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The Effect of Corporate Social Responsibility and Ownership Structure on Financial Performance of Consumer Non Cyclicals Companies in Indonesian

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ABSTRACT: This study aims to analyze the influence of corporate social responsibility and ownership structure on financial performance of consumer non-cyclical companies in Indonesian. This study analyzes several variables, namely CSR, institutional ownership, managerial ownership, concentration of ownership, firm age, firm size and leverage to financial performance. This study uses secondary data obtained from the financial statements and annual reports of companies listed on the IDX for the period 2017 - 2022. The collection of research samples was carried out using a purposive sampling method or sampling with certain criteria. There were 33 with 198 observation data coming from 10 sub-industries of Consumer Non Cyclicals Companies. The data analysis used to test the hypothesis is a multiple regression test using eviews 10 software. The results show that CSR and firm age have a positive and significant effect on the financial performance. Meanwhile, institutional ownership, concentration of ownership, firm size and leverage have a negative and significant effect on the financial performance. Managerial ownership has no significant effect on the financial performance. The company should improve programs and policies that implement and integrate corporate social responsibility to company's business, adjusting the percentage of institutional share ownership and concentrated ownership through restructuring the share ownership structure. The company is also expected to reduce the company's leverage value and optimize the use of its assets to carry out profitable investment activities. The results of this study are expected to provide input for companies and investors to consider corporate social responsibility, share ownership structure, firm age, firm size and leverage.

KEYWORDS: concentration ownership; corporate social responsibility; financial performance; institutional ownership; managerial ownership

I. INTRODUCTION

The international world discovered a new disease called Coronavirus Disease-2019 (Covid-19) which can cause respiratory tract infections in 2020. This phenomenon disease has an impact on changes in all aspects of life and disruption in various aspects including the health crisis, the economy, investment turmoil and global social (World Health Organization, 2020). At the corporate level, the COVID-19 outbreak can affect stock prices, cash flow, asset management and other aspects, resulting in a decline in company performance.

This impact was also felt by companies on the Indonesia Stock Exchange (IDX). A study of 534 companies listed on the Indonesia Stock Exchange shows that the Covid-19 pandemic has had a negative impact on company financial performance in all sectors of the manufacturing industry, except finance, property and real estate, as well as transportation and logistics (Revinka, 2021). The consumer non-cyclicals sector is one of the industries experiencing a slowdown in line with the decline in population and decreased income. There was a significant decline in company financial performance in the consumer non-cyclicals sector during the pandemic due to government policies to suppress the spread of Covid-19, for example Work From Home (WFH), community social restrictions (PPKM/PSBB), and low public purchasing power which impacted on a decrease in the company's financial performance as measured by ROA (Kristanto & Yanto, 2022).

The company's financial performance is an instrument to describe the company's financial condition in order to measure or maximize company profits (Almehdawe et al., 2021). The success of a company is reflected in an adequate level of company performance which shows the survival of each company by strengthening its ability to achieve sustainable results. This instrument is an important factor for the company in determining the strategy and objectives of the company and influencing the interest of investors or shareholders.

The company's involvement in social activities is part of the perspective of optimizing the company's financial performance. CSR combined with corporate strategy has the right effect on long-term company profitability. Handling the impact of Covid-19 as a national disaster certainly requires cooperation, collaboration and commitment from all parties to minimize the external impact of the outbreak (Chandrasekaran, 2022).

The most effective instrument for calculating the performance level of a company is the ownership structure. The ownership structure also acts as a strategic move to solve agency problems and increase the trust of managers and shareholders. The presence of various types of investors, including institutional and managerial investors, have different goals, but investors expect companies to have good performance and not harm society (Din et al., 2022). The largest number of shareholders in a company or what is known as concentrated ownership also has a role in determining the company's financial performance (Rehman et al., 2022).

This study is based on Chandrasekaran's research, (2022) which analyzes the effect of corporate social responsibility on financial performance in automotive sector companies in Asia with firm age and firm size as control variables. The novelty of this research is to add the independent variable, ownership structure including institutional ownership, managerial and ownership concentration, and to add a control variable, leverage. Alkurdi et al., (2021) in his research on Jordanian companies listed on ASE in 2012-2018 showed that ownership structure also had a significant effect on the company's financial performance. The findings of Fernando et al., (2021) also show that leverage has a significant positive effect on a company's financial performance.

Based on this background and phenomenon, the research was modified to become "The Influence of Environmental Social Responsibility and Share Ownership Structure on Financial Performance in Consumer Non-Cyclicals Sector Companies in Indonesia". The research was conducted in Indonesia because there is a few research that analyzes the effect of Corporate Social Responsibility and Ownership Structure on Financial Performance in developing countries like Indonesia as well as the influence of control variables, such as firm age, firm size and leverage on financial performance.

II. LITERATURE REVIEW

A. Financial Performance

The company's financial performance is a substantial instrument for the company's stakeholders in measuring the effectiveness of the company in allocating its capital to generate returns and minimize agency costs. Financial performance is important because it is a measure of a company's success, it forms the basis for determining long-term strategy and company decision making (Almehdawe et al., 2021). Several indicators to determine financial performance include Return On Assets (ROA), Return On Equity (ROE), Return On Invested Capital (ROI), and others. ROA is the most common fundamental indicator used to measure company performance by financial market analysts, because it measures a company's accounting performance. ROA reflects management's ability to allocate its resources and generate income from the company's total assets invested. These indicators are an important consideration for investors and shareholders in assessing a company's financial performance (Cyril et al., 2022, Almehdawe et al., 2021).

B. Corporate Social Responsibility

Corporate Social Responsibility (CSR) is an activity that involves and contributes to the improvement of the environment and society which is one of the company's important investments in increasing the reputation, legitimacy and trust of the public and investors towards business businesses that bring long-term benefits and improve the value of the company. Investors also usually tend to invest in companies that pay more attention to CSR. Therefore, CSR has received attention from companies as a strategy to attract investors (Nguyen et al., 2022).

C. Institutional Ownership

Institutional ownership shows the number of shares owned by governments, financial institutions, and other companies.

D. Managerial Ownership

Managerial ownership is the percentage of shares in a company that are owned by top managers including the directors and commissioners of the company.

E. Concentration Ownership

Ownership concentration is the percentage of shares owned by the largest shareholder in a company.

F. Firm Age

Firm age is defined as the number of years the company was founded. A company's financial performance is a function of its age, and this relationship is supported by firm life-cycle theory. Organizations go through life cycle stages including startup, growth, maturity, and stagnation, and each stage has different characteristics that affect its financial performance. At the growth stage, companies with a more mature age will make long-term and large-scale investments so that they have higher levels of revenue growth compared to new companies (Fernando et al., 2021, Chandrasekaran, 2022).

F. Firm Size

Firm size describes the size of a company which is formulated based on the logarithm of the company's total assets (Dakhli, 2021). Firm size is one of the company's internal components that affect the company's financial performance where the effect varies.

G. Leverage

Leverage is a measurement that describes a company's ability to settle all short-term and long-term obligations which are formulated through the company's total loans to total assets (Sahraoui & Kabore, 2021).

CONCEPTUAL FRAMEWORK

Chandrasekaran's research (2022) shows a positive effect between CSR scores and financial performance in car companies in Asian countries. The findings contradict research by Nguyen et al., (2022) which revealed the negative effect of CSR on company ROA, resulting in a negative impact on financial performance in 480 companies in Vietnam in 2012-2017.

Meanwhile, the effect of ownership structure on company financial performance is shown from the results of research by Alkurdi et al., (2021) that show institutional ownership and ownership concentration has positive effect to financial performance, while managerial ownership has a negative effect on financial performance which was formulated with ROA ($p < 0.01$) in Jordanian companies listed on ASE, 2012-2018. The research results are not in line with the findings of Daryaei & Fattahi (2020) which reveal a non-linear and inverse relationship between institutional investors and company performance.

Referring to several research results in various countries, the following is a conceptual framework that will be used as a reference in exploring the independent variables of corporate social responsibility and ownership structure (institutional ownership, managerial ownership and concentration of ownership) on the dependent variable (company financial performance) with the control variable (firm age, firm size and leverage) as follows:

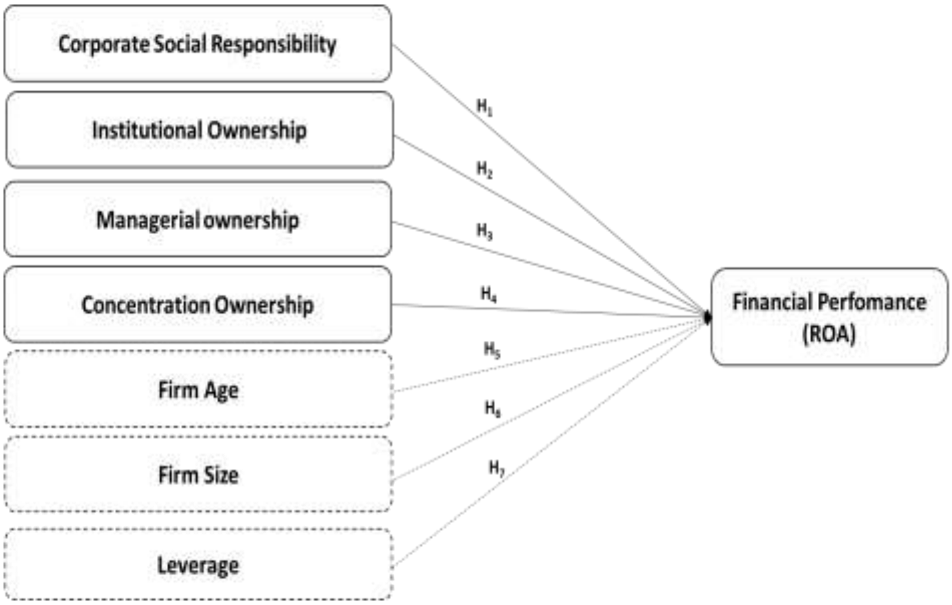

Figure 1. Conceptual Framework

HYPOTHESIS DEVELOPMENT

Chandrasekaran's research (2022) shows a positive relationship between CSR scores and company financial performance in car companies in Asian countries. The financial success of an organization directly affects its CSR score. In line with stakeholder and resource theory, investing in social and environmental programs can give companies a competitive advantage and improve long-term performance. The findings are supported by revealing that CSR has a positive and significant effect on the company's financial performance. CSR is considered an important element of corporate strategy in developing countries. High performing companies tend to invest more in CSR (Hichri & Ltifi (2021), Dakhli (2022). Research also shows CSR has a negative impact on company ROA (Nguyen et al., 2022).

H_1: Corporate Social Responsibility has a significant effect on financial performance.

Institutional investors have a long-term vision, participate in controlling management opportunism, suppress agency problems and information asymmetry and encourage the implementation of Good Corporate Governance so that it reflects positively on the company's financial performance. The findings of Alkurdi et al., (2021) reveal that institutional ownership has a positive effect on the financial performance of companies formulated with ROA. The results of this study are in line with other findings which show that institutional ownership has a positive effect on financial performance which is formulated with ROA and TobisnQ (Rashid (2020), Priyanka et al., (2021), Din et al., (2022), Abedin et al,(2022)). Meanwhile, the findings of Daryaei & Fattahi (2020) show a negative relationship between institutional ownership and company performance.

H_2: Institutional ownership has a significant effect on financial performance.

Research by Alkurdi et al., (2021) shows that managerial ownership has a negative effect on financial performance which is formulated by ROA at ($p < 0.05$) in Jordanian companies recorded at ASE in 2012-2018. Company managers hold more company data than other investors where this provides an opportunity for management to take opportunistic actions by prioritizing personal gain and setting aside increasing shareholder value. Meanwhile, the findings of Jahid et al., (2022) and Agatha et al., (2020) show that managerial ownership has a positive effect to the company's financial performance.

H_3: Managerial ownership has a significant effect on financial performance.

Alkurdi et al., (2021) research shows that ownership concentration has a positive effect on the company's financial performance where concentrated ownership encourages shareholders to control and influence policies for sustainable success in the long term. Findings supported by other research also reveal that ownership concentration has a significant positive effect on a company's financial performance (Gupta et al., (2022), Adebayo et al., (2021)). Meanwhile, the findings of Abdullah et al., (2019) show that the concentration of ownership has a significant negative effect on the company's financial performance.

H_4: Ownership concentration has a significant effect on financial performance.

Chandrasekaran's research (2022) revealed that firm age has a positive effect on financial performance at a significance level of 1% or there is a strong relationship between firm age and ROA. Over time, managers gain increased experience in managing the company. Increasing firm age has an effect on increasing innovation and decision making accuracy where more mature companies have decision making that avoids risks and predicts more decisions that companies will make (Santos & Castanho (2022), Simanjuntak et al., (2022), Rwakihembo et al., (2023).

H_5: Firm age has a significant effect on financial performance.

Research by Santos & Castanho (2022) shows that firm size has a strong negative effect on company profitability formulated with ROE in textile manufacturing companies in Portugal. During the Covid-19 pandemic, small companies have proven to be more flexible and resilient than larger companies. Large companies have fixed costs and a high number of employees despite declining global economic conditions (Farooq et al., (2022). Meanwhile, Younis & Sundarakani's (2020) research reveals that firm size has a positive effect on profitability because large companies have large resources and market opportunities. larger businesses, greater bargaining power, higher rates of return on assets and invested capital, and easier access to international markets so that large companies have greater profitability.

H_6: Firm size has a significant effect on financial performance.

Leverage reflects the company's ability to settle all short-term and long-term obligations. Fernando et al.'s research (2021) revealed that leverage had a positive effect on financial performance in 32 companies on the Colombo Stock Exchange (CSE) Sri Lanka in 2012-2016 because leverage can reduce agency costs and conflicts of interest between managers and shareholders. Meanwhile, the findings of Danso et al., (2020) and Farooq et al., (2022) shows a negative and significant relationship between leverage and company performance. A high leverage ratio indicates a greater risk of default on debt payments and interest expenses because the company's assets cannot cover its debts.

H_7: Leverage has a significant effect on financial performance.

III. METHODS

A. Population and sample

The sample from this study will be selected using the purposive sampling method with the following criteria: (1) *Consumer Non Cyclicals* Companies that go public and are listed on the Indonesia Stock Exchange (IDX) between 2017 and 2022, (2) Companies that have published annual reports and financial statements for the years 2017–2022, and have not been delisted for some time, (3) The company has CSR Expenditure in the financial statements (4) The company has indonesian currency (IDR) in the financial statements.

B. Variable and Variable Measurement

The variables and measurements used in this study intend to determine the relationship between the independent variable and the dependent variable including moderating variable and control variables, each of which is measured as follows:

Table 1. Identification and Measurement of Variables

	Variable	Measurement	Reference
Dependent Variable	Return On Assets (ROA)	profit before interest & tax divided by total assets	Dakhli, (2021)
Independent Variable	corporate social responsibility (CSR)	social cost of the company in one financial reporting period	Cyril et al., (2022)
	Institutional Ownership (INST)	Number of institutional shares x 100% divided by number of outstanding shares	Alkurdi et al., (2021)
	Managerial Ownership (MGR)	Total top management shares x 100% divided by Total shares owned by the company	Alkurdi et al., (2021)
	Ownership Concentration (CONS)	The largest total shareholding x 100% divided by the company's total shares	Rehman et al., (2022)
Control Variable	Firm Age (AGE)	logarithm (Number of years since IPO)	Ananzeh et al., (2022)
	Firm Size (SIZE)	logarithm (Total assets)	Alkurdi et al., (2021), Ananzeh et al., (2022)
	Leverage (LEV)	Total Debt divided by total assets	Fernando et al., (2021), Ananzeh et al., (2022)

Data Analysis

To test the hypothesis, multiple regression analysis will be used with a significance level of 0.05, meaning that the hypothesis is accepted if the significance value of each variable is less than 0.05. The regression equation is as follows:

$ROA_{it} = \beta_0 + \beta_1\ CSR_{it} + \beta_2 INST_{it} + \beta_3\ MGR_{it} + +\beta_4\ CONS_{it} + \beta_5\ AGE_{it} + \beta_6\ SIZE_{it} + \beta_7\ LEV_{it} + \varepsilon_{it}$

IV. RESULTS

A. Descriptive Statistic

Descriptive analysis is usually used by researchers to provide an overview of the sample data to be studied. In this study, an overview of the research sample will be shown, including the mean, standard deviation, minimum value, and maximum value of each variable that will be used in research, such as ROA, CSR, INST, MGR, CONS, AGE, SIZE, LEV.

Table 2. Descriptive Statistics

	Mean	Median	Maximum	Minimum	Std. Dev.
ROA	0.068865	0.079195	1.059862	-2.573123	0.248923
CSR	37806.04	1863.144	780619.0	1.000000	107535.6
INST	0.666942	0.685007	0.999584	0.000000	0.223993
MGR	0.048016	0.000827	0.386302	0.000000	0.097556
CONS	0.541276	0.540950	0.999600	0.093300	0.234532
AGE	2.811339	3.135494	3.737670	0.693147	0.671412
SIZE	12.67575	12.47700	14.25632	11.58671	0.674625
LEV	0.549953	0.512576	2.899874	0.000417	0.383895

Based on table 2, it show that ROA has a maximum value of 1.059862, a minimum value of -2.573123 and mean value of 0.068865. Corporate Social Responsibility has a maximum value of 780619.0, a minimum amount of 1.000000 and mean value of 37806.04. Institutional ownership has a maximum value of 0.999584, a minimum value of 0.000000, and mean value of 0.685007. Managerial ownership has a maximum value of 0.386302, a minimum value of 0.000000 and mean value of 0.048016. Concentration ownership has a maximum value of 0.999600, a minimum value of 0.093300 and mean value of 0.541276. Firm age has a maximum value of 3.737670, a minimum value of 0.693147 and mean value of 2.811339. Firm size has a maximum value of 14.25632, a minimum value of 11.58671 and mean value of 12.67575. Leverage has a maximum value is 2.899870, a minimum value is 0.000417 and mean value is 0.549953.

Hypothesis Test Results

The t test in this study is intended to determine the partial effect of the independent variables on the dependent variable. The test Criteria are as follows:

Table 3. Hypothesis test result

Variable	Coeficient	Prob	Conclusion
Konstanta	1.407.794	-	-
CSR	0.016130	0.0003	Positive Significant
INST	-0.740554	0.0000	Negative Significant
MGR	-0.969920	0.4571	Not Significant
CONS	-0.286178	0.0006	Negative Significant
AGE	0.060346	0.0000	Positive Significant
SIZE	-0.077208	0.0146	Negative Significant
LEV	-0.333791	0.0000	Negative Significant

H1: Corporate social responsibility and financial performance.

Based on Table 3, it is show that corporate social responsibility in companies has a significant positive effect on the financial performance as measured by ROA. This is reflected in the probability value of 0.0003 and the regression coefficient value of the corporate social responsibility variable of 0.016130. Which means that the role of corporate social responsibility in companies has a significant effect on financial company performance as measured by ROA with the implicit that every increase in corporate social responsibility is directly proportional to the increase in financial company performance as measured by ROA.

CSR is considered an important element of corporate strategy in developing countries. High consumer companies tend to invest more in CSR. These results are consistent with stakeholder theory where investment in CSR programs can build stakeholder satisfaction thereby creating good and cooperative relationships between companies and stakeholders that build good reputation, social assessment and corporate image. In addition, involvement in CSR also gives companies a competitive advantage and increases long-term performance (Chandrasekaran, 2022, Hichri & Ltifi, 2021, Oncioiu et al., 2020)

Stakeholders have different positions and negotiating power in influencing company decisions. Research on CSR activities on several stakeholders including the community, employees, the environment shows a significant positive effect on the company's financial and non-financial performance. CSR activities are strategic when they create added value and are sustainable and generate business-related benefits for companies (Nabi & Akter, 2021).

In line with legitimacy theory, companies with CSR involvement will gain legitimacy from society and stakeholders which has a positive impact on improving company financial performance, minimizing company risk and creating long-term value (Partalidou et al., 2020).

H2: Institutional ownership and financial performance.

Based on Table 3, it is show that institutional ownership has a negative and significant effect on the company's financial performance as measured by ROA. This is reflected in the probability value of 0.0000 and the regression coefficient value of the institutional ownership variable of -0.740554. Which means that the role of institutional ownership in the company has a significant effect on the company's financial performance as measured by ROA with the implication that any increase in institutional ownership is inversely proportional to the company's financial performance by proxy ROA.

The results of the study contradict agency theory which shows institutional ownership can be a good governance instrument to improve financial performance and company value. The results of this study are not in line with those of Alkurdi et al., (2021), Priyanka et al., (2021), Din et al., (2022), Abedin et al., (2022). This research in line with research by Daryaei & Fattahi (2020) and Rusnaeni et al., (2022) where institutional ownership has a negative effect on a financial performance.

Institutional investors have greater responsibility in controlling management so as to strengthen company value, but at a high percentage of ownership, institutional investors can provoke management to make decisions that are less than optimal. This negative relationship is likely to occur due to a potential conflict of interest, namely an agreement made by company management to institutional investors to choose company shares, institutional investor participation has business and investment relations with the company so that the supervisory role of institutional investors is not effective (Daryaei & Fattahi (2020).

H3: Managerial ownership and financial performance

Based on Table 3, it is show that managerial ownership has no significant effect on the financial performance as measured by ROA. This is reflected in the probability value of 0.4571 and the regression coefficient value of the managerial ownership variable of -0.969920. Which means that changes that occur in the managerial ownership of a company, either an increase or decrease in ownership, do not affect the company's performance. This is not in line with the findings of Alkurdi et al., (2021) which shows managerial ownership has a negative effect on financial performance formulated with ROA in Jordanian companies listed in ASE in 2012-2018.

The findings are not in accordance with agency theory which shows managerial ownership to be an important factor in suppressing agency conflict thereby increasing firm performance. An insignificant relationship occurs because management has no control over the company, where the majority shareholder has the greatest control so that top management is only an extension of the majority shareholder. The higher the amount of managerial ownership, the higher the power and control of top management in managing the company (Do et al., 2022). In addition, there is no significant effect of managerial ownership on company performance, possibly because the percentage of managerial ownership in consumer non-cyclicals companies listed on the Indonesia Stock Exchange in the 2017-2022 period is too small where the average percentage of managerial ownership is 3.8%.

The low percentage of managerial ownership has an impact on the low direct benefits of financial performance to top management so that managers are not optimal in making policies that benefit majority shareholders (Kirimi et al., 2022). In addition, the percentage of managerial ownership cannot influence investors to invest in a company. (Trafalgar & Africa, 2019).

H4: Ownership concentration and financial performance

Based on Table 3, it is show that concentration of ownership has a negative and significant effect on the company's financial performance as measured by ROA. This is reflected in the probability value of 0.0006 and the regression coefficient value of the ownership concentration variable of -0.286178. Which means that the role of concentration of ownership in the company has a significant effect on the company's financial performance as measured by ROA with the implication that any increase in concentration of ownership is inversely proportional to the company's financial performance by proxy ROA. The results of this study are not in line with the findings of Alkurdi et al., (2021) which show that concentrated ownership has a positive effect on a company's financial performance.

The findings are in line with research by Alhaj et al., (2022) where concentration of ownership has a significant negative effect on financial performance as measured by ROA and Tobin's Q. Concentrated ownership has power as a controlling shareholder which has the potential to abuse rights and maximize takeover of minority shareholders. In addition, they can also make decisions that benefit their personal interests and override the interests of shareholders (Abdullah et al., 2019).

The concentrated ownership structure encourages takeover by the controlling majority shareholder. Ownership concentration can increase the expropriation of majority shareholders. This has the potential to cause minority shareholders to attract investment in the company by selling the company shares they own so that the share price decreases (Wardani & Setiawan, 2020).

H5: Firm age has a significant effect on financial performance.

Based on Table 3, it is show that firm age has a positive and significant effect on the company's financial performance as measured by ROA. This is reflected in the probability value of 0.0000 and the regression coefficient value of the firm age variable of 0.060346. Which means that the role of firm age has a significant effect on company financial performance as measured by ROA with the implication that every increase in firm age is directly proportional to the increase in company financial performance as measured by ROA.

Research is in line with the findings of Chandrasekaran (2022) which shows a positive effect of age on financial performance at a significance level of 1% or there is a strong relationship between firm age and ROA. Over time, managers gain experience in managing companies so that they have a positive effect on company performance (Santos & Castanho, 2022). Increasing the age of the company has an effect on increasing innovation and decision-making accuracy where more mature companies have decision making that avoids risks and predicts more decisions to be taken by the company, increases experience in the market, advanced liquid trade, has diversified activities so as to gain a competitive advantage compared to new companies (Simanjuntak et al., 2022, Rwakihembo et al., 2023).

H6: Firm size and financial performance

Based on Table 3, it is show that firm size has a negative and significant effect on the financial performance as measured by ROA. This is reflected in the probability value of 0.0146 and the regression coefficient value of the firm size variable of -0.077208. Which means that the role of firm size has a significant effect on the company's financial performance as measured by ROA with the implication that every increase in firm size is inversely proportional to the company's financial performance as measured by ROA. The results of this study are not in line with the findings of Chandrasekaran (2022) which shows that firm size has no significant positive effect on the company's financial performance.

Firm size has a negative and significant effect on company performance because a larger business size will increase its operational risk (Alkurdi et al., 2021). Small companies have proven to be more flexible and resilient than larger companies in surviving the COVID-19 pandemic. Large companies have fixed costs and a high number of employees despite declining global economic conditions (Santos & Castanho, 2022). Companies with a larger size are proven to have higher agency costs so that they have a negative impact on company profits (Farooq et al., 2022). In addition, an increase in firm size also has an impact on decreasing company profits due to an increase in company costs (Priyanka et al., 2021).

H7: Leverage and financial performance

Based on Table 3, it is show that leverage has a negative and significant effect on the financial performance as measured by ROA. This is reflected in the probability value of 0.0000 and the Leverage variable regression coefficient value of --0.333791. Which means that the role of Leverage in the company has a significant effect on the company's financial performance as measured by ROA with the implication that each increase in Leverage is inversely proportional to the company's financial performance as measured by ROA. Research contradicts the findings of Fernando et al., (2021) which revealed the positive effect of leverage on the performance of 32 companies on the Colombo Stock Exchange (CSE) Sri Lanka in 2012-2016 due to reduced agency costs and conflicts of interest between managers and shareholders.

A high leverage ratio indicates a greater risk of default on debt payments and interest expenses because the company's assets cannot cover its debts. An increase in one standard deviation of leverage affects a decrease in company performance by 13.9% in the long term and by 8.2% in the short term (Danso et al., 2020). Apart from that, it also has an impact on increasing bankruptcy risk and decreasing company profits due to increased costs such as interest rates (Farooq et al., 2022, Priyanka et al., 2021, Ali et al., 2022).

CONCLUSIONS

Based on the results of the hypothesis testing, it can be concluded that there are a positive and significant effect between corporate social responsibility and firm age on financial performance as measured by ROA in Consumer Non Cyclicals Sector companies on the Indonesia Stock Exchange (IDX). But, there are negative and significant effect between institutional ownership, ownership concentration, firm size, leverage on company financial performance as measured by ROA. While managerial ownership has no effect on financial performance.

IMPLICATIONS

Based on the results of the research, there are benefits to be gained as implications for financial managers and investors which are taken into consideration in making decisions. Some of the implications obtained are as follows:

1. for the Company

To improve the company's financial performance, companies should consider the influence of corporate social responsibility, institutional ownership, concentration of ownership, firm age, firm size and leverage by: 1) Companies should improve programs and policies that implement and integrate corporate social responsibility in business company thereby increasing reputation, legitimacy, public and investor confidence in business businesses that bring long-term benefits so as to improve the company's financial performance. 2) The company is expected to make adjustments to the percentage of institutional share ownership and concentrated ownership through restructuring of the share ownership structure at a certain level so that it has a positive effect on the company's financial performance. 3) As the age of change increases, companies should increase innovation and make more mature decisions considering various risks so as to gain a competitive advantage which has an impact on improving the company's financial performance. 4) Companies should reduce the company's leverage value and optimize the use of assets owned to carry out profitable investment activities so as to improve the company's financial performance.

2. for Investors

This research should be used by investors in Indonesia and foreign in their investment activities in Consumer Non Cyclicals Sector companies at Indonesia. In order for the investment made to bring large profits, investors should choose companies that have high CSR values and are more mature. Investors also should choose companies that have a low percentage of institutional ownership and concentration of ownership, firm size and leverage.

LIMITATION & FURTHER RESEARCH

Based on the results of the study, there are several limitations, the variables used are limited to corporate social responsibility, ownership structure consisting of institutional ownership, managerial ownership, concentration of ownership, and control variables firm size, firm age and leverage, even though there are many other variables that can be a determining factor for the company's financial performance. Measuring the company's financial performance is limited to a proxy to measure the company's accounting performance, namely ROA.

Future researchers are expected to be able to add other aspects that affect the company's financial performance such as corporate governance including board composition, board meetings, board diversity and directors compensation to analysis of the impact on the company's financial performance (Dakhli, 2022). Future research is also expected to add company performance measurement variables to assess market performance through the Tobin Q measurement (Chandrasekaran, 2022).

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