

The Effect of Family Ownership and Managerial Ownership on Company Performance Through Social Corporate Responsibility Disclosure in Manufacturing Companies Listed on the Indonesia Stock Exchange

Muchtar Lutfi^{1*}, Icha Mustamin², Saddiya Hamris³, Aprisda Kemala Bhayangkari⁴
Politeknik Indonesia

Corresponding Author: Muchtar Lutfi muchtarlutfhy48@gmail.com

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ABSTRACT

This study examines the effect of family ownership and managerial ownership on company performance through CSR disclosure in food and beverage manufacturing companies listed on the Indonesia Stock Exchange for the period 2020–2023. The research was conducted over two months, from March to April 2025, using secondary data from financial statements accessed through www.idx.co.id. The research results show that: (1) Family Ownership has a positive and significant effect on Company Performance; (2) Managerial Ownership has a positive effect but is not significant on Company Performance; (3) CSR has a positive and significant impact on Company Performance; (4) Family Ownership significantly influences CSR; (5) Managerial Ownership does not significantly influence CSR; (6) Family Ownership significantly influences Company Performance through CSR; and (7) Managerial Ownership has no significant effect on Company Performance through CSR

INTRODUCTION

The business world is developing rapidly, prompting many companies to compete in order to survive. One way companies can ensure their survival and measure their performance is by maximizing their financial performance (Wijaya & Fikri, 2019). Companies have faced many challenges in managing and generating profits. Constant business competition drives companies to improve their performance in order to grow and survive in the long term. Company performance must be optimized effectively and productively because performance can be a measure of the company's success as seen by financial experts and become a consideration in decision-making (Azizah & Amin, 2020). A company's success can be seen from its short-term and long-term profit achievements. Short-term profits can be generated through the effective and efficient utilization of existing assets without compromising the company's positive image, while long-term profits maximize the company's value. When a company's value increases, this becomes a primary consideration for investors when making investment decisions because the company has the potential to provide prosperity and increase for shareholders or investors in the future. Therefore, company value is set as a long-term goal, and the establishment of a company's value can be measured through several ratios, one of which is the price-to-book value ratio (PA Sari & Khuzaini, 2022).

Bank Indonesia (BI) recorded a decline in the performance of the manufacturing industry in the fourth quarter of 2023 due to market uncertainty and fluctuations in declining export demand. The Bank Indonesia Manufacturing Purchasing Managers' Index (PMI-BI) stood at 51.20%, lower than the 52.93% recorded in the previous quarter. "The performance of this sector remains in the expansion phase as the index is above 50%." An index above 50 indicates signs of business expansion in the manufacturing industry, while an index below 50 signals contraction. Meanwhile, the component of the PMI-BI related to inventory levels increased to 54.22% from 53.88% in the previous period. Production volume was recorded at 52.19%. "This value is lower than the previous quarter's 56.30%, and total order volume was recorded at 52.11%, slowing from the previous period's 54.15%." The first quarter of 2024 saw an increase due to improvements in several subsectors and the expansion of production and order volumes. This is reflected in the Bank Indonesia Manufacturing Purchasing Managers' Index (PMI-BI) for the first quarter of 2024, which stood at 52.80%, higher than the previous quarter's 51.20%. The increase in PMI-BI is in line with the development of industrial processing business activities based on the business activity survey (SKDU), which is in the expansion phase, with a weighted net balance of 1.71%.

In addition, one of the factors that influences company value is return on investment (Atmaja, 2020). Return on investment is used to assess a company's financial performance in its efforts to maximize profits with the assets it possesses. Investors seek companies with high profitability, as they are perceived to be able to provide high returns, while creditors expect the profits generated by the company to be used to pay interest and principal on loans, thus also anticipating an increase in profits from the company.

Another measurement ratio that can measure the performance of the company itself is Return on Assets (ROA). Return on Assets (ROA) is used as an indicator of a company's financial performance because ROA better represents the interests of shareholders. The higher the ROA, the better the company's performance. Investors prefer profitable companies because they offer high returns. The comparison of the figures is used to assess the financial condition in the company's financial performance report (Karen & Susanti, 2019).

One aspect related to company performance is the relationship between ownership structure and company performance. The driving force is the separation of ownership and control in the industry (Ivan & Raharja, 2021). Those involved in the company's management system are principals and agents with different interests. Ownership structure is an important factor as it can determine agency issues. On one hand, industry owners want to ensure that management runs the business in accordance with the owners' wishes and that the owners' interests are protected.

The ownership structure referred to here is family and managerial ownership, where a family-owned company where the majority of shares are owned by family members can be referred to as a "family business." This can be seen from the structure of the board of commissioners, where family members typically serve as commissioners in the company (Tarmizi & Perkasa, 2022). A company with family ownership is characterized by the significant role played by family members in the company's organizational processes, coupled with a specific transgenerational vision (Herrera & de las Heras-Rosas, 2020). Meanwhile, managerial ownership is an effort to prevent opportunistic behavior by managers and serves as an incentive for managerial performance (DM Sari & Wulandari, 2021). The ownership structure of a company can influence the achievement of its objectives. Thus, the ownership structure of a company will also influence financial decisions, which include investment decisions and profitability. In addition to the company's ownership structure, many other factors must be considered because these factors can influence the company's financial decisions, which ultimately affect the company's value.

Another factor that can influence a company's performance can be seen in the public's response to how a company cares for the environment and its surroundings. Corporate Social Responsibility (CSR) is a social responsibility and global concept that is currently very popular in the business world. CSR disclosure in terms of economic, environmental, social, human rights, community, or product responsibility based on the Global Reporting Initiative (GRI) is used as a signal from management to all stakeholders, including investors, about the company's future prospects, that the company has a positive signal regarding the company's daily needs in the future (Naek & Tjun Tjun, 2020).

LITERATURE REVIEW

1. Agency Theory

Emphasizes that this theory was introduced (Meckling & Jensen, 1976), the principal is the party who instructs another party, called the agent, to act on behalf of the principal in that decision-making capacity. In the agency philosophy, the bond between shareholders and management is similar to that of a principal and agent, where the principal employs the agent to perform tasks on their behalf. (Nugraha & Medy, 2024) In a corporate context, the owner or partner acts as the principal, while the director holds the position of agent. In an agency relationship, problems arise between the parties when each party acts to maximize its own interests.

This study uses agency theory to test and analyze whether family ownership and managerial ownership, which have different interests and levels of information asymmetry, can influence company performance through corporate social responsibility disclosure.

2. Family Ownership

Family ownership stems from family investment. Family investors run these businesses as efficiently as possible because they view the businesses they create as long-term assets to be passed on to future generations. That's why companies become more successful the more family ownership they have (Halim & Suhartono, 2021).

$$KK = \frac{\% \text{ Family Ownership Shares}}{\% \text{ Outstanding Shares}}$$

3. Managerial Ownership

Managerial ownership is the manager's ownership of company shares, this ownership is measured by the percentage of the number of company shares owned by management (Paulus & Hadiprajitno, 2012).

$$KM = \frac{\Sigma \text{ Shares Owned by Management}}{\Sigma \text{ Outstanding Shares}}$$

4. Company performance

Company performance is the extent to which a company achieves its vision, mission, and objectives. Poor performance indicates a failure to achieve its vision, mission, and objectives. Return on Assets (ROA) is a metric that measures a company's ability to generate profits from investment activities.

$$ROA = \frac{\text{Net profit}}{\text{Total Assets}}$$

5. Disclosure of corporate social responsibility

Disclosure Corporate Social Responsibility (CSR) disclosure is a company's effort to provide information regarding its social responsibilities to stakeholders.

Table 1. GRI Measurement Indicators

No	GRI Indicators	Data Components	Sources of Financial Reports
1	GRI 201-1 (Economic Value)	Revenue, operating expenses, taxes, dividends	Income statement
2	GRI 302-1 (Energy)	Energy used (electricity, fuel)	Sustainability reports, utility costs
3	GRI 305-1 (GHG Emissions)	Energy consumption, emission factor	Sustainability report
4	GRI 401-1 (Employee turnover)	Number of new and outgoing employees during a given period	Labor records or sustainability reports

METHODOLOGY

This research is a type of quantitative research with a causal approach, because the research aims to identify causal relationships and analyze the paths of influence between variables. The location of this research will be carried out by taking samples through representatives at the corner of the Indonesia Stock Exchange (BEI). The financial report has been published to the public for the manufacturing company for the 2020-2023 period. The information was taken from the website www.idx.co.id.

Documentation and literature methods were used to collect the material for this study. The documentation and literature methods involved collecting secondary data in the form of financial reports and annual reports from manufacturing companies listed on the Indonesia Stock Exchange (IDX).

The population in this study is the food and beverage sector manufacturing companies on the Indonesian Stock Exchange for the 2020-2023 period, namely 72 companies. The sample was selected according to the targeted purposive sampling procedure, namely the sampling procedure is adjusted to certain criteria.

Table 2. Sample Criteria

No	Sample criteria	Amount
1	Manufacturing companies listed on the Indonesia Stock Exchange (IDX) in the Food and Beverage sub-sector for the 2020-2023 period.	72
2	Food and Beverage Companies that have not published financial reports for consecutive periods, namely from 2020-2023.	(7)
3	Food and Beverage Companies that have data on family ownership, managerial ownership and that have made complete CSR disclosures in 2020-2023.	(57)
Companies That Meet the Sample Criteria		8
Number of Observations (8 companies x 4 years)		32

These criteria were based on the researchers' needs, and limited time and resources also contributed to their development. Based on these criteria, eight companies were selected as research samples.

Table 3. Research Sample

No	Code	Company name
1	MYOR	PT. Mayora Indah Tbk
2	BREAD	PT. Nippon Indosari Corpindo Tbk
3	GOOD	PT. Garudafood Putra Putri Jaya Tbk.
4	INDF	PT. Indofood Sukses Makmur Tbk
5	ICBP	PT. Indofood CBP Sukses Makmur Tbk
6	ULTJ	PT. Ultrajaya Milk Industry & Trading Company Tbk
7	STTP	PT. Siantar Top Tbk
8	SKLT	PT. Sekar Laut Tbk

RESULTS AND DISCUSSION

Research Instrument Test Results

a. Partial Least Square (PLS) Model Scheme Testing

This analysis was conducted by comparing the minimum, maximum, and average values of the sample. The following table presents descriptive statistics for the independent and dependent variables: corporate income tax payable, ldar, der, and gpm. The sample comprised 10 companies, spanning a three-year study period, from 2021 to 2023.

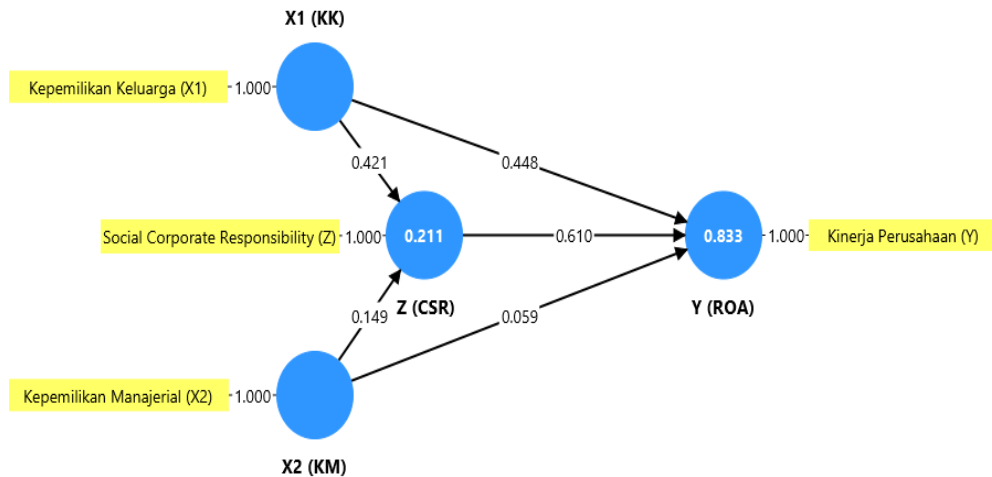


Figure 1. Inner Model
(Source: PLS Output, 2025)

b. Classical Assumption Test Results Inner Model Test Results

According to (Ghozali, I. & Latan, H. 2020), inner model analysis is a structural model that aims to predict causal relationships between latent variables.

1) R-Square (R²) Test Results

The inner model (innerrelation, structural model, and substantive theory) describes the relationship between latent variables based on substantive theory. The structural model is evaluated using the R-square for the dependent latent variable. Model assessment using PLS begins by examining the R-square for each dependent latent variable. The interpretation is the same as in regression. Changes in the R-square value can be used to assess the influence of certain independent latent variables on the dependent latent variable, whether they have a substantive influence (Ghozali, I. & Latan, H. 2020).

Table 4. R-Square (R²) Test Results

	R Square
Company Performance (Y)	0.833
Social Corporate Responsibility (Z)	0.211

(Source: PLS Output, 2025)

In Table 4, the R-square value for the company performance variable is 0.833, meaning that the company performance variable can be explained by the variables of family ownership, managerial ownership, and social corporate responsibility (CSR) by 83.3%. The R-square value for the social corporate responsibility (CSR) variable is 0.211, meaning that the social corporate responsibility (CSR) variable can be explained by the variables of family ownership and managerial ownership, 21.1%. Therefore, both variables are included in the strong category for company performance and moderate for social corporate responsibility (CSR).

From the table above, it can be seen that the R-Square value for the variables of social corporate responsibility and company performance are 0.833 and 0.211, respectively, which means that they are included in the strong and moderate categories. The R-square value of the use of social corporate responsibility of 0.211 or 21.1% indicates that the variable of the use of social corporate responsibility can be explained by the variables of family ownership and managerial ownership of 21.1%, while the remaining 78.9% can be explained by other variables not included in this study. The R-square value of company performance of 0.833 or 83.3% indicates that the variable of company performance can be explained by the variables of family ownership and managerial ownership and the use of social corporate responsibility of 83.3%, while the remaining 16.7% can be explained by other variables not included in this study.

c. Hypothesis Test Results

The proposed hypothesis was tested using a structural model (inner model) by examining the path coefficients, which indicate the parameter coefficients and the significance value of the t-statistic. The significance of the estimated parameters can provide information regarding the relationship between the research variables. The threshold for rejecting or accepting the proposed hypothesis is a P value of <0.05. The table below presents the estimated output for the structural model test.

1) **Direct Effect Testing**

Table 5. Hypothesis Test Results based on Path Coefficient

	Original Sample	Sample Mean	Standard Error	T Statistics	P Values
Social Corporate Responsibility (Z) -> Company Performance (Y)	0.610	0.607	0.104	5,845	0.000
Family Ownership (X1) -> Company Performance (Y)	0.448	0.442	0.102	4,387	0.000
Family Ownership (X1) -> Social Corporate Responsibility (Z)	0.421	0.425	0.167	2,516	0.012
Managerial Ownership (X2) -> Company Performance (Y)	0.059	0.059	0.076	0.770	0.441
Managerial Ownership (X2) -> Social Corporate Responsibility (Z)	0.149	0.156	0.112	1,334	0.182

(Source: PLS Output, 2025)

Based on markinner weight which consists of family ownership (X1) and managerial ownership (X2) can be partially identified as having an influence on company performance (Y) and social corporate responsibility (Z).

a) **First Hypothesis Testing (H1)**

The first hypothesis states that there is a positive and significant influence between family ownership (X1) and company performance (Y). Table 5 shows that the family ownership variable has a significance level of 0.000, which is less than 0.05. The parameter coefficient value of +0.448 indicates that the influence given is positive on the dependent variable. This means that H1 is accepted so it can be said that family ownership has a positive and significant effect on company performance.

b) **Testing the Second Hypothesis (H2)**

The second hypothesis states that there is a positive and insignificant influence between managerial ownership (X2) and company performance (Y). Table 5 shows that the managerial ownership variable has a significance level of 0.441, which is greater than 0.05. The parameter coefficient value of +0.059 indicates that the influence given is positive on the dependent variable. This means that H2 is rejected so it can be said that managerial ownership has a positive and insignificant effect on company performance.

c) **Testing the Third Hypothesis (H3)**

The third hypothesis states that there is a positive and significant influence between social corporate responsibility (Z) on company performance (Y). Table 5 shows that the variable social corporate responsibility has a significance level of 0.000, which is less than 0.05. The parameter coefficient value of +0.610 indicates that the influence given is positive on the dependent variable. This H3 is accepted so it can be said that social corporate responsibility has a positive and significant impact on company performance.

d) Testing the Fourth Hypothesis (H4)

The fourth hypothesis states that there is a positive and significant influence between family ownership (X1) and social corporate responsibility (Z). Table 5 shows that the family ownership variable has a significance level of 0.012, which is less than 0.05. The parameter coefficient value of +0.421 indicates that the influence given is positive on the dependent variable. This means that H4 is accepted so it can be said that family ownership has a positive and significant effect on social corporate responsibility.

e) Testing the Fifth Hypothesis (H5)

The fifth hypothesis states that there is a positive and insignificant influence between managerial ownership (X2) on the use of social corporate responsibility (Z). Table 5 shows that the managerial ownership variable has a significance level of 0.182, which is greater than 0.05. The parameter coefficient value of +0.149 indicates that the influence given is positive on the dependent variable. This means that H5 is rejected so it can be said that managerial ownership has a positive and insignificant effect on social corporate responsibility.

2) Indirect Testing (Indirect Effect)

Table 6. Hypothesis Test Results based on Indirect Effect

	Original Sample	Sample Mean	Standard Error	T Statistics	P Values
Family Ownership (X1) -> Social Corporate Responsibility (Z) -> Company Performance (Y)	0.257	0.254	0.106	2,432	0.015
Managerial Ownership (X2) -> Social Corporate Responsibility (Z) -> Company Performance (Y)	0.091	0.099	0.075	1,213	0.225

(Source: PLS Output, 2025)

Based on inner weight value of indirect effect consisting of family ownership (X1) and managerial ownership (X2) can be partially identified as having an influence on company performance (Y) through the use of social corporate responsibility (Z).

a) Testing the Sixth Hypothesis (H6)

The sixth hypothesis states that there is a positive and significant relationship between family ownership (X1) and company performance (Y) through the use of social corporate responsibility (Z). Table 6 shows that the family ownership variable has a significance level of 0.015, which is less than 0.05. The parameter coefficient value of +0.257 indicates that the influence given is positive on the dependent variable. This means that H6 is accepted so it can be said that family ownership has a positive and significant effect on company performance through social corporate responsibility. This indicates that the usage variable social corporate responsibility is an intervening variable between family ownership and company performance.

b) Testing the Seventh Hypothesis (H7)

The seventh hypothesis states there is a positive and insignificant relationship between managerial ownership (X2) and company performance (Y) through the use of social corporate responsibility (Z). Table 6 shows that the managerial ownership

variable has a significance level of 0.225, which is greater than 0.05. The parameter coefficient value of +0.091 indicates that the influence given is positive on the dependent variable. This means that H6 is rejected so it can be said that managerial ownership has a positive and insignificant effect on company performance through social corporate responsibility. This indicates that the usage variable social corporate responsibility is an intervening variable between managerial ownership and company performance.

The Influence of Family Ownership on Company Performance

The research results show that family ownership has a positive and significant impact on company performance. This finding suggests that the greater the proportion of shares held by the family, the better the company's performance. Family ownership provides an incentive for owners to ensure the company's continuity and success because they have a greater long-term stake in the company.

Family ownership allows for more intensive oversight of a company's operational policies and strategies. Family owners, who are often directly involved in management, tend to be more focused on achieving corporate goals oriented toward sustainability and stability. This contributes to improved performance by ensuring that decisions support long-term objectives. Having family owners involved in oversight also reduces the potential for conflicts between management and owners, which often occur in companies with more diversified ownership structures. Family ownership can strengthen internal coordination and ensure more consistent and timely decision-making, ultimately improving company performance.

The relationship with agency theory explains the potential for conflict between owners (principals) and managers (agents) that can influence decision-making within a company. Family ownership, with owners also involved in company management, is expected to mitigate this conflict. This is because family owners have a greater long-term interest in the company's sustainability and success, which aligns with the principles of agency theory, which prioritize alignment between the interests of managers and owners.

This research is in line with research conducted by (Prastia, S., & Hasanah, A. 2022) which states that family ownership has a positive effect on company performance, this occurs because the family as the shareholder has the most control that can be used to place family members in management or choose appropriate management for their mutual interests.

The Influence of Managerial Ownership on Company Performance

The results of the study indicate that managerial ownership has a negative and insignificant effect on company performance. In this context, this finding has positive implications, especially when viewed in light of the dominance of family ownership within the company. In family-managed companies, dominant family ownership plays a crucial role in decision-making and achieving long-term performance. As owners, families tend to have a more stable and sustainability-oriented outlook. Therefore, negative and insignificant managerial ownership actually supports stronger family ownership dominance in directing the company's strategic policies.

Limited managerial ownership can reduce the potential for conflicts of interest between managers and family owners. When managerial ownership is limited, managers have less influence in determining the company's direction, allowing family ownership to exercise greater control and remain focused on long-term goals. In other words, even though managers own shares in the company, their influence on corporate decision-making is minimal, and dominant family ownership can maintain a stable and focused company direction.

Furthermore, negative and insignificant managerial ownership indicates that managerial share ownership is insufficient to significantly influence company performance. This is advantageous for the company, as greater family ownership can help keep corporate decisions focused on long-term sustainability and reduce reliance on the influence that might come from limited managerial ownership. Overall, dominant family ownership has a more positive impact on company performance than managerial ownership. Insignificant managerial ownership supports dominant family ownership, which maintains greater continuity and stability in company management. This allows the company to focus more on achieving long-term goals without being influenced by short-term interests that often arise in companies with greater managerial ownership.

Relationship to Agency Theory: Research shows that managerial ownership has a positive but insignificant effect on company performance. This is not entirely in line with agency theory. This is because, although managerial ownership can mitigate agency problems by providing incentives for managers to perform better, limited share ownership by managers is often not large enough to significantly alter decision-making. Thus, its influence on company performance may not be significant enough to produce real changes. Furthermore, other external and internal factors, such as the company's organizational structure, implemented policies, and market conditions, can be more dominant in influencing company performance. Although agency theory assumes that large managerial ownership will align the interests of managers and owners, in practice, relatively small managerial ownership may not provide strong enough control over company policy, and this is inconsistent with the expectations of agency theory, which prioritizes interest alignment as the key to improving performance.

This research aligns with research conducted by (Armini & Wirama, 2015) and (Anisah & Hartono, 2022), which states that managerial ownership does not significantly affect company performance, because managers do not have the power to make decisions compared to directors who will create changes in company performance. This is reinforced by research conducted by (Karnawati, 2018) and (Yopie & Desiani, 2021) which states that excessive managerial ownership can have a negative impact on the company, because they will have a strong position to control the company and external shareholders will have difficulty controlling the actions of managers.

The Influence of Social Corporate Responsibility on Company Performance

The research results show that Corporate Social Responsibility (CSR) has a positive and significant impact on company performance. This means that the

higher the level of corporate social responsibility implementation, the higher the company's performance. This demonstrates that CSR activities are not only a form of concern for the environment and society, but also have a tangible impact on a company's success and competitiveness.

Corporate Social Responsibility (CSR) is a company's commitment to contribute to sustainable economic development by paying attention to social and environmental responsibilities, both to employees, the community, consumers, and other stakeholders. CSR encompasses various activities such as environmental conservation, community development, legal compliance, and fair treatment of employees. On the other hand, company performance reflects the company's effectiveness in achieving business goals, such as profitability, operational efficiency, reputation, and long-term sustainability. Good CSR implementation can improve the company's image and reputation, strengthen relationships with stakeholders, and attract the interest of investors and consumers. Thus, the more active and consistent a company is in implementing CSR programs, the greater its contribution to improving company performance.

The relationship with agency theory identifies potential conflicts between owners (principals) and managers (agents) that can influence decision-making within a company. In the context of CSR, agency theory suggests that company owners, as principals, may have a preference for increasing corporate social responsibility, while managers, as agents, may be more focused on short-term cost reductions or achieving more immediate financial targets. This conflict of interest has the potential to hinder optimal CSR implementation.

This research aligns with research conducted by (Rahmawardani, DD, & Muslichah, M., 2020), (Naek, T., & Tjun, LT, 2020), (Adnyani, NPS, Endiana, IDM, & Arizona, PE, 2020), and (Joesmana, 2017), which states that corporate social responsibility has a positive effect on company performance. However, the results of this study contradict those of (Hafidzah, 2013), and (F. Melawati & RS Muharam, 2016) which states that corporate social responsibility has a negative effect on company performance.

The Influence of Family Ownership on Social Corporate Responsibility

The research results show that family ownership has a positive and significant impact on the implementation of Corporate Social Responsibility (CSR). This means that the greater the proportion of shares held by the family in a company, the higher the company's level of involvement in CSR activities. As owners, families tend to have a long-term interest in the company's sustainability, making them more concerned about social and environmental impacts and the well-being of stakeholders.

Family ownership is also associated with non-economic values, such as inheritance, family reputation, and social responsibility. This makes family businesses more motivated to maintain their reputation in the community through CSR implementation. Commitment to CSR is not merely seen as a cost burden, but as a reputational investment that is important for maintaining long-term relationships with the community and stakeholders. Therefore, the family's motivation to maintain the company's image and sustainability also encourages active and consistent CSR implementation. Furthermore, family-owned

companies often have a faster and more direct decision-making structure, allowing for more effective integration of CSR strategies into company policy directions. Thus, the positive and significant relationship between family ownership and CSR indicates that the role of family owners in company management is a crucial factor in encouraging the achievement of sustainable and responsible business practices.

Within the framework of agency theory, conflicts of interest between owners (principals) and managers (agents) are a major concern, especially when managers do not fully act in the owners' best interests. However, in family-owned companies, agency conflicts tend to be less pronounced because owners and managers are often the same individual or group. The family's direct involvement in management allows them to direct corporate strategy, including decisions related to Corporate Social Responsibility (CSR), in line with the family's long-term values and interests.

This research is in line with research conducted by (Khan et al, 2013) that family companies are the most dominant companies in Bangladesh with a strong board culture of directors that often ignores the principles of corporate governance. This is because companies controlled by families use a capital structure that will maximize personal interests, so that management may be afraid to spend money on implementing CSR practices considering the amount of costs that must be incurred for CSR practices is quite large. Likewise, research conducted by (R Sari, 2020) where family ownership has a significant positive influence on CSR disclosure in manufacturing companies in the basic industry and chemical sectors listed on the Indonesia Stock Exchange. The results of this study explain that family ownership has a higher level of responsibility in managing the company, including in terms of CSR disclosure because high family companies are more committed to being able to pass the company on to the next generation.

The Influence of Managerial Ownership on Social Corporate Responsibility

The results of the study indicate that managerial ownership has a positive but insignificant effect on Corporate Social Responsibility (CSR). This means that, although the direction of the relationship is positive, managerial share ownership does not provide a strong enough impetus for the implementation of CSR activities within the company. This may occur because the relatively small proportion of ownership is not enough to provide a strong influence on strategic decision-making, including social and environmental policies. In many cases, managers are more focused on achieving short-term financial targets because they are directly related to their compensation and performance assessment. When their share ownership is not large, the incentive to promote CSR programs that generally have long-term impacts is low. Consequently, managerial involvement in CSR tends to be insignificant due to the lack of substantial control and influence in determining the overall direction of company policy.

On the other hand, CSR often requires support from top leadership and majority owners, as its implementation involves resource commitment and the company's long-term reputation. When managers lack substantial ownership, their CSR decisions can be more influenced by the policies of dominant owners.

Therefore, while managerial ownership positively contributes to CSR, this influence is not strong enough to produce significant results.

From an agency theory perspective, the research findings are not entirely in line with agency theory. In theory, managers who are owners should have greater incentives to implement long-term strategic policies such as CSR. However, if the manager's ownership portion is relatively small, these incentives can be weakened and less effective in motivating active involvement in CSR implementation. Under these conditions, managers may still be encouraged to focus more on achieving short-term targets that more directly impact personal compensation. Therefore, although agency theory predicts a positive relationship between managerial ownership and the reduction of conflicts of interest (including in the context of CSR), the empirical reality of the insignificant results indicates that the effectiveness of this mechanism is highly dependent on the size of the manager's ownership and influence within the corporate structure. Therefore, in the context of this research, the effect of managerial ownership on CSR can be said to be not entirely in line with agency theory.

This research is in line with research conducted by (Prasetyo, MS 2024) which stated that the variable of managerial share ownership has no significant effect on Corporate Social Responsibility (CSR) disclosure in manufacturing companies listed on the Indonesia Stock Exchange, and (Adnantara, 2014) where the results of the study found that managerial ownership has no significant effect on CSR. This is possible because statistically the average amount of managerial share ownership in the sample companies is relatively small which causes there to be no alignment of interests between agents and principals.

The Influence of Family Ownership on Company Performance through Social Corporate Responsibility

The research results show that family ownership has a positive and significant impact on company performance through Corporate Social Responsibility (CSR). This indicates that CSR implementation is a crucial pathway in strengthening the relationship between family ownership and improved company performance. Family owners not only contribute directly to strategic decisions but also demonstrate a long-term commitment to social and environmental sustainability, ultimately enhancing public trust and corporate competitiveness.

Families with majority ownership tend to incorporate CSR into their corporate values and vision, as they are concerned about the long-term reputation and legacy of the business. Consistent CSR implementation, encompassing economic value, energy, greenhouse gas emissions, and employee well-being, reflects responsible family leadership. This commitment fosters more harmonious relationships with stakeholders, strengthens consumer loyalty, and fosters a positive corporate image in the eyes of the wider community. The increased implementation of CSR, influenced by family ownership, creates an indirect impact that strengthens corporate performance. CSR serves as a strategic channel for strengthening corporate value, both operationally and in terms of reputation. Therefore, these findings emphasize that family ownership not only directly impacts performance but also contributes through CSR's role as an effective and sustainable connecting mechanism.

Within the agency theory framework, family ownership has a positive and significant impact on corporate performance through CSR, in line with agency theory. CSR serves as a bridge connecting social goals with economic performance, and the direct involvement of family owners in driving CSR implementation demonstrates their efforts to manage reputational risk and strengthen the company's competitive position. By strategically directing CSR, families are able to safeguard their interests while meeting the expectations of external stakeholders, ultimately improving company performance.

Thus, CSR implementation driven by family ownership not only serves as a means of social legitimacy but also plays a role in aligning the interests of principals and agents. This reflects the ability of family ownership to use CSR as an instrument to achieve organizational efficiency and long-term corporate sustainability. Therefore, this indirect influence strengthens the relevance of agency theory in explaining the role of family ownership in corporate performance through CSR.

The Influence of Managerial Ownership on Company Performance through Social Corporate Responsibility

The results of the study indicate that managerial ownership has a positive but insignificant effect on company performance through CSR. This indicates that although there is a tendency for managers with stock ownership to encourage CSR implementation, which has a positive impact on performance, this influence is not yet strong enough to produce a statistically significant contribution. One reason may stem from the low proportion of stock ownership by managers, which limits their influence on strategic policies, including CSR.

Managers who are also small owners may be concerned about long-term performance, but still tend to focus on short-term goals that directly impact their personal incentives. CSR, which requires sustainable investment and management, is often not a top priority in such circumstances. As a result, CSR is not implemented optimally and its contribution to performance improvement is not maximized. Furthermore, strategic decisions related to CSR often remain in the hands of the majority owner or the board of directors. In this context, managers with minority ownership do not have the dominant influence to drive the implementation of CSR integrated into the company's strategy. Therefore, although there is a positive relationship between managerial ownership and performance through CSR, the strength of this influence is not sufficient to produce a significant difference in company performance.

In agency theory, managerial ownership has a positive but insignificant effect on firm performance through CSR, indicating that this relationship is not entirely in line with agency theory. Although agency theory predicts that share ownership by managers will increase their responsibility to the company and stakeholders, in practice, this is highly dependent on the size of the ownership. If the proportion of managerial ownership is low, the incentive to actively participate in strategic decision-making, including CSR implementation, is minimal.

The insignificance of this relationship reflects the limited effectiveness of managerial ownership as a tool to mitigate agency conflict in the context of corporate social responsibility. Therefore, although theoretically expected,

empirical results indicate that the influence of managerial ownership on firm performance through CSR is not entirely in line with agency theory, particularly in the context of non-dominant managerial shareholding.

CONCLUSION AND RECOMMENDATION

1. Family ownership has a positive and significant impact on company performance. Higher family ownership leads to improved company performance.
2. Managerial ownership has a positive but insignificant effect on company performance. Higher managerial ownership tends to improve company performance, although this is not significant.
3. Social Corporate Responsibility has a positive and significant impact on company performance. The higher the level of social corporate responsibility, the greater the company's performance.
4. Family ownership has a positive and significant impact on social corporate responsibility. Higher family ownership increases social corporate responsibility.
5. Managerial ownership has a positive but insignificant effect on social corporate responsibility. Higher managerial ownership tends to increase social corporate responsibility, although this is not significant.
6. Family ownership has a positive and significant impact on company performance through social corporate responsibility. Higher family ownership leads to improved company performance through social corporate responsibility.
7. Managerial ownership has a positive but insignificant effect on company performance through social corporate responsibility. Higher managerial ownership tends to improve company performance through social corporate responsibility, although this is not significant.

FUTHER STUDY

This research still has delays, so it is necessary to conduct further research related to the topic The Effect of Family Ownership and Managerial Ownership on Company Performance Through Social Corporate Responsibility Disclosure in Manufacturing Companies Listed on the Indonesia Stock Exchange in order to improve this research and add insight for readers.

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