

ABSTRACT

The research aims to explore the role of financial distress as a moderating variable in the relationship between CSR and corporate financial performance. A dependent variable of this research is corporate financial performance, an independent variable of this research is CSR, and a moderating variable of this research is financial distress. There are four control variables in the form of leverage, growth, current ratio, cash ratio, and pandemic Covid-19.

The research uses secondary data from annual reports of the company that were published in Bloomberg Terminal. Using purposive sampling methods, 115 samples are taken from the manufacturing industry listed on the Indonesia Stock Exchange from 2017 until 2021. The research uses multiple regression analysis and moderated regression analysis.

The result of this study shows that financial distress has a negative effect on corporate financial performance, whereas no significant effect was found in the relationship between CSR and corporate financial performance. Furthermore, the study found that financial distress has a negative moderating effect on CSR to corporate financial performance.

Keywords: CSR, corporate financial performance, financial distress