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PROFITABILITY, CORPORATE GOVERNANCE, AND FAMILY OWNERSHIP EFFECT ON CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE

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Abstract
The aim of this research is to analyze the effect of profitability, corporate governance, and family ownership on corporate social responsibility disclosure. This research was conducted on manufacturing sector companies listed on the Indonesia Stock Exchange with the observation year 2021 - 2023. The sample for this research is family companies (Family Business Enterprise) which are included in the manufacturing industry group. The sampling method used was the purposive sampling method. This research uses secondary data obtained from the official website of the Indonesia Stock Exchange, namely www.idx.co.id and the company's official website. The data collection method used in this research is the non-participant observation method. The data analysis technique used is multiple linear regression analysis. The findings show that profitability, corporate governance, and family ownership have a positive effect on corporate social responsibility disclosure.
Keywords: *profitability, corporate governance, family ownership, corporate social responsibility*

Abstrak
*Penelitian ini bertujuan untuk menguji pengaruh profitabilitas, corporate governance, dan kepemilikan keluarga terhadap pengungkapan corporate social responsibility. Penelitian ini dilakukan pada perusahaan sektor manufaktur yang terdaftar di Bursa Efek Indonesia dengan tahun pengamatan 2021 - 2023. Sampel penelitian ini adalah perusahaan keluarga (*Family Business Enterprise*) yang masuk dalam kelompok industri manufaktur. Metode pengambilan sampel yang digunakan adalah metode purposive sampling. Penelitian ini menggunakan data sekunder yang diperoleh dari situs resmi Bursa Efek Indonesia yaitu www.idx.co.id maupun website resmi perusahaan. Metode pengumpulan data yang dilakukan dalam penelitian ini adalah metode observasi non-partisipan. Teknik analisis data yang digunakan adalah analisis regresi linier berganda. Hasil temuan menunjukkan bahwa profitabilitas,* corporate governance, *dan kepemilikan keluarga berpengaruh positif terhadap pengungkapan* corporate social responsibility.
Kata Kunci: *profitabilitas,* corporate governance, *kepemilikan keluarga,* corporate social responsibility

INTRODUCTION

Corporate Social Responsibility (CSR) has received quite a lot of attention from various groups, both individuals and the business world. Hundreds of companies have started reporting CSR and the number continues to increase from year to year. The issue of sustainability is becoming increasingly important and investors are starting to pay more attention to corporate social activities. The purpose of companies carrying out CSR activities is to gain an advantage over their competitors and legitimacy from the community(Nasih, 2023) (Bassiouny & Bassiouny, 2018.

CSR activities are largely determined by management as managers and decision makers in the company to meet stakeholder expectations. Referring to Stakeholder Theory, companies operate not only to gain profit but also to meet stakeholder expectations. CSR activities are one of the company's efforts to meet stakeholder expectations and also to gain legitimacy. Stakeholder demands tend to concern issues of corporate social responsibility towards stakeholders, both internal and external, starting from suppliers, employees, consumers and various related parties. Harmonization of the interests of these stakeholders is needed to create value for the company and the community environment.

Disclosure of corporate CSR is a social contract that must be fulfilled to achieve economic, social and environmental goals, and to ensure the survival and growth of the organization in accordance with the Triple Bottom Line concept of CSR. The Triple Bottom Line consists of Profit, People and Planet, and has now been expanded by adding a spiritual aspect(Ardiana, 2023). So besides the economic, social and environmental aspects, there is a spiritual aspect which is an important aspect to respect the earth where humans are an integral part. This shows how important it is for companies to pay attention to the environment in their operations. Companies can reduce unnecessary costs to increase profits in addition to being socially responsible which has a positive impact on society and paying attention to environmental aspects. According to Nikmah & Wahyuningrum (2020), profitability is an important factor in maintaining business sustainability. One component of profitability that is of concern to stakeholders is Return on Equity (ROE). ROE is the best type of return for investors. ROE information greatly influences investor considerations in determining investment decisions. This information is also useful in analyzing profit projections that will be allocated to social activities. Research on the effect of ROE on CSR disclosure has been widely conducted, but shows inconsistent results. The inconsistency of research results regarding the effect of ROE on CSR disclosure is an important reason to conduct further research on the effect of ROE on CSR disclosure.

The increasingly advanced development of the industry makes business competition increasingly competitive. This condition encourages every company to improve its performance in order to maintain its existence. This is important to ensure the legitimacy of the community as a stakeholder of the company. One effort that can be made is to increase sustainable development in order to attract the attention of stakeholders. The interaction between the company and its environment can be realized through good corporate governance. The relationship between corporate governance and CSR can be seen from various perspectives. According to Dewi & Sisdyani (2022), the better the corporate governance mechanism, the wider the CSR disclosure.

Corporate governance and CSR have complementary concepts. In corporate governance there is an element of responsibility, which is part of CSR. With good corporate governance, managers are required to make decisions that are beneficial to stakeholders. This can be realized in the form of CSR. However, previous research results show that the influence of corporate governance on CSR disclosure is still inconsistent.

According to the Indonesian Institute for Corporate and Directorship (IICD, 2010) which is supported by the results of the Daya Karsa Research (2023), it is estimated that 95 percent of companies in Indonesia are companies controlled by families. This means that family business activities play a major role in development in Indonesia. A higher percentage of family ownership can increase the strength of CSR (Lamb & Butler, 2018). Although the results of previous studies still show inconsistent results.

Companies with family ownership have a good reputation, because they not only invest financially, but also invest in human resources and honor, especially when the company bears the family name. In the family business system there is a family culture and values, dynamics and conflicts, trust and appreciation. The next generation must uphold and understand the values inherited from the previous generation (Dinh and Calabro, 2018).

This study will use Legitimacy and Stakeholder Theory to explain the relationship between the variables in this study. Family businesses prefer to prioritize reputation, family name and the success of the family dynasty in addition to making strategic choices. Family businesses make decisions that do not fully follow rational logic. This makes family businesses vulnerable to environmental pressures, and are motivated to engage in CSR activities.

CSR activities are related to the company's relationship with suppliers, customers, workers, safety and health in the workplace and social contributions to the public. It is very possible that the company's CSR disclosure can be influenced by several factors. The inconsistency of the results of previous studies on the influence of profitability, corporate governance, and family ownership on CSR disclosure is the motivation for conducting this study. Based on the description in the background, this study is limited to testing the influence of profitability, corporate governance (CG) and family ownership on CSR disclosure.

LITERATURE REVIEW

Legitimacy Theory

According to legitimacy theory, company operations must be congruent with the values that exist in society. Legitimacy is a company management system that is oriented towards siding with society. This theory recommends that company operations should be accepted by society to gain legitimacy. If there is a shift that causes inconsistency, it will threaten the company's legitimacy in society. This shows that legitimacy is useful for supporting the sustainability of a company. Legitimacy strategies can be carried out through CSR disclosure. Companies tend to disclose positive CSR activities. This shows that through CSR disclosure, companies try to communicate company activities that are beneficial to society with the aim of gaining legitimacy. The company's motivation to gain legitimacy through CSR activities is predicted to be able to improve the company's image (Fernando, 2014). Increasing the company's image, stakeholder attention to the company's activities is increasingly widespread will encourage the company to be more careful in making decisions. The legitimacy theory in this study is used to explain that CSR disclosure is a company's effort to gain legitimacy in society. In this study, legitimacy theory will explain the influence of profitability and family ownership on CSR disclosure.

Stakeholder Theory

Stakeholder theory has long been developed and supported by many articles (Donaldson & Preston, 1995). According to Friedman & Miles (2002), stakeholders are individuals or groups that can influence and/or be influenced by an organization in achieving its goals. The company operates not only for its own interests or shareholders, but must also benefit all its stakeholders. According to (Freeman, 2017) stakeholder theory and CSR are two concepts that view the same business problem from different perspectives. The similarities between the concepts of stakeholder theory and CSR are that they both emphasize the importance of incorporating community interests into business operations. CSR and stakeholder theory are interrelated, corporate social responsibility is part of the company's responsibility that is oriented towards all stakeholders. In particular, companies must be driven by the goal of creating value for all shareholders and stakeholders are interdependent on each other.

Stakeholder theory and corporate governance are closely related. Stakeholder theory states that management carries out activities expected by the community, and reports to them. While in corporate governance there are elements of transparency and responsibility. Transparency is openness in carrying out the decision-making process and openness in presenting material and relevant information. Transparency in this case includes many things such as financial, non-financial, organizational goals, ownership structure, and risk factors that the company will face. While responsibility is the company's responsibility in carrying out its functions so that the company's management is carried out effectively. The company's responsibility also includes compliance with related laws and regulations. So in this study, stakeholder theory is expected to be able to explain the influence of corporate governance on CSR disclosure.

Corporate Social Responsibility (CSR)

CSR is a social contract between companies and society to expand corporate responsibility beyond its traditional role (Gray, Owen & Maunders, 1988). According to (Gray et. al., 1988) the purpose of corporate CSR disclosure is to improve: (1) corporate image, (2) accountability and (3) expansion of traditional disclosure. Meanwhile, there are 2 (two) types of disclosure: mandatory disclosure and voluntary disclosure. Mandatory disclosure is the minimum disclosure required by the authorized institution, while voluntary disclosure is the disclosure of items carried out voluntarily by the company, covering the environment, energy, health and safety, including products and community involvement (Hackson & Milne, 1996).

Profitability

Profitability is an important point to assess the condition of a company. Profitability shows the results of the company's ongoing business activities and what the company has achieved from its business activities. The achievement of the company's business activities is explained by generating profit for the company. So profitability is the ability of a company to generate profit (Siregar, 2022)

According to (Sumertiasih & Yasa, 2022), profitability is an important thing that investors use as material in investing. Profit or return received by investors or shareholders as an indicator of measuring the company's success in terms of finance. By using this indicator, investors can describe the company's opportunities in the future and also include how the company maintains its business continuity. So the return received by investors can also be used to monitor the progress of a company's business processes. One form of return that is commonly used by companies to convince investors is Return on Equity (ROE). ROE is the company's ability to generate net profit based on certain capital. This ratio is a measure of profitability from the perspective of shareholders.

Corporate Governance

According to the Organisation for Economic Co-Operation and Development (OECD) in 1999, corporate governance is a system that directs and controls a company for continuity and accountability to stakeholders. Good corporate governance is a concept to increase transparency and accountability to stakeholders. There are two things emphasized in this concept: (1) The importance of shareholder rights to obtain timely and accurate information and (2) The company's obligation to make accurate, timely and transparent disclosures of all company performance information, ownership and stakeholders. The implementation of good corporate governance has strategic objectives, such as increasing company value and increasing responsibility to company shareholders (Khan, 2013) (Zhejiang & Yu, 2017.

According to the National Committee on Governance Policy (KNKG), the principles of good corporate governance include: (1) transparency, (2) accountability, (3) responsibility, (4) independence and (5) fairness. So corporate governance is a system and set of regulations that regulate the relationship between various stakeholders, especially the relationship between shareholders, the board of commissioners, and the board of directors in order to achieve the company's goals.

Family Ownership

Family ownership is a term used for companies with a concentration of family ownership or commonly referred to as family companies. Family companies have the strength of independence of action, a family culture that is a source of pride that shows motivation, strong commitment, stability and continuity of leadership (Tagiuri & Davis, 1989). Companies with family ownership generally have good business knowledge in investing company profits to develop the business, because family members have been trained through their involvement in the company.

A company is categorized as a family company if there are 2 or more family members involved in the financial supervision of the company (Aronoff & Ward, 1995). There are at least two family members who influence the company's 16 strategic policies (Davis & Tagiuri, 1989 and Shanker & Astrachan, 1996). Two or more family members who influence the direction of the company, either through kinship, management roles, or ownership rights (Tagiuri & Davis, 1989). Family ownership in this study will be measured from the involvement of family members in strategic positions as members of the board of commissioners and directors (Morrone, Russo & Calace, 2008 and Cadbury, 2000).

Research Hypothesis

The Effect of Profitability on Corporate Social Responsibility Disclosure

According to Legitimacy Theory, companies must comply with applicable regulations and norms so that the company's existence can be accepted by society. Companies are required to create good performance and climate for implementing CSR activities. In accordance with the concept of CSR, namely profit, people and planet, one measure of company performance is profit. The company's ability to make a profit will show the management's performance in managing the company's assets. The higher the company's profitability, the more flexible the management will be in carrying out CSR activities (Laili, 2023).

With high profitability, the company will be able to do more related to its social activities or CSR, the more disclosure of CSR activities, the better the company's image. This will strengthen the company's legitimacy. Furthermore, it will increase consumer and stakeholder loyalty. With increased consumer and stakeholder loyalty in the long term, the company's sales and ROE will increase. With increased profits, the company's ability to carry out CSR activities will increase which will further strengthen the company's legitimacy in society. The results of previous studies showed that profitability has a positive effect on CSR disclosure (Laili & Apramilda, 2023). Then, in the research of Christiawan & Andayani (2023), they examined the effect of profitability on CSR disclosure with a focus on the food and beverage sector. Using ROE as an indicator of profitability, they found that profitability has a positive effect on CSR disclosure. This study is consistent with the results of research by(Sumertiasih & Yasa, 2022)& (Siregar, 2022) which also found that measured profitability has a positive effect on CSR disclosure.

H_1: Profitability has a positive effect on CSR disclosure.

The Effect of Corporate Governance on Corporate Social Responsibility Disclosure

Referring to Stakeholder Theory, all stakeholders have the right to obtain information about the company's activities. One of the company's strategies to maintain relationships with stakeholders is to disclose CSR activities that provide information about economic, social, and environmental performance. Companies disclose CSR to maintain good relationships and openness of information to investors and creditors. CG is a principle that directs and controls companies to achieve a balance between the company's power and authority in providing accountability to stakeholders (Freeman, 2017).

CG and CSR have a very close relationship. Both are interrelated with the same goal, namely responsibility to stakeholders. The principle of responsibility in CG will give birth to the idea of

CSR, namely the role of companies in realizing social responsibility. Disclosure of corporate CG and disclosure of CSR are important factors, because they pay attention to the balance between the company's internal and external interests. Disclosure of corporate CG can be done through CSR disclosure. The more CSR disclosures, the wider the scope of information and the more effective the monitoring process. So with good CG will have a positive effect on CSR disclosure. In Habbas's research (2016), it was found that CG has a positive effect on CSR disclosure

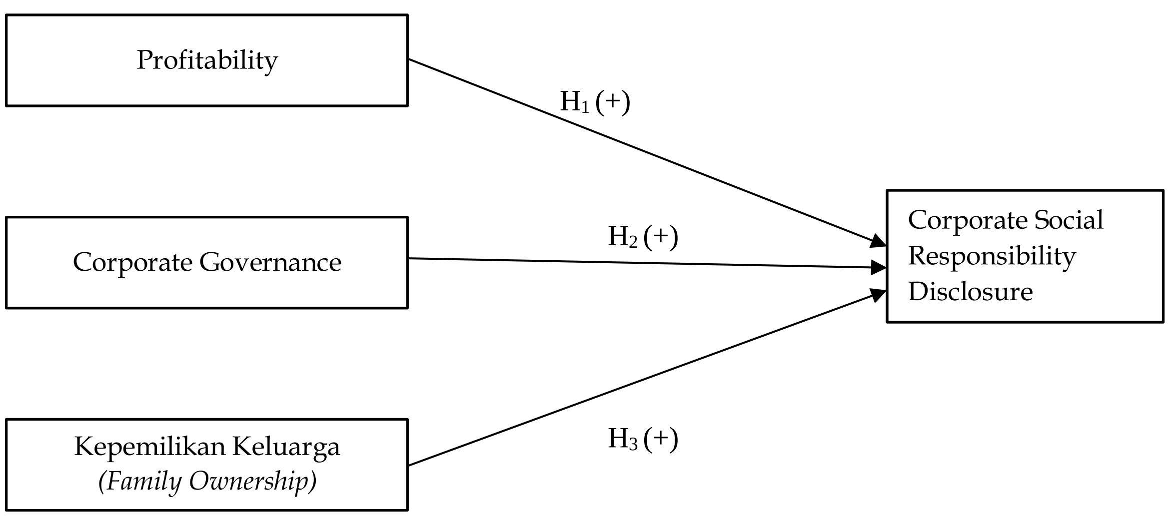
H_2: Corporate governance has a positive effect on CSR disclosure.

The Effect of Family Ownership on Corporate Social Responsibility Disclosure

According to the legitimacy theory, companies really need legitimacy from society or their constituents, including companies with family ownership. Most family companies in Indonesia are family business enterprises, with family members occupying strategic positions in the company (Susanto et al., 2008). Family involvement in the company and occupying strategic positions in decision-making including decisions about CSR (Lin & Yeh, 2020). This is because in decision-making, family companies have different considerations than non-family companies. Where, companies with family ownership tend to be more careful in making decisions. To maintain its legitimacy, family companies will try to operate by considering the social interests of the community. Reputation, family dynasty, and the family's big name are important considerations, so they tend to care more about CSR disclosure.

The presence of family in the company will encourage the company to disclose CSR (Lamb & Butler, 2018). CSR disclosure is a way for companies to satisfy company constituents. Family firms show more concern for the environment (Berrone, 2010), focus more on prevention and use conservative strategies (Deephouse, 2013). (Lamb & Butler, 2018) examined the effect of family ownership on CSR performance, found that companies with family ownership are able to increase the strength of CSR. The presence of a family CEO is able to increase the strength of CSR. For the purpose of social wealth, family firms in America have been shown to be more interested in CSR activities (Lamb & Butler, 2018).

H_3: Family ownership has a positive effect on CSR disclosure.



METHOD

The population of this study is manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2021-2023. Manufacturing companies were chosen because they have homogeneous business processes and are the largest industrial group on the IDX. The research sample is a family business (Family Business Enterprise) that is included in the manufacturing industry group. The sampling technique uses a purposive sampling method with the following criteria: manufacturing industry sector companies on the IDX in 2021-2023 that are included in the family business category (Family Business Enterprise) and refer to the Financial Services Authority Regulation Number 9/POJK.04/2018 and have an annual report during the research period, namely 2021-2023. The total sample that meets the criteria is 207 companies.

Table 1. Sample Selection Results

Information	2021	2022	2023	Number (Firm Years)
Manufacturing companies listed on the IDX that meet the criteria, Financial Services Authority Regulation No. 9/POJK.04/2018	123	123	123	369
Manufacturing companies listed on the IDX do not meet the criteria for Family Business Enterprises	(34)	(34)	(34)	(102)
Companies that do not consistently present Annual Reports during 2020-2022	(20)	(20)	(20)	(60)
Total samples that meet the criteria	69	69	69	207

Source: Secondary data processed, 2023

The type of data used in this study is quantitative data obtained from the official IDX website, namely www.idx.co.id and the company's official website consisting of published annual reports of manufacturing companies and Sustainability Reports for the period 2021 - 2023. For data collection, researchers used a non-participant observation method, namely by means of literature and documentation studies. In this study, the dependent variable is corporate social responsibility disclosure (Y), which is measured using the Raar (2002) model quality disclosure. For the CSR disclosure quality component, it ranges from a score of "1" to "7". Disclosure quality with a score of 1, if CSR disclosure is only in monetary units; score 2 if CSR disclosure is in numeric units such as weight, volume, size and others; score 3 if disclosure is only in descriptive description; score 4 if disclosure is in the form of descriptive description and monetary units; score 5 if disclosure is in the form of descriptive description and non-monetary units (numeric); score 6 if CSR disclosure is in the form of monetary and non-monetary units (numeric); score 7 if CSR disclosure is in descriptive terms, monetary and non-monetary units (numeric).

The operational definition of independent variables in this study is profitability (X1) , corporate governance (X2) , and family ownership (X3). Profitability in this study is measured by Return on Equity (ROE). ROE shows the company's ability to generate net profit based on certain capital. This ratio is a measure of profitability from the perspective of shareholders. A high number for ROE indicates a high level of profitability. Corporate governance in this study will be measured by the disclosure presented by the company in the company's annual report . There are nine (9) principles of material information disclosure recommended by the OECD (best practice), which will be used as the basis for determining the disclosure score value presented by the company. Companies that do not present minimum disclosure will be given a score of 1, companies with disclosures that meet minimum compliance standards are given a score of 2, while companies that exceed the minimum requirements are given a score of 3. A family company is a company where ownership is concentrated in the family and there is family involvement in managing the running of the business. Family ownership in this study is measured by the proportion of family members who are members of the board of commissioners and/or directors of the company (Shahzad et al., 2019 and Morrone et al., 2015).

The data analysis technique used in this study is multiple linear regression analysis. To test the hypothesis in this study, the following equation model is used:

$CSR = a + b_1 ROE + e$ ……………………………………………………………….……….................(1)

$CSR = a + b_1 CG + e$ ………………………………………………………………….……...................(2)

$CSR = a + b_1 KK + e$ ……………………………………………………………..……..................(3)

Information:

a = Constant
b = Regression coefficient (increase or decrease value)
CSR = CSR Disclosure
ROE = Return on equity
CG = Corporate governance
KK = Family ownership
e = Residual value of the regression results of the sample company model

RESULT AND DISCUSSION

The description of the research variables conveys information about the number of observations, minimum value, maximum value, mean value and standard deviation. Table 2 shows the results of the descriptive statistical analysis.

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CSR	153	.00	7.00	3.9542	1.67544
ROE	153	-8.24	24.85	7.4722	7.28537
GCG	153	1.00	3.00	1.6405	.84771
Family Ownership	153	.00	.75	.2367	.22210
Valid N (listwise)	153				

Source: Processed data, 2024

The number of N as many as 153 indicates that there are 153 observation data studied, consisting of 51 companies during the 3-year research period, namely 2020-2022. The average CSR score is 3.95, which shows that on average companies disclose CSR in descriptive form and monetary units. A minimum score of 0 means that there are still companies that have not disclosed CSR. A maximum score of 7 means that the company makes complete disclosures in both descriptive, monetary, and non-monetary forms. The standard deviation of 1.68 is quite small because it is below the average score of 3.95. The average ROE of the company is 7.47 percent, meaning that the average return on equity or return on equity is 7.47 percent. ROE -8.24 percent indicates that the company is still at a loss. The maximum score of 24.85 percent means that the return on equity or return on equity is 24.85 percent. The standard deviation of 7.28 indicates that the company's ROE has a fairly high standard deviation but is still below average. The average corporate governance disclosure score is 1.64, which indicates that most companies have made minimal corporate governance disclosures as required by the Indonesian Corporate Governance Manual. A company with a corporate governance score of 1 means that the company has not made corporate governance disclosures that meet the requirements of the Indonesian Corporate Governance Manual. A score of 3 means that the company has made corporate governance disclosures that exceed the requirements of the Indonesian Corporate Governance Manual, namely that the company makes corporate governance disclosures more like announcing financial reports in the mass media. For family ownership, the average is 24 percent, meaning that the positions of directors and commissioners are on average 24 percent controlled by the family. A minimum score of 0 means that no family members serve as directors or commissioners in the company. A maximum score of 75 percent indicates that 75 percent of the positions of commissioners and directors are held by family members of shareholders.

The normality test aims to test whether in the regression model, the interfering variables or residuals have a normal distribution or not. To detect data normality, Kolmogorov- Smirnov. The test results on the multiple linear regression equation show that the Asymp. Sig (2-tailed) value of 0.057 is greater than the level of significance, which is 5 percent (0.05). So it can be concluded that the residual value in the regression model tested is normally distributed. The multicollinearity test aims to test whether the regression model finds a correlation between independent variables. To detect the presence or absence of multicollinearity in the regression model, it can be seen from the tolerance value and the variance inflation factor (VIF) value. If the tolerance value is more than 10 percent or the VIF is less than 10, then it is said that there is no multicollinearity. The results of the multicollinearity test show that there is no tolerance value less than 0.1 (10 percent) or a VIF value more than 10. Therefore, based on the tolerance and VIF values in the analysis model, no symptoms of multicollinearity were found. The autocorrelation test in this study was carried out using the Durbin-Watson Test (DW-test) on the disturbance variable (disturbance error term). The results of the autocorrelation test show a DW value of 2.091, this value when compared with the significance table value of 5%, the number of samples 153 (N) and the number of independent variables (K = 3) then the du value is 1.7758. The DW value of 2.091 is more than the upper limit (du) which is 1.7758 and less than (4-du) 4-1.7758 = 2.2242, it can be concluded that the data has passed the autocorrelation test using the Durbin Watson test. The heteroscedasticity test is carried out to test the regression model whether there is inequality of variance from the residuals of one observation to another. The heteroscedasticity test in this study uses the Glejser test. The Glejser test is carried out by regressing the absolute value of the residual from the estimated model against the independent variables. If the significance value is more than 0.05 then there is no heteroscedasticity symptom. The results of the Glejser test show that the significance value of profitability (X_1) is 0.472, corporate governance (X_2) is 0.080, and family ownership (X_3) is 0.125. The test results have a value greater than $\alpha = 0.05$. Therefore, it can be concluded that there is no heteroscedasticity.

Multiple linear regression analysis is used to analyze the effect of profitability (ROE) (X_1), corporate governance (X_2), and family ownership (X_3) on CSR disclosure (Y). Multiple linear regression analysis is processed with the help of SPSS for Windows 26.0 software with the results that can be seen in Table 3.

Table 3. Results of Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.173	.073		2.365	.019
	ROE	.126	.021	.309	6.005	.000
	GCG	.399	.037	.567	10,675	.000

Family Ownership	.096	.027	.179	3,510	.001
Adjusted R Square	.647				
Sig. F	.000				

Source: Processed data, 2024

According to the multiple linear regression analysis calculations, the following regression equation results were obtained:

$$Y = 0.173 + 0.126X_1 + 0.399X_2 + 0.096X_3 + \varepsilon \quad \text{...(4)}$$

In the regression analysis, the constant value of α is 0.173. This means that the value of the profitability, corporate governance, and family ownership variables is considered constant at a value of 0 (zero), then the CSR disclosure value (Y) is 0.173 units. Furthermore, the value of the regression coefficient X_1 or profitability (ROE) is 0.126, which is positive. The positive value of the regression coefficient (β) means that the higher the ROE, the wider the company's CSR disclosure. A significance level of 0.000 less than 0.050 indicates that profitability (ROE) has a significant positive effect on CSR disclosure, the first hypothesis stating that profitability (ROE) has a positive effect on CSR disclosure is accepted. The value of the regression coefficient X_2 or corporate governance is 0.399, which is positive with a significance level of 0.000 less than 0.050. The positive value of the regression coefficient (β) means that the better the company's corporate governance, the wider its CSR disclosure. A significance level of 0.000 less than 0.050 indicates that corporate governance has a significant positive effect on CSR disclosure. Therefore, the hypothesis stating that corporate governance has a positive effect on CSR disclosure is accepted. The regression coefficient value of X_3 or family ownership is 0.096, which is positive with a significance level of 0.000 less than 0.050. A positive regression coefficient value (β) means that the more family members serve as directors or commissioners, the wider the CSR disclosure. A significance level of 0.000 less than 0.050 indicates that family ownership has a significant positive effect on CSR disclosure. Therefore, the hypothesis stating that family ownership has a positive effect on CSR disclosure is accepted.

Adjusted R Square value of 0.647 shows that 64.7 percent of the variation in CSR disclosure can be significantly influenced by the profitability (ROE) variables (X_1), corporate governance (X_2), and family ownership (X_3), while the remaining 35.3 percent is explained by other factors .

The results of the F test can be seen in Table 3, which shows that the significance value of F is 0.000 which is smaller than $\alpha = 0.05$, this means that the model used in this study is feasible. These results provide meaning that the three independent variables are able to predict or explain the phenomenon of CSR Disclosure. This means that simultaneously profitability (X_1), corporate governance (X_2), and family ownership (X_3) have a significant effect on CSR disclosure.

From the results of the analysis, this study supports the first hypothesis, namely that profitability has a positive effect on CSR disclosure. Profitability as measured by ROE shows that the average profitability (ROE) of the company during the observation year was 7.47 percent . Although the ROE level is relatively small, it is still positive. With a positive regression coefficient (β) indicating that the relationship between profitability (ROE) and CSR disclosure is positive, meaning that the higher the profitability (ROE), the wider the CSR disclosure. The results of this study support the legitimacy theory, where companies disclose CSR to gain or maintain their legitimacy. Companies with high profitability (ROE) will be able to carry out more CSR activities. This study is consistent with previous studies conducted by (Musofwan and Widyaningsih, 2022) and (Laili, 2023). The results of this study support the second hypothesis, namely that corporate governance has a positive effect on CSR disclosure. The average corporate governance disclosure of 1.64 shows that most companies have disclosed most of the requirements specified by The Indonesia Corporate Governance Manual . With a positive β, it means that the better the company's corporate governance disclosure, the broader its CSR disclosure. The results of this study support stakeholder theory, companies operate not only to gain profit, but also to consider stakeholder interests. Companies with good corporate governance are able to encourage companies to make broader disclosures such as CSR activities. This study is consistent with previous studies conducted by (Thasya, 2020) and (Dewi and Sisyani, 2022). Likewise, the results of this study support the third hypothesis, namely that family ownership has a positive effect on CSR disclosure. Family ownership, as measured by the percentage of family members serving as directors and commissioners, shows that 24 percent of family members serve as directors and commissioners. With a positive β, it means that the more family members are involved in making company decisions, the broader the CSR disclosure. The results of this study support legitimacy theory, where family-controlled companies tend to make broad CSR disclosures. By carrying out CSR activities, it will be able to improve or maintain the company's reputation and the family's good name. This will indirectly strengthen the company's legitimacy in society. This study is consistent with previous studies conducted by (Mariani et al., 2023) and (Surono & Mayangsari, 2022).

CONCLUSION

Based on the research results, it can be concluded that if the company's ability to gain profit is high, then its corporate governance is good, and there are many family members involved in making company decisions, then the CSR disclosure carried out by the company will be wider.

Based on the results of the research that has been done, it is suggested that for further research to use different samples such as: banking, energy, or health sectors. This research is limited to examining microeconomic factors, namely, profitability, corporate governance, and family ownership. So for further research, macroeconomic factors such as inflation can be added, and different measurements can be used such as for measuring profitability using Return on Assets, Profit Margin Ratio, Return on Sales, Return on Investment or other measurements.

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