative research design, the study utilizes secondary data derived from annual and sustainability reports of mining firms listed on the Indonesia Stock Exchange. Corporate financial performance is proxied by Return on Assets (ROA), while CSR is assessed through the extent of CSR disclosure. Data analysis is conducted using multiple regression techniques, including moderated regression analysis. The empirical findings reveal that CSR exerts a positive and statistically significant impact on financial performance, indicating that greater CSR disclosure and implementation are associated with higher ROA. The results further show that Ownership Concentration diminishes the positive effect of CSR on financial performance, implying that controlling shareholders may emphasize short-term objectives, thereby limiting the strategic benefits of CSR initiatives. Ownership Balance enhances the relationship between CSR and financial performance by promoting stronger oversight and improved corporate governance. Ownership Type does not serve as a significant moderating variable, suggesting that the CSR–financial performance relationship does not differ between state-owned and non-state-owned enterprises. The findings highlight that while CSR contributes to improved financial outcomes, its impact is contingent upon the firm's ownership structure. This study offers valuable insights for policymakers and corporate leaders in formulating governance arrangements and CSR policies that foster long-term corporate sustainability.

Keywords: Corporate Social Responsibility; Corporate Financial Performance; Ownership Concentration; Ownership Balance; Ownership Type; Mining Companies

1. INTRODUCTION

Expectations regarding the role of corporations have undergone substantial change over the past few decades. Businesses are no longer evaluated solely on their ability to generate profits but are increasingly assessed based on their social and environmental responsibilities (Adamkaite et al., 2023). Since the beginning of the 2000s, Corporate Social Responsibility (CSR) has emerged as a strategic concern, drawing widespread interest from scholars as well as stakeholders such as investors, policymakers, the media, and the broader society (Awaysheh et al., 2020). This growing importance is further reflected in the establishment of CSR-related standards by international institutions, including the Council on Economic Priorities Accreditation Agency (CEPAA), the United Nations Global Compact (UNGC), and the International Organization for Standardization (ISO), which signify the global institutionalization of CSR practices (Li et al., 2024). Although there are many CSR practices countries remain largely voluntary and often exceed legal requirements (Xu et al., 2021), the effectiveness of these initiatives is not always reflected in real environment outcomes.

One key indicator of corporate sustainability is carbon emissions management (Athaya et al., 2025). Indonesia is among the six largest carbon-emitting countries globally in 2024, while national CO₂ emissions reached 692 million tons in 2022 despite the government's commitment through Presidential Regulation No. 61 of 2011 on the National Action Plan for Greenhouse Gas Emissions Reduction (RAN-GRK). These conditions highlight a significant gap between regulatory commitments and actual environmental performance. This gap is further illustrated by environmental and occupational safety violations in the Indonesia Morowali Industrial Park (IMIP), where waste management failures and industrial accidents caused fatalities and environmental contamination affecting over 1,000 residents (Nugroho, 2025; Salman, 2025).

Investigations by the Ministry of Environment and Forestry revealed unlicensed waste dumping, absence of communal wastewater treatment plants, unauthorized land clearing, and accumulation of more than 12 million tons of solid waste without mitigation measures (Nasution, 2025).

These findings suggest that CSR challenges in Indonesia are not merely the result of individual corporations' negligence but also reflect structural weaknesses in industry governance and regulatory enforcement (Suttipun et al., 2021). Indonesia's relevance as a research context is reinforced by its rapid economic growth, population size, and environmental complexity (World Bank, 2023). Over the past two decades, Indonesia's GDP per capita has increased by more than 70%, positioning it as the largest economy in Southeast Asia and the 16th globally (World Bank, 2023). This growth has intensified environmental, economic, and social pressures, making Indonesia a natural laboratory for examining CSR implementation and its economic consequences (Ariani et al., 2024).

The number of listed companies publishing sustainability reports have increased substantially, reaching 882 firms by the end of 2023 compared to only 154 in 2021 (IDX, 2025; Triadi & Sidjaga, 2024). However, this quantitative growth has not been matched by improvements in quality, consistency, and substance of CSR disclosures (Anggraeni & Djakman, 2018). The absence of a uniform national CSR reporting standard has resulted in symbolic reporting that often fails to reflect genuine commitments (Aqila & Sisdianto, 2025). Although regulations such as Law No. 40 of 2007 and POJK no. 51/POJK.03/2017 mandates CSR and sustainability reporting (Sari et al., 2024; Wahyudi et al., 2024), and technical guidance has been issued through SEOJK No.16/SEOJK.04/2021 (Wasara & Ganda, 2019; Alsahlawi et al., 2021), implementation remains uneven. Despite becoming the first country to formally CSR mandate, Indonesia still faces weak compliance and reporting depth (Sinaga, 2017).

The lack of standardization disclosure has led most companies to rely on the Global Reporting Initiative (GRI), which provides 32 indicators and 88 disclosures covering economic, environmental, and social dimensions (Mamun, 2023). Nevertheless, adoption is inconsistent and frequent superficial. The Indonesian Business Council for Sustainable Development survey placed Indonesia 36th out of 47 countries in sustainability reporting quality, indicating weak transparency and limited comprehensiveness (Gabriela et al., 2024). This condition poses concerns regarding the real effectiveness of CSR practices, particularly in financial terms outcomes. Prior studies on CSR and financial performance report inconsistent findings due to differences in methods, industries, and national contexts (Durand et al., 2019), highlighting the need for contextualized research in development countries such as Indonesia.

CSR is widespread viewed as a strategic tool to enhance corporate legitimacy, reputation, and stakeholders trust, potentially improving financial performance (Safitrih et al., 2024; Aritonang & Ratnasari, 2025; Supadi & Sudana, 2018). Financial performance is commonly measured by ROA, ROE, and Tobin's Q, reflecting assets productivity, shareholder returns and firm valuation (Hansen & Mowen, 2007; Bayaraa, 2017). Empirical evidence remains mixed. Positive relationships are documented in several studies (Franco et al., 2020; Deng et al., 2022; Alam & Tariq, 2022; Ang et al., 2022; Ma et al., 2023), while others report negative or insignificant effects (Ordóñez et al., 2023; Agyapong et al., 2024; Suttipun et al., 2021; Sharma & Chakraborty, 2024; Waris & Din, 2024). These inconsistencies suggest that the CSR–financial performance relationship is contingent upon internal factors, particularly ownership structure (Selcuk, 2019; Chen et al., 2023; Ang et al., 2022; Triadi & Sidjaga, 2024; Wan & Wong, 2015; Zaid et al., 2020).

Ownership structure, encompassing Ownership Concentration (OC), Ownership Balance (OB) and Ownership Type (OT), shapes corporate governance, managerial incentives, and CSR orientation (Assidi, 2020; Ang et al., 2022). Agency theory explains how ownership mechanisms influence managerial behavior and CSR investment, while stakeholder and legitimacy theories highlight CSR's role in sustainability external trust and social approval (Li et al., 2024; Deng et al., 2022; Ordóñez et al., 2023). Prior studies rarely integrate these perspectives while simultaneously testing ownership structure as a moderating variable. CSR measurement based on third party ratings are criticized for subjectivity and inconsistency (Awaysheh et al., 2020; Sharma & Chakraborty, 2024; Eabrasu, 2015), leading this study to adopt GRI-based disclosure as an objective proxy (Cho & Lee, 2019).

This study investigates the effects of Corporate Social Responsibility disclosure on the financial mining performance companies listed on the Indonesia Stock Exchange during 2020–2024. It's further investigates the moderating roles of Ownership Concentration (OC), Ownership Balance (OB), and Ownership Type in the CSR–financial performance relationship. The mining sector is selected due to its substantial economic contribution (OC) and significant environmental and social risks (Eerola, 2022; Krause & Kretschmann, 2023; Esparza et al., 2022; Pons et al., 2021; Prasetyo et al., 2025). By integrating stakeholder's theory, legitimacy theory and agency theory, and by employing GRI-based CSR disclosure, this research seeks to fill empirical and methodological gaps and to provide evidence on whether ownership structure strengthens or weakens the financial implications of CSR in Indonesia's extractive industries.

2. RESEARCH METHOD

This research employs an explanatory quantitative approach to examine the causal linkage of Corporate Social Responsibility (CSR) and firms' financial performance (Sugiyono, 2020). The analysis is conducted using secondary data derived from annual reports, sustainability disclosures, and audited financial statements of mining companies listed on the

Indonesia Stock Exchange (IDX) for the 2020–2024 period. The research population includes 198 companies operating within the energy and basic materials segments. Through purposive sampling, with criteria based on continuous listing and the availability of CSR disclosures in accordance with GRI 200, 300, and 400 standards, 22 firms were selected, yielding a total of 110 firm-year observations. Corporate financial performance is proxied by Return on Assets (ROA), defined as the ratio of net profit to total assets (Sharma & Chakraborty, 2024). CSR implementation is assessed using a CSR Disclosure Index (CSRDI), constructed through content analysis of GRI-based indicators employing a binary scoring system (Matuszak et al., 2025; Goswami et al., 2023; Fiana & Endri, 2025).

Corporate Social Responsibility (CSR) is positioned as the explanatory variable, whereas financial performance, proxied by Return on Assets (ROA), functions as the outcome variable. The ownership structure acts as a moderating factor and comprises OC, OB, and OT. OC is represented determined by the equity stake of the majority shareholder, OB indicates the comparative dispersion among major shareholders, and OT is operationalized through a dummy variable that differentiates state-owned enterprises from privately owned firms (Ang et al., 2022; Guan et al., 2021). Firm size, calculated using the natural logarithm of total assets, is incorporated as a control variable (Selcuk, 2019). Data collection was performed using document analysis and processed using IBM SPSS Statistics version 25. The analysis began with descriptive statistical procedures to depict the data profile, followed by assumption diagnostics, encompassing normality testing through Kolmogorov–Smirnov and multicollinearity assessment through Tolerance and VIF values, heteroscedasticity examination through the Glejser method, and autocorrelation testing with the Durbin–Watson statistic (Ghozali, 2021; Utomo, 2007).

Hypotheses were tested through multiple linear regression and moderated regression techniques. The initial model focuses on analyzing the direct association of CSR with financial performance, whereas the subsequent models incorporate interaction terms to evaluate the moderating effects of ownership concentration, ownership balance, and ownership type (Ghozali, 2021; Ang et al., 2022). The regression specifications consist of CSR variables, ownership structure indicators, interaction variables, and firm size as a control variable. Model assessment is carried out using the coefficient of determination (R^2), individual parameter significance tests (t -test), and joint significance testing (F -test) with a significance threshold of 5% (Ghozali, 2021). This analytical approach is applied to determine the model's explanatory capability as well as the significance and direction of the relationships among CSR, ownership structure, and corporate financial performance.

3. RESULTS AND DISCUSSION

3.1 Results of the Classical Assumption Test

Table 1. Test Normality

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		105
Normal Parameters	Mean	0.0000000
	Standard Deviation	4.17681710
Most Extreme Differences	Absolute	0.076
	Positive	0.068
	Negative	-0.076
Statistical test		0.076
Asymp. Sig. (2-tailed)		0.157 ^c

Source: SPSS version 25 (2025)

Based on results testing normality use test statistics Kolmogorov-Smirnov (KS Test) in **Table 1**, obtained mark significance by 15.7%. Can concluded that the data on This research is distributed normally.

Table 2. Test Multicollinearity

Coefficients ^a			
Model		Tolerance	VIF
1	CSR	0.723	1,384
	SIZE	0.718	1,392
	OC	0.473	2,114
	OB	0.380	2,629
	OT	0.678	1,476

Source: SPSS version 25 (2025)

The multicollinearity assessment reported in Table 2, demonstrates that tolerance levels for all explanatory variables (CSR), the control variable (Firm Size), as well as moderating variables (OC, OB, and OT) remain above the acceptable cutoff of 0.10, ranging between 0.380 and 0.723. Moreover, the Variance Inflation Factor (VIF) statistics are far below the critical value of 10, with values spanning from 1.384 to 2.629. These results indicate that no multicollinearity exists among the variables examined. Consequently, the regression model does not show problematic linear relationships among the explanatory variables. Overall, these findings confirm that the multicollinearity assumption is sufficiently fulfilled in the present research context examined here.

Table 3. Test Heteroscedasticity

Model	Unstandardized Coefficients		Standardized Coefficients	t	sig
	B	Std. Error	Beta		
1 (Constant)	-0.261	8,871		-0.029	0.977
CSR	1,425	1,946	0.084	0.732	0.466
SIZE	-0.001	0.293	-0.001	-0.004	0.996
OC	0.024	0.024	0.139	0.985	0.327
OB	4,322	2,385	0.285	1,812	0.073
OT	-0.307	0.738	-0.049	-0.416	0.678

Dependent Variable: ABS_RES
Source: SPSS version 25 (2025)

Based on results test in Table 3, studies show that mark significance on all independent variables CSR, control variables Size, moderation OC, OB, and OT are bigger from 5% to can concluded that No existence problem heteroscedasticity on research data.

Table 4. Test Durbin Watson Autocorrelation

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin Watson
1	0.457 ^a	0.208	0.168	4.28099%	1,857

a. Predictors: (Constant), OT, CSR, OC, SIZE, OB
b. Dependent Variable: ROA
Source: SPSS version 25 (2025)

Results testing autocorrelation as attached in Table 4, show mark the Durbin-Watson statistic (1.857) which is bigger than dU value (1.783) and dL value (1.584) as t - value significance according to the number N of 105 with 5 variables. This is in line with the basis taking decision test autocorrelation which is precisely show that the data is not there is symptom autocorrelation.

3.2 Results Analysis Multiple Linear Regression

Table 5. Analysis Regression Multiple

Model	B	Sig.
1 (Constant)	-0.465	0.972
CSR	7,149	0.023
SIZE	-0.032	0.945
(Constant)	-24,722	0.092
CSR	27,283	0.009
SIZE	0.121	0.785
OC	0.383	0.010
CSR*OC	-0.398	0.042
(Constant)	10,187	0.443
CSR	-4,151	0.434
SIZE	-0.059	0.895
OB	-41,005	0.003
CSR*OB	0.467	0.007

(Constant)	-0.755	0.955
CSR	7,610	0.031
SIZE	-0.025	0.958
OT	0.240	0.963
CSR*OT	-0.016	0.806

Source: SPSS version 25 (2025)

The findings from the regression analysis presented in **Table 5**, provide several important insights from the estimated linear models. In the model that does not include the moderating variable, the intercept is -0.465 . The analysis shows that the coefficient for CSR is 7.149, which is statistically significant at the 5% level. This suggests that greater CSR disclosure is linked to better financial performance. On the other hand, the coefficient for firm size is -0.032 , and it is not statistically significant at the 10% level, implying that firm size does not have a meaningful impact on financial performance. Ownership Concentration (OC) is used as a moderating variable in the analysis, and the intercept decreases significantly to -24.722 . The coefficient for ownership concentration is positive and statistically significant at the 1% level, with a value of 0.383. This means that a higher level of ownership concentration is linked to improved financial performance. However, the interaction term between Corporate Social Responsibility (CSR) and ownership concentration (CSR*OC) has a negative coefficient of -0.398 , which is significant at the 5% level. This suggests that ownership concentration affects the relationship between CSR and financial performance by reducing the positive impact of CSR when ownership is concentrated in the hands of a few shareholders.

In the regression model that includes Ownership Balance (OB) as a moderating variable, the intercept is 10.187. The coefficient for OB is negative and statistically significant at the 1% level, with a value of -41.005 . This indicates that a more balanced distribution of ownership is associated with a decrease in financial performance. On the other hand, the interaction term between CSR and OB (CSR \times OB) has a positive coefficient of 0.467, also significant at the 1% level. This implies that ownership balance enhances the effect of CSR on financial performance. The result suggests that CSR initiatives are more effective in improving financial outcomes in firms with widely dispersed ownership, possibly due to increased shareholder oversight. Ownership Type (OT) is used as the moderating variable in the analysis, with a regression constant of -0.755 . The coefficient for OT is positive at 0.240, but it is not statistically significant, which suggests that ownership type does not directly affect financial performance. Additionally, the interaction term between Corporate Social Responsibility (CSR) and OT (CSR \times OT) is also not significant, with a coefficient of -0.016 . These findings indicate that ownership type does not act as a moderator in the relationship between CSR and financial performance, as the effect of CSR remains consistent across both state-owned and non-state-owned enterprises.

3.3 Hypothesis Testing

Table 6. Test Coefficient Determination Without Moderation

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.250 ^a	0.63	0.044	4.58977%

a. Predictors: (Constant), SIZE, CSR
Source: SPSS version 25 (2025)

Based on **Table 6**, the results test coefficient determination for models without moderation show mark *Adjusted R-Square* by 4.4%. By 4.4% variation in the dependent variable Company Financial Performance that can explained by the independent variable CSR in this model, while the rest 95.6 % influenced by other factors outside the research model.

Table 7. Test Coefficient Determination with Moderation

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.457 ^a	0.208	0.168	4.28099%

a. Predictors: (Constant), OT, CSR, OC, SIZE, OB
Source: SPSS version 25 (2025)

Based on results test coefficient determination with moderation in **Table 7**, it is known mark *Adjusted R-Square* experience improvement value, namely become by 16.8%. This shows that the model with moderation *Ownership Concentration* (OC), *Ownership Balance* (OB), and *Ownership Type* (OT) have more capabilities Good in explain variation of the dependent variable compared to the model without moderation. 16.8 % variation in the dependent variable Company Financial Performance that can explained by the independent variable *Corporate Social Responsibility* (CSR) in this model, while the remaining 83.2% Still influenced by other factors outside the model.

Table 8. Unbiased t- test Moderation

Model	Unstandardized Coefficients		Sig.	Conclusion
	B	Std. Error		
1 (Constant)	-0.465	13,311	0.972	
CSR	7,149	3,105	0.023	Supported
SIZE	-0.032	0.466	0.945	No Supported

Source: SPSS version 25 (2025)

In **Table 8**, the results t -test shows that *Corporate Social Responsibility* (CSR) has coefficient amounting to 7,149 with a level of significance of 5%. This shows that CSR has an impact positive and significant to *Return on Assets* (ROA). Can concluded that the taller implementation not quite enough answer social company, then the more the company's financial performance is also high. Thus, H1 in This research is supported.

Table 9. t- Test with OC Moderation

Model	Unstandardized Coefficients		Sig.	Conclusion
	B	Std. Error		
(Constant)	-24,722	14,536	0.092	
CSR	27,283	10,303	0.009	Supported
SIZE	0.121	0.443	0.785	No Supported
OC	0.383	0.146	0.010	Supported
CSR*OC	-0.398	0.193	0.042	Supported

Source: SPSS version 25 (2025)

Based on results regression In **Table 9**, the *Ownership Concentration* (OC) variable has coefficient of 0.383 with a significance of 1% which indicates influence positive and significant to financial performance , whereas CSR*OC interactions have coefficient -0.398 with 5% significance shows that OC weakens connection between CSR and ROA, so that the more tall level concentrated ownership so influence positive CSR towards financial performance will increase weakened, thus H2 is stated supported.

Table 10. t- Test with OB Moderation

Model	Unstandardized Coefficients		Sig.	Conclusion
	B	Std. Error		
(Constant)	10,187	13,227	0.443	
CSR	-4,151	5,289	0.434	No Supported
SIZE	-0.059	0.448	0.895	No Supported
OB	-41,005	13,632	0.003	Supported
CSR*OB	0.467	0.171	0.007	Supported

Source: SPSS version 25 (2025)

Based on results regression in the **Table 10**, the *Ownership Balance* (OB) variable has coefficient of -41.005 with a significance of 1% indicates that OB has an effect negative and significant to financial performance, whereas CSR*OB interaction has coefficient of 0.467 with a significance of 1% indicates that OB moderates connection between CSR and ROA in general positive, so that the more balanced structure ownership in company so influence positive CSR towards financial performance will increase strong Because balanced ownership push existence more supervision objective to activity social company, thus H3 is stated supported.

Table 11. t -Test with OT Moderation

Model	Unstandardized Coefficients		Sig.	Conclusion
	B	Std. Error		
(Constant)	-0.755	16,947	0.955	
CSR	7,610	4,328	0.031	Supported
SIZE	-0.025	0.609	0.958	No Supported
OT	0.240	5,371	0.963	No Supported
CSR*OT	-0.016	0.067	0.806	No Supported

Source: SPSS version 25 (2025)

Based on results regression in **Table 11**, the *Ownership Type* (OT) variable has coefficient of 0.240 with no significance, shows that OT does not influential significant to financial performance, whereas CSR*OT interactions have coefficient -0.016 with no significance, which means OT does not moderate connection between CSR and ROA, so that difference type ownership between BUMN and non-BUMN not strengthen the influence of CSR on financial performance because Good BUMN and non-BUMN companies alike Not yet capable make CSR activities as factor strategic in increase profitability , thus H4 is stated No supported.

3.4 Discussion

3.4.1 Corporate Social Responsibility (CSR) Has a Positive Effect on Corporate Financial Performance

The findings of the multiple linear regression and partial t-test in the first model provide empirical evidence supporting the first hypothesis, the statement indicates that corporate social responsibility has a positive and significant impact on financial performance. The analysis reveals that the CSR variable yields a coefficient of 7.149 at a 5% significance level, suggesting that increased engagement in CSR initiatives leads to higher returns on assets. Firms with more extensive CSR disclosure and implementation tend to demonstrate superior financial outcomes. These results imply that the consistent execution of social responsibility programs contributes to value creation by enhancing corporate reputation, strengthening stakeholder trust, and improving operational effectiveness. The results of this study are consistent with stakeholder theory, which argues that a firm's long-term performance is closely linked to its effectiveness in managing relationships with various stakeholder groups (Friedman, 2017). Companies that are able to respond to social and environmental demands tend to obtain greater legitimacy and support from stakeholders, leading to more favorable financial results. This indicates that CSR should be viewed not as a voluntary charitable effort, but as a strategic component of corporate operations that integrates economic objectives with social responsibility. Furthermore, the findings align with prior studies, including those by Ang et al. (2022), Bag and Omrane (2022), and Triadi and Sidjaga (2024), which demonstrate that CSR initiatives contribute to enhanced corporate image, increased customer trust, and stronger engagement with regulators and investors, ultimately improving financial performance.

3.4.2 Ownership Concentration (OC) Weakens the Effect of CSR on Corporate Financial Performance

The study shows that Ownership Concentration (OC) has a positive and statistically significant impact on financial performance, with a coefficient of 0.383, at the 1% significance level. However, when considering the interaction between CSR and OC (CSR*OC), the coefficient is negative at -0.398 and significant at the 5% level. This suggests that as ownership becomes more concentrated, the positive impact of CSR on financial performance decreases. This finding indicates that firms with highly concentrated ownership structures see less benefit from CSR activities, as dominant shareholders have more influence over strategic choices. As a result, the second hypothesis, which suggests that ownership concentration weakens the link between CSR and corporate financial performance, is supported by the data. This finding can be interpreted from the perspective of agency theory (Jensen & Meckling, 1976), which emphasizes that the division between ownership and managerial control can generate agency conflicts. In firms where share ownership is dominated by a small number of controlling shareholders, key managerial decisions—including those related to CSR activities—are more likely to reflect the preferences of these dominant owners rather than the interests of wider stakeholders (Ang et al., 2022). As a consequence, corporate resources may be allocated selectively, and investment in CSR programs may be deprioritized when such activities are viewed as offering limited immediate returns to controlling shareholders (Lin et al., 2017). Weak corporate governance further exacerbates this condition by enabling tunneling practices, whereby controlling owners divert company resources for private benefits while overlooking social responsibilities (Black et al., 2015). Under these circumstances, the capacity of CSR to enhance financial performance diminishes in companies characterized by high ownership concentration (Liao et al., 2018; Triadi & Sidanggaran, 2024). This result suggests that excessive ownership concentration can undermine the role of CSR as a sustainable mechanism for long-term profitability.

3.4.3 Ownership Balance (OB) Strengthens the Effect of CSR on Corporate Financial Performance

The regression results incorporating Ownership Balance (OB) as a moderating variable reveal that OB has a coefficient value of -41.005 and is statistically significant at the 1% level, suggesting a significant inverse relationship between ownership balance and financial performance. Furthermore, the interaction term between CSR and OB (CSR*OB) produces a coefficient of 0.467 with 1% significance, indicating that ownership balance strengthens the influence of CSR on financial performance. A more evenly distributed ownership structure enhances the positive impact of CSR activities on financial outcomes. Accordingly, the third hypothesis is supported. Ownership balance describes the extent to which power is distributed between controlling owners and other significant shareholders. A more evenly distributed ownership structure strengthens internal oversight, as strategic decisions are not dominated by a single shareholder. This distribution of ownership enables shareholders to monitor corporate actions more effectively, ensuring that company policies, including CSR practices, are implemented transparently and aligned with long-term sustainability objectives. Firms with balanced ownership structures generally demonstrate stronger corporate governance, reduced agency conflicts, and greater efficiency in capturing the economic value of CSR initiatives (Triadi & Sidjaga, 2024).

This finding can be interpreted using agency theory (Jensen & Meckling, 1976), which emphasizes that the involvement of multiple large shareholders, beyond the controlling owner, enhances oversight and limits opportunistic behavior by management. A more diversified ownership structure reduces the concentration of power in a single entity, thereby enabling CSR decisions to be carried out in a more transparent and responsible manner. This interpretation aligns with the

study by Jia et al. (2018), who suggest that effective supervision by other major shareholders helps curb information distortion and improves the quality of CSR practices. Consequently, a balanced ownership structure may reinforce the link between CSR activities and financial performance by promoting greater transparency and accountability within managerial actions (Ang et al., 2022). The results of this research align with the arguments of Boubaker et al. (2020), which suggest that a more evenly distributed ownership structure enhances corporate governance mechanisms and supports higher-quality strategic decision-making. When ownership is not dominated by a single shareholder, a balance of interests between majority and minority owners is more likely to emerge, allowing CSR initiatives to function as an effective instrument for improving corporate legitimacy and reputation (Ang et al., 2022). Such ownership balance has been shown to reinforce the positive relationship between CSR implementation and firm financial performance.

3.4.4 CSR in Non-SOEs Improves Financial Performance Better than CSR in SOEs

The findings indicate that Ownership Type (OT) yields a coefficient of 0.240 and does not reach statistical significance, suggesting that whether a firm is state-owned or privately owned does not directly influence its financial performance. This implies that variations in ownership structure are not associated with meaningful differences in financial outcomes. In addition, the interaction term between CSR and Ownership Type (CSR×OT) is negative and statistically insignificant, demonstrating that ownership status does not play a moderating role in the relationship between CSR and financial performance. Consequently, the impact of CSR on financial performance is comparable across SOEs and non-SOEs. As a result, the fourth hypothesis, which proposes that CSR activities in non-SOEs enhance financial performance more strongly than in SOEs, is not supported. The findings show that CSR has a positive relationship with financial performance overall; however, the magnitude of this effect does not differ significantly between SOEs and non-SOEs. This result contrasts with the conclusions of Ang et al. (2022) and Triadi and Sidjaga (2024), who reported a stronger influence of CSR on financial performance among non-SOEs compared to SOEs. The divergence in results may be attributed to variations in research settings, sample compositions, and approaches to CSR practices, which in the present study appear to be relatively uniform and largely driven by regulatory compliance. Ownership type is an important corporate governance characteristic that potentially influences policy direction, managerial strategy, and CSR implementation. In Indonesia, ownership type is generally classified into state-owned enterprises (SOEs) and non-SOEs. SOEs have dual roles as business entities and as agents of national development, pursuing not only financial profit but also social and economic functions aligned with government policy (Jia et al., 2018). According to Guan et al. (2021), this structure creates a multi-principal-agent relationship, in which SOEs must balance the interests of the government as the controlling shareholder and the market as a source of funding. Both SOEs and non-SOEs tend to implement CSR as a form of regulatory compliance and as a response to institutional pressures from the government, society, and other stakeholders (Marthin et al., 2017). This condition causes CSR practices to become relatively uniform in terms of objectives, implementation patterns, and disclosure, so that CSR is not fully positioned as a business strategy specifically designed to improve corporate financial performance (Zebadante & Hidayah, 2025).

4. CONCLUSION

The study and discussion indicate that Corporate Social Responsibility (CSR) positively and significantly influences the financial performance of mining firms in Indonesia. Increased CSR disclosure and implementation have been shown to enhance firms' ROA, suggesting that CSR serves not only as a mechanism for social and environmental accountability but also as a strategic tool for generating economic value through improved corporate reputation, stakeholder loyalty, and operational efficiency. Ownership Concentration (OC) diminishes the beneficial impact of CSR on financial performance, indicating that the predominance of majority shareholders tends to steer business choices towards short-term objectives, hence undermining the efficacy of CSR. Conversely, Ownership Balance (OB) enhances the correlation between CSR and financial performance by promoting more efficient internal oversight, augmenting transparency, and curtailing opportunistic conduct, thus facilitating the execution of CSR with superior quality and a focus on long-term sustainability. Ownership Type (OT) did not influence the association between CSR and financial performance, signifying no substantial distinction between state-owned businesses (SOEs) and non-SOEs. This study indicates that CSR efforts in the Indonesian mining sector are predominantly uniform and primarily focused on compliance.

RECOMMENDATIONS

The government's role regulator is to use this study as a basis for policies pertaining to CSR and financial performance, with a focus on fostering partnerships between businesses and all relevant parties in the rollout of CSR initiatives by SOEs and non-SOEs alike. There has to be legislation that guides CSR towards making larger contributions to company sustainability and performance, since CSR implementation is still underutilized competitive strategy. To better understand the disparities in the impact of CSR on financial performance and the moderating influence of ownership type, future study should use longer observation periods and a more diversified sample of SOEs and non-SOEs.

ACKNOWLEDGEMENTS

The authors gratefully acknowledge the lecturers of the Bachelor's Program in Guidance and Counseling at the State University of Lampung for their constructive input and continuous support during the conduct of this study.

AUTHOR'S CONTRIBUTIONS

Each author was actively involved in every stage of the research, from the development of the study design to the writing and revision of the final manuscript.

CONFLICT OF INTEREST

The authors state that this research was carried out without any potential conflicts of interest.

REFERENCES

- Alam, Z., & Tariq, Y. Bin. (2022). Corporate Social Responsibility Disclosure Quality and Firm Financial Performance: Evidence from an Emerging Economy. *Global Business Review*, November 2022. <https://doi.org/10.1177/09721509221131729>
- Alsahlawi, A. M., Chebbi, K., & Ammer, M. A. (2021). The impact of environmental sustainability disclosure on stock return of Saudi listed firms: The moderating role of financial constraints. *International Journal of Financial Studies*, 9(1), 1–17. <https://doi.org/10.3390/ijfs9010004>
- Anggraeni, D. Y., & Djakman, C. D. (2018). Pengujian Terhadap Kualitas Pengungkapan Csr Di Indonesia. *EKUITAS: Jurnal Ekonomi Dan Keuangan*, 2(1), 22–41. <https://doi.org/10.24034/j25485024.y2018.v2.i1.2457>
- Ang, R., Shao, Z., Liu, C., Yang, C., & Zheng, Q. (2022). The relationship between CSR and financial performance and the moderating effect of ownership structure: Evidence from Chinese heavily polluting listed enterprises. *Sustainable Production and Consumption*, 30, 117–129. <https://doi.org/10.1016/j.spc.2021.11.030>
- Aqila, K. S., & Sisdiyanto, E. (2025). Analisis Integrasi Akuntansi Lingkungan Dan Csr. *Jurnal Ilmiah Ekonomi Bisnis Dan Akuntansi*, 2(1), 508–522.
- Ariani, R. S., Hwihanus, H., & Ramadanthi, F. W. (2024). Development of Corporate Social Responsibility Implementation (Study in Indonesia and Malaysia). *Journal of Economics, Assets, and Evaluation*, 1(4), 10. <https://doi.org/10.47134/jeeae.v1i4.346>
- Aritonang, M. C., & Ratnasari, T. D. (2025). *Beyond Compliance: Measuring The Economic Impact of Integrated Sustainability Reporting (ISR) on Firm Value and Stakeholder Trust in the Era of CSRD*. 4(2), 1176–1184. <https://doi.org/10.55299/ijec.v4i2.1504>
- Assidi, S. (2020). The effect of voluntary disclosures and corporate governance on firm value: a study of listed firms in France. *International Journal of Disclosure and Governance*, 17(2), 168–179. <https://doi.org/10.1057/s41310-020-00090-1>
- Athaya, N. S., Tamba, R. R., Safitri, T. N., Panjaitan, G. O., Manao, M. C., & Arnita, V. (2025). Pengukuran Emisi Karbon, Pelaporan Keberlanjutan, dan Pengungkapan Lingkungan terhadap Kinerja Keberlanjutan Perusahaan. *Jurnal Bisnis Mahasiswa*, 5(1), 341–351. <https://doi.org/10.60036/jbm.v5i1.385>
- Bayaraa, B. (2017). Financial performance determinants of organizations: The case of Mongolian companies. *Journal of Competitiveness*, 9(3), 22–33. <https://doi.org/10.7441/joc.2017.03.02>
- Black, B. S., Kim, W., Jang, H., & Park, K.-S. (2015). How corporate governance affect firm value? Evidence on a self-dealing channel from a natural experiment in Korea. *Journal of Banking & Finance*, 51, 131–150. <https://doi.org/10.1016/j.jbankfin.2014.08.020>
- Cho, S. Y., & Lee, C. (2019). Managerial Efficiency, Corporate Social Performance, and Corporate Financial Performance. *Journal of Business Ethics*, 158(2), 467–486. <https://doi.org/10.1007/s10551-017-3760-7>
- Deng, B., Ji, L., & Liu, Z. (2022). The Effect of Strategic Corporate Social Responsibility on Financial Performance: Evidence from China. *Emerging Markets Finance and Trade*, 58(6), 1726–1739. <https://doi.org/10.1080/1540496X.2021.1925245>
- Durand, R., Hawn, O., & Ioannou, I. (2019). Willing and able: A general model of organizational responses to normative pressures. *Academy of Management Review*, 44(2), 299–320. <https://doi.org/10.5465/amr.2016.0107>
- Eabrasu, M. (2015). Post hoc ergo propter hoc: methodological limits of performance-oriented studies in CSR. *Business Ethics: A European Review*, 24(S1), S11–S23. <https://doi.org/10.1111/beer.12094>
- Eerola, T. (2022). Corporate conduct, commodity and place: Ongoing mining and mineral exploration disputes in Finland and their implications for the social license to operate. *Resources Policy*, 76(August 2021), 102568. <https://doi.org/10.1016/j.resourpol.2022.102568>

- Fiana, & Endri. (2025). Corporate Social Responsibility and Financial Performance: The Moderating Role of Firm Size. *International Journal of Economics and Financial Issues*, 15(2), 244–251. <https://doi.org/10.32479/ijefi.18059>
- Franco, S., Caroli, M. G., Cappa, F., & Del Chiappa, G. (2020). Are you good enough? CSR, quality management and corporate financial performance in the hospitality industry. *International Journal of Hospitality Management*, 88(November 2019), 102395. <https://doi.org/10.1016/j.ijhm.2019.102395>
- Friedman, M. (2017). The social responsibility of business is to increase its profits. *Corporate Social Responsibility*, 31–35. https://doi.org/10.1007/978-3-540-70818-6_14
- Gabriela, N., Jatmiko, T., & Prabowo, W. (2024). Pengaruh Esg Terhadap Kinerja Keuangan Perusahaan Dengan Manajemen Laba Sebagai Variabel Mediasi (Studi Empiris pada Seluruh Perusahaan yang Terdaftar di Bursa Efek Indonesia Tahun 2021). *Diponegoro Journal of Accounting*, 13(1), 1–15. <http://ejournal-s1.undip.ac.id/index.php/accounting>
- Goswami, K., Islam, M., & Evers, W. (2023). A Case Study on the Blended Reporting Phenomenon: A Comparative Analysis of Voluntary Reporting Frameworks and Standards—GRI, IR, SASB, and CDP. *The International Journal of Sustainability Policy and Practice*, 19, 35–64. <https://doi.org/10.18848/2325-1166/CGP/v19i02/35-64>
- Ghozali, I. (2021). *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 26* (A. Heri, Ed.; 10th ed.). Undip.
- Hansen & Mowen. (2007). Managerial Accounting 8th Edition. In *Issues in Accounting Education* (Vol. 25, Issue 4).
- Jensen, M., & Meckling, W. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *The Economic Nature of the Firm: A Reader, Third Edition*, 3(4), 305–360. <https://doi.org/10.1017/CBO9780511817410.023>
- Jia, N., Huang, K. G., & Man Zhang, C. (2018). Public Governance, Corporate Governance, and Firm Innovation: An Examination of State-Owned Enterprises. *Academy of Management Journal*, 62(1), 220–247. <https://doi.org/10.5465/amj.2016.0543>
- Liao, P.-C., Shih, Y.-N., Wu, C.-L., Zhang, X.-L., & Wang, Y. (2018). Does corporate social performance pay back quickly? A longitudinal content analysis on international contractors. *Journal of Cleaner Production*, 170, 1328–1337. <https://doi.org/10.1016/j.jclepro.2017.09.230>
- Lin, T.-J., Yi-pei, C., & Han-fang, T. (2017). The relationship among information asymmetry, dividend policy and ownership structure. *Finance Research Letters*, 20, 1–12. <https://doi.org/10.1016/j.frl.2016.06.008>
- Marthin, Salinding, M. B., & Akim, I. (2017). Implementasi Prinsip Corporate Social Responsibility (CSR) Berdasarkan Undang-Undang Nomor 40 Tahun 2007 tentang Perseroan Terbatas. *Journal of Private and Commercial Law*, 1.
- Ma, C., Chishti, M. F., Durrani, M. K., Bashir, R., Safdar, S., & Hussain, R. T. (2023). The Corporate Social Responsibility and Its Impact on Financial Performance: A Case of Developing Countries. *Sustainability (Switzerland)*, 15(4), 1–18. <https://doi.org/10.3390/su15043724>
- Mamun, M. (2023). Sustainability reporting of major electricity retailers in line with GRI: Australia evidence. *Journal of Accounting and Organizational Change*, 19(3), 474–493. <https://doi.org/10.1108/JAOC-01-2022-0005>
- Matuszak, Ł., Róžańska, E., & Szczepankiewicz, E. I. (2025). Assessment of the Compliance of Environmental Disclosures by Energy Companies Using GRI Standards with European Sustainability Reporting Standards: A Case Study. *Sustainability (Switzerland)*, 17(8). <https://doi.org/10.3390/su17083380>
- Nasution, R. (2025). *RI Govt sanctions PT IMIP for environmental regulation breaches*. ANTARA. <https://en.antaranews.com/news/360133/ri-govt-sanctions-pt-imip-for-environmental-regulation-breaches?utm>
- Nugroho, S. (2025). *Negara Tidak Boleh Lengah, Menteri LH Sidak Kawasan Industri Nikel Di Morowali, Temukan Pelanggaran Lingkungan Serius*. Kementerian Lingkungan Hidup. <https://kemenlh.go.id/news/detail/negara-tidak-boleh-lengah-menteri-lh-sidak-kawasan-industri-nikel-di-morowali-temukan-pelanggaran-lingkungan-serius>
- Ordóñez, L. R. V., Lassala, C., Ulrich, K., & Ribeiro-Navarrete, S. (2023). The impact of corporate social responsibility on the financial performance of renewable energy firms. *Economic Research-Ekonomska Istrazivanja*, 36(2). <https://doi.org/10.1080/1331677X.2023.2174152>
- Pons, A., Vintrò, C., Rius, J., & Vilaplana, J. (2021). Impact of Corporate Social Responsibility in mining industries. *Resources Policy*, 72. <https://doi.org/10.1016/j.resourpol.2021.102117>
- Prasetyo, M. H., Baderan, D. W. K., Hamidun, M. S., Universitas, P., & Gorontalo, N. (2025). *Hidroponik++Volume2,+Nomor2,+Juli+2025+Hal.+01-11. 2*.
- Salman, R. (2025). *Kolam Limbah Nikel IMIP Jebol Tewaskan Tiga Pekerja*. Mongabay. <https://mongabay.co.id/2025/04/08/kolam-limbah-nikel-imip-jebol-dan-tewaskan-tiga-pekerja/>
- Safitrih, N. A., Abid, M., Maulana, A., & Hwihanus, R. (2024). The Impact of Corporate Social Responsibility on Company Profitability And Environmental Sustainability. *Business and Investment Review (BIREV)*, 2(3), 2986–7347. <https://lgdpublishing.org/index.php/birev>

- Sari, E. B., Hasibuan, L. ma N., Putri, P. A., & Suwarsit. (2024). Analisis Yuridis Terhadap Kewajiban Perusahaan Dalam Melakukan CSR Berdasarkan Undang-Undang Nomor 40 Tahun 2007 Tentang Perseroan Terbatas. *Jurnal Ilmiah Penelitian Mahasiswa*, 2(6), 223–231.
- Selcuk, E. A. (2019). Corporate social responsibility and financial performance: The moderating role of ownership concentration in Turkey. *Sustainability (Switzerland)*, 11(13). <https://doi.org/10.3390/su11133643>
- Sharma, D., & Chakraborty, S. (2024). Corporate social responsibility and financial performance: does CSR strategic integration matter? *Cogent Business and Management*, 11(1). <https://doi.org/10.1080/23311975.2024.2392182>
- Sinaga, R. R. (2017). The Indonesian Government's Role in the Development of Corporate Social Responsibility in Indonesia Author. *Research-Repository.Griffith.Edu.Au*. <https://doi.org/10.25904/1912/1204>
- Suttipun, M., Lakkanawanit, P., Swatdikun, T., & Dungtripop, W. (2021). The impact of corporate social responsibility on the financial performance of listed companies in thailand. *Sustainability (Switzerland)*, 13(16), 1–14. <https://doi.org/10.3390/su13168920>
- Triadi, M. R., & Sidjabat, M. R. (2024). Pengaruh Tanggung Jawab Sosial Terhadap Performa Keuangan Perusahaan Dan Efek Moderasi Dari Struktur Kepemilikan Perusahaan Yang Terdaftar Di Bursa Efek Indonesia Periode 2018-2022. *Jurnal Manajemen dan Usahawan Indonesia*, 47(1), 1–16. <https://doi.org/10.7454/jmui.v47i1.1065>
- Wahyudi, H., Lenni, S. M., & Sutarto, S. (2024). CSR Index of Energy Sector Companies in Indonesia. *International Journal of Energy Economics and Policy*, 14(6), 40–45. <https://doi.org/10.32479/ijeep.16918>
- Wasara, T. M., & Ganda, F. (2019). The relationship between corporate sustainability disclosure and firm financial performance in Johannesburg Stock Exchange (JSE) listed mining companies. *Sustainability (Switzerland)*, 11(16). <https://doi.org/10.3390/su11164496>
- Wan, Y., & Wong, L. (2015). Ownership, related party transactions and performance in China. *Accounting Research Journal*, 28(2), 143–159. <https://doi.org/10.1108/arj-08-2013-0053>
- Xu, Q., Lu, Y., Lin, H., & Li, B. (2021). Does corporate environmental responsibility (CER) affect corporate financial performance? Evidence from the global public construction firms. *Journal of Cleaner Production*, 315(January), 128131. <https://doi.org/10.1016/j.jclepro.2021.128131>
- Zaid, M. A. A., Abuhijleh, S. T. F., & Pucheta-Martínez, M. C. (2020). Ownership structure, stakeholder engagement, and corporate social responsibility policies: The moderating effect of board independence. *Corporate Social Responsibility and Environmental Management*, 27(3), 1344–1360. <https://doi.org/10.1002/csr.1888>
- Zebadante, A. A., & Hidayah, R. (2025). Manajemen Risiko Perusahaan, Corporate Social Responsibility dan Nilai Perusahaan: Peran Modal Intelektual Sebagai Variabel Moderator. *Review Akuntansi Dan Bisnis Indonesia*, 9(2), 384–406. <https://doi.org/10.18196/rabin.v9i2.27287>