

DOES ESG AFFECT FIRM PERFORMANCE? EVIDENCE FROM INDONESIA

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ABSTRACT

This study analyzes how Environmental, Social, and Governance (ESG) affects the value of companies listed on the Indonesia Stock Exchange (IDX). Researchers applied a purposive sampling method to select 86 companies that had a clear ESG score from Refinitiv and were listed on the IDX during the 2018–2022 period. It employs Ordinary Least Squares (OLS) for data analysis, to examine the relationships between the variables. Findings show that environmental and governance performance are negatively related to firm value, this tells that companies with high environmental and governance performance will has a higher spendings which will lower the company's value, while social performance has a positive impact when considered alongside the other ESG components. A key limitation of this study is its exclusive focus on the Indonesian market, where distinctive regulatory frameworks, ESG disclosure practices, cultural factors, and investor preferences may shape the relationship between ESG performance and firm value in ways that differ from other countries, thereby limiting the extent to which the findings can be generalized to broader global contexts.

Keywords : Firm Performance; ESG; Tobin's Q

ABSTRAK

Penelitian ini menganalisis bagaimana Environmental, Social, and Governance (ESG) memengaruhi nilai perusahaan yang terdaftar di Bursa Efek Indonesia (BEI). Peneliti menerapkan metode purposive sampling untuk memilih 86 perusahaan yang memiliki skor ESG yang jelas dari Refinitiv dan terdaftar di BEI selama periode 2018–2022. Penelitian ini menggunakan analisis Ordinary Least Squares (OLS) untuk menguji hubungan antar variabel. Temuan menunjukkan bahwa kinerja lingkungan dan tata kelola berhubungan negatif dengan nilai perusahaan, yang berarti bahwa perusahaan dengan kinerja lingkungan dan tata kelola yang tinggi cenderung memiliki pengeluaran yang lebih besar sehingga menurunkan nilai perusahaan. Sementara itu, kinerja sosial memberikan dampak positif ketika dipertimbangkan bersama komponen ESG lainnya. Keterbatasan utama dari penelitian ini adalah fokusnya yang hanya pada pasar Indonesia, di mana kerangka regulasi, praktik pengungkapan ESG, faktor budaya, dan preferensi investor yang khas dapat membentuk hubungan antara kinerja ESG dan nilai perusahaan dengan cara yang berbeda dibandingkan negara lain, sehingga membatasi sejauh mana temuan ini dapat digeneralisasikan ke konteks global yang lebih luas.

Keywords : Kinerja Perusahaan; ESG; Tobin's Q

INTRODUCTION

Environmental, Social, and Governance (ESG) factors significant and importance are dramatically increased in the corporate world recently, reshaping how businesses approach their strategies, operations, and long-term targets (Rahi et al., 2022). As people around the world become more concerned about sustainability, stakeholders are starting to expect more openness and responsibility from companies, not just in how much profit they make, but in how they

contribute to the environment, society, and the way they governed. Companies that focus on ESG tend to build a stronger reputation and earn greater trust from their stakeholders, which can translate into better business outcomes such as increased profits and stronger performance in the market (Firmansyah et al., 2023). Moreover, companies that have greater social responsibility may benefit from more motivated employees and greater customer loyalty, which will contribute to higher productivity and increased sales. (Marie et al., 2024).

People around the world are paying more attention to environmental issues as climate-related disasters become more common, and the reason behind this could be because of rising carbon emissions and environmental harm. In response, environmental reporting has become an important part of the company to compete with the others these days. (Akhter et al., 2023). Therefore, the key priority for companies to make profit while also being able to be responsible toward the society and environment is business sustainability. This idea is also known as Environmental, Social, and Governance (ESG) sustainability. This idea encourages businesses to act more ethically by reducing the activities that would harm the environment and give more contributions to society. As this issues getting more people's attention, investors and stakeholders are eagerly looking for companies that take sustainability seriously and are committed to long-term strategies that support more than just financial gains, but also businesses that help maintain the overall balance of our ecosystem (Hardiningsih et al., 2024).

Despite the growing interest in how ESG performance relates to firm performance, there is still a noticeable gap in the existing research on this topic. There are many studies that focus on the direct impact of ESG efforts on financial outcomes, often bring out the benefits of being a responsible business such as the increase in profits and it strengthen a company's reputation. However, deeper exploration is still needed to fully understand the details of this relationship. (Ho et al., 2024; Jung & Yoo, 2023; Sandberg et al., 2023). Environmental, Social and Governance (ESG) principles are becoming increasingly important, not just in developed countries but also in emerging markets like Indonesia. Even so, there is still a lack of research that looks at how each part of ESG, affects the value of companies in Indonesia individually. Most studies so far tend to treat ESG as one combined measure without exploring how each area might have a different impact. (Rahi et al., 2022)

This research study on how a company's focus on ESG affects its overall success, uses stakeholder theory. When a company genuinely cares about ESG, it earns trust and builds stronger bonds with the people who matter most to its business, like its employees, customers, investors, and the community. Those better relationships often lead to healthier financial results. (Hardiningsih et al., 2024). Stakeholder theory says that companies need to pay attention to the needs and interests of all their key groups such as investors, employees, and the wider

community to succeed in the long run. By focusing on environmental, social, and governance performance, companies can build honest and trustworthy relationships with these groups and create a more stable and sustainable future. This approach encourages businesses to prioritize their responsibility to the environment, rather than just making quick profits, which helps boost their reputation and value over time. (Primacintya & Kusuma, 2025)

This research contributes to the existing literature by addressing the gap in understanding the separate effects of the three components of ESG which is Environmental, Social, and Governance on firm performance, particularly within the context of Indonesian companies. While many studies have examined the overall impact of ESG on financial results, few have explored how each dimension on its own influences firm value. By investigating these separate effects, this study hopes to improve the understanding of how sustainable corporate governance plays a role in increasing a company's value.

Hypothesis Development

Environmental Performance and Firm Performance

Jha & Rangarajan (2020) suggest that a company's environmental efforts can have a negative impact on firm performance, based on Tobin's Q. This means that even when companies focus on enhancing their environmental performance, it will not have an immediate return for them. While these green investments might help reduce financial risks for investors, they seem to need more time to benefit the company's market performance. However, Dohrmann et al. (2024) research shows that environmental performance has a positive effect on Tobin's Q. This means that companies with higher environmental contributions will be more valued by the market. It is likely because Tobin's Q reflects what investors expect in terms of long-term benefits and growth that comes from focusing on sustainability.

Bahadori et al. (2021) explains that positive impact would occur to the company's value when it focuses on environmental issues like climate change and resource management. The more the company increases its environmental performance, the more benefits it acquires, from the improvement in reputation, to the reduction of capital. By doing this, companies build trust with their stakeholders and strengthen their financial results over the long term. Research by Candio (2024) also suggests that environmental performance has mixed effects on firm performance. While it negatively influenced accounting-based measures like EBITM and ROE, it had a strong positive effect on the market-based Tobin's Q ratio. This shows that environmental efforts may need time to benefit the company, it will not always translate into immediate financial gains.

Abdullah (2024) found that environmental performance has a slightly negative effect on firm value. This suggests that higher cost will be used for higher environmental scores, and it

will take sometimes to show its benefit for the company, which will make investors less confident in the short term, even though these efforts could pay off in the long run. Ari et al. (2024) research also found that environmental performance can have a negative effect on a company performance. In other words, when companies decide to be more environmentally responsible by reducing emissions or using sustainable practices, it will lead to the lower of short-term profits because of the higher cost emerge. This is especially true in a developing economy where businesses must use its few resources to face tough competition. However, companies can lessen these negative effects by efficiently utilizing their intellectual capital. Based on the results found in the studies above, we propose our first hypothesis as follows:

H₁. Environmental performance negatively affects firm performance

Social Performance and Firm Performance

Oduro et al. (2024) found that social performance demonstrates a significant positive effect on firm performance, particularly in financial aspects. The findings show that companies will have better financial performance when they have strong social responsibility practices, this is likely because such initiatives enhance stakeholder trust and support. This supports the view that social responsibility is not only ethically important but also beneficial to a company's financial success. Like previous studies, Escamilla-Solano et al. (2024) research suggests that the study finds a direct positive relationship between the social dimension of CSR (SOC) and firm performance (FP), confirming that socially responsible actions contribute to improved business outcomes.

Bahadori et al. (2021) also state the positive impact of social performance on firm performance. Companies that support worker rights, safety, and community welfare see better employee satisfaction and customer loyalty. In emerging markets, these efforts strengthen a firm's reputation and competitiveness, contributing to improved financial outcomes. Like previous studies, Yahya (2023) research found that firms that demonstrated strong social responsibility during the COVID-19 lockdown experienced improved performance. Their support for employees and communities increased their social ESG scores, highlighting greater sustainability. This indicates that social efforts can strengthen a firm's resilience and positively influence its performance during challenging times. Therefore, this leads to the following hypothesis:

H₂. Social performance positively affects firm performance

Governance Performance and Firm Performance

Candio (2024) study shows that governance performance demonstrated a more consistent and positive relationship with financial performance. Among European healthcare firms, higher governance scores were generally linked to better financial outcomes, though not

for ROE and PER. This indicates that strong governance practices can enhance investor confidence and overall firm stability. Seok et al. (2024) study shows that Governance has a significant positive impact on firm performance. Transparent and ethical governance fosters stakeholder trust and enhances a company's reputation. It encourages employee engagement and supports efficient operations, which are key to maintaining competitiveness. Additionally, strong governance structures help firms manage risks more effectively and make better strategic decisions, ultimately improving overall performance.

However, according to Chininga et al. (2024) that governance performance has a mixed impact on firm performance. On the other hand, strong governance practices and clear disclosures can help reduce borrowing costs. On the other hand, efforts to improve social and governance standards do not always boost market value right away, as shown by the negative link with Tobin's Q. This suggests that while good governance can make financing cheaper, its full benefits on overall performance may take time to show. Mohammad & Wasiuzzaman (2021) also found that good governance does not always lead to better financial results. It shows that more detailed governance disclosures can lower measures like return on equity. This might happen when companies use resources inefficiently or invest too much in governance activities that do not bring clear financial benefits. The findings suggest that if governance efforts are not well aligned with a company's overall goals, they might hurt profitability instead of helping it. Therefore, we propose our last hypothesis as follows:

H₃. Governance performance negatively affects firm performance

Variable Controls

In empirical corporate finance and sustainability research, firm size and firm age are widely employed as control variables because both characteristics influence a firm's risk-taking capacity, reporting practices, and financial outcomes. Firm size reflects the scale of a company's operations and resource availability. Larger firms generally have better access to capital markets, stronger bargaining power, and more structured governance systems (Dang et al., 2018). They are also more visible to stakeholders and under greater public scrutiny, which may affect their disclosure practices and ESG performance (Velte, 2020). Company size can serve as a proxy for a firm's financial characteristics. Larger, well-established firms typically have easier access to capital markets compared to smaller companies, providing them with greater financial flexibility (Windi Ar et al., 2025). Firm age represents the maturity of an organization. Older firms are typically more experienced, stable, and better equipped with established networks and reputation advantages (Mallingu et al., 2020). They may also have accumulated resources that enable stronger ESG adoption (Yustin & Suhendah, 2023). Accordingly, both firm size and firm age are included in this study as control variables to ensure that the observed relationships

between risk-taking, ESG, and firm performance are not biased by firm-specific structural characteristics.

Board size and leverage are both commonly used in prior ESG performances studies, because both factors independently influence firm performance and could otherwise bias the estimated effect of ESG disclosure. Board size indicates how many directors are involved in supervising and guiding the company. A larger board can offer diverse perspectives and stronger oversight, while a smaller board may facilitate quicker decision-making; both dynamics influence how effectively a firm operates and reports its activities. Governance structure also plays a role in shaping a company's approach to ESG disclosure and stakeholder engagement. Leverage, on the other hand, reflects the extent to which a firm relies on debt financing. Companies with higher debt levels face greater financial pressure and may be more cautious in their investment and disclosure decisions, which can influence profitability and market perception (Firmansyah et al., 2023).

Board gender diversity represents a key element of corporate governance that may influence how firms approach sustainability and financial decision-making. Prior research cited in the article indicates that female directors often bring different perspectives, stronger ethical sensitivity, and a greater focus on stakeholder welfare, which can enhance the quality of monitoring and promote more responsible corporate behavior. These characteristics are closely linked to transparency and long-term strategic orientation, both of which are important for effective ESG implementation. Firms with higher female representation on the board may therefore exhibit different ESG practices and financial outcomes compared to firms with male-dominated boards (Primacintya & Kusuma, 2025). Because board gender composition can independently shape a firm's sustainability efforts, risk preferences, and disclosure quality, it is necessary to include gender diversity as a control variable to isolate the true effect of ESG performance on firm performance and avoid bias arising from differences in governance structures.

RESEARCH METHODS

Method is a method of work that can be used to obtain something. While the research method can be interpreted as a work procedure in the research process, both in searching for data or disclosing existing phenomena (Zulkarnaen, W., et al., 2020). This study focuses on 86 companies listed on the Indonesia Stock Exchange (IDX) that have complete and accessible ESG scores from Refinitiv database from 2018 to 2022. These companies were chosen using purposive sampling to make sure the data used is both reliable and detailed. The selection of samples is based on the criterion that the company had Environmental, Social, and Governance (ESG) score based on Refinitiv, publishes an annual report and a sustainability report that

contain complete financial data required in this study. Environmental (ENV), Social (SOC), and Governance (GOV) are analyzed separately. This approach allows each pillar of ESG to be examined independently without being combined into a single aggregate index, enabling a more specific assessment of the effect of each dimension on the dependent variable.

The goal of this study is to understand how ESG performance relates to firm performance, using Tobin's Q as the main indicator. Several previous studies, such as Ho et al. (2024) and Boulhaga et al. (2023) have also used Tobin's Q as a performance measure, making it a relevant and widely accepted indicator for assessing market-based firm value. The measurement of Tobin's Q in this study uses the year-end market value to maintain consistency between the measurement period and the annual reports. However, Tobin's Q has potential limitations, such as Tobin's Q may be less accurate for firms in sectors with low asset intensity or those with significant intangible assets, as the book value may not fully capture the firm's economic value. These limitations are acknowledged when interpreting the results of this study.

This study also includes several control variables like firm size, firm age, board size, leverage, and gender. These factors are considered to better isolate the effect of ESG performance on firm performance. By including them, the study can give a clearer and more accurate picture, making sure the results reflect the true impact of ESG and not just the influence of other important elements. This study relies entirely on secondary data obtained from publicly available sources, including annual reports, sustainability reports, and legally accessible databases. All data used in the analysis is already in the public domain; therefore, the research does not involve human subjects or the collection of personal or sensitive information.

This study uses Ordinary Least Squares (OLS) regression to analyze the relationship between variables. The OLS method is suitable for use in this study because it can produce unbiased and efficient estimates if the conditions of normality, homoscedasticity, and absence of multicollinearity are met. The OLS method is used to assess the direct impact of ESG dimension on Tobin's Q (Wooldridge, 2015). Therefore, based on figure 1, the regression equation for this study is:

$$TOBIN_i = \beta_0 + \beta_1 \cdot ENV_i + \beta_2 \cdot SOC_i + \beta_3 \cdot GOV_i + \beta_4 \cdot SIZE_i + \beta_5 \cdot AGE_i + \beta_6 \cdot LEV_i + \beta_7 \cdot BSIZE_i + \beta_8 \cdot GEN_i + \varepsilon_i$$

RESULTS AND DISCUSSION

Table 2. shows the descriptive statistics, where Tobin's Q (TOBIN) has an average of 3.02, with values ranging from 0.28 to 220.81, this shows that while most firms are valued higher than their asset cost, some are extremely overvalued, likely due to market perception or firm-specific factors. The Environmental (ENV) score averages 38.33, suggesting that many firms are still in the early stages of implementing environmental initiatives, as reflected by the

wide range from 0 to 89.2. The Social (SOC) score is slightly higher, with an average of 53.69 and a range between 5.14 and 95.88, showing that social responsibility practices are more commonly adopted, though still vary widely. The Governance (GOV) score has an average of 50.08, ranging from 2.98 to 94.01, indicating that corporate governance quality differs greatly among firms, with some having strong structures and others still needing improvement.

The Pearson Correlation test provides insight into the relationships between Tobin's Q, ESG dimensions, and various firm-specific characteristics. The analysis reveals that Tobin's Q is negatively and significantly correlated with governance scores, firm size, and board size. This suggests that firms with stronger governance practices, larger size, and bigger boards may be associated with lower market valuation. The environmental and social scores, however, show no significant relationship with TOBIN's Q, indicating that these ESG dimensions might not directly influence firm value in a linear manner. The three ESG dimensions (ENV, SOC, and GOV) do not exhibit excessively high correlations and therefore do not cause multicollinearity (Hair et al., 2017). Accordingly, using the ESG dimensions separately in the regression model does not compromise the validity of the estimates. Additionally, leverage and gender diversity show no significant correlation with performance. Firm size is also positively related to age, leverage, and board size, showing that larger firms tend to be older, more leveraged, and have bigger boards. Interestingly, gender diversity is negatively correlated with board size, implying that larger boards may be less gender diverse.

Table 4 shows the results of regression analysis that examine the relationship between Tobin's Q and each component of the ESG performance, alongside firm-level and board-level characteristics. The findings provide evidence in support of Hypothesis 1 (H_1), which posits that environmental performance negatively affects firm performance. Specifically, the environmental factor (ENV) demonstrates a negative and statistically significant relationship with Tobin's Q in Models (1) and (4), with coefficients of -0.054 and -0.087, respectively. This suggests that firms with stronger environmental performance may have lower market valuations, possibly because investors perceive the costs associated with environmental initiatives as burdensome or view them as risk factors rather than value-enhancing strategies.

Regarding Hypothesis 2 (H_2), which suggests a positive relationship between social performance and firm value, the results are mixed. While social performance (SOC) is not consistently significant across all models, it shows a positive and statistically significant relationship in Model (4), with a coefficient of 0.120. This indicates that SOC can have a significant impact when considered alongside ENV and GOV variables. This finding supports H_2 and implies that firms with higher social responsibility may benefit from enhanced market

valuations, potentially due to improved customer loyalty, employee satisfaction, or brand reputation.

Hypothesis 3 (H₃), which proposes that governance performance negatively affects firm value, is also supported by the data. Governance performance (GOV) shows a negative and statistically significant relationship with Tobin's Q in Models (3) and (4), with coefficients of -0.069 and -0.094, respectively. This could indicate that stronger governance mechanisms are associated with lower firm valuations, possibly due to increased compliance costs, reduced managerial flexibility, or conservative decision-making structures. This result matches the study of Mohammad & Wasiuzzaman (2021) which says that companies will have a lower benefit if it invests too much into governance performance that do not bring return immediately.

At the firm level, size (SIZE) shows a significantly negative relationship with Tobin's Q, it refers to larger firms tend to have lower market valuations—possibly due to operational inefficiencies or limited growth prospects. Leverage (LEV), on the other hand, is significantly positive associated with firm value, potentially reflecting tax advantages or investor confidence in leveraged growth. Firm age (AGE) has no significant impact across models. At the board level, neither board size (BSIZE) nor gender diversity (GEN) significantly affects firm value, indicating that these governance attributes may not play a central role in market valuation in this context.

CONCLUSION

This study focuses how ESG performance affects company value, especially in the context of Indonesian firms. The results show that the impact of ESG is not the same across all components. Environmental performance tends to lower firm value, likely because sustainability efforts can be costly and the benefits are not always seen right away. On the other hand, social performance has a clear positive impact, as being socially responsible can boost a company's reputation, build customer loyalty, and improve how the market sees the business. However, similar to environmental performance, governance performance shows a negative link to firm value, which may be due to the high costs of maintaining strong governance systems that do not always deliver quick financial returns.

These findings offer useful insights for business leaders, especially in emerging markets like Indonesia. Companies should approach ESG efforts with a clear strategy that balances long-term goals with short-term financial realities. Environmental initiatives are important for sustainability, but they need to be managed carefully to avoid high costs that might affect how the market views the company. However, social efforts such as community involvement, employee well-being, and engaging with stakeholders appear to bring real financial benefits and should be integrated into everyday business operations. Governance systems are essential for

accountability and managing risks, but they should be flexible enough to avoid becoming too rigid or costly, which could limit a company's ability to adapt and stay competitive.

This study has a couple of limitations to consider when looking at the results. First, it relies on data from just one point in time, which makes it hard to see how ESG performance might affect firm value in the long run or how the relationship could shift over time. Second, it does not consider outside factors like broader economic conditions or industry differences. These elements could also influence how a company performs and might affect how strong or in what direction the connection between ESG and firm value is.

Future studies could explore more deeply how ESG factors influence firm value by using long-term data or experimental methods that capture changes over time. Looking at specific sectors might also offer more detailed insights, especially since different industries respond to ESG issues in different ways. It would also be valuable to understand how things like stakeholder opinions, investor confidence, and cultural background shape the link between ESG efforts and company performance. These factors could help explain why the impact of ESG varies in different situations, especially in emerging markets. In the end, this study highlights that the connection between ESG and financial results is complex, and companies need to handle these areas thoughtfully to support long-term growth and shareholder value.

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GAMBAR, GRAFIK DAN TABEL

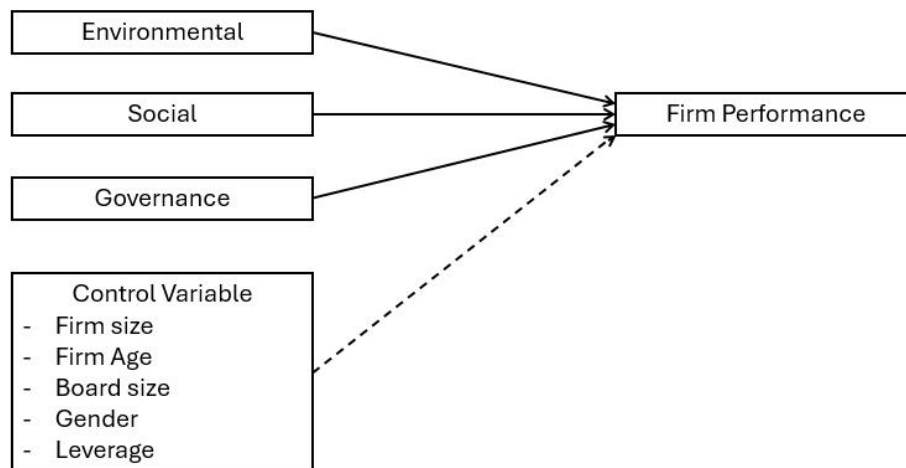


Figure 1. Framework Model
Source: Figure by authors

Table 1. Variable Measurement

Variables	Measurement	Definition	References
Firm's Performance	Tobin's Q	$((\text{Share price} * \text{Share outstanding}) + \text{Total liability}) / \text{Total asset}$	(Boulhaga et al., 2023; Ho et al., 2024; Marie et al., 2024)
ESG	Environmental	Assessment score for the environmental practices of a firm	(Mohammad & Wasiuzzaman, 2021; Rahi et al., 2022)
	Social	Assessment score for the social practices of a firm	(Mohammad & Wasiuzzaman, 2021; Rahi et al., 2022)
	Governance	Assessment score for the governance practices of a firm	(Mohammad & Wasiuzzaman, 2021; Rahi et al., 2022)
Control Variables	Firm Size	Scale of the firm measured using natural Log (Ln) of total assets	(Handoyo & Anas, 2024; Jung & Yoo, 2023; Shahzad et al., 2021)

Variables	Measurement	Definition	References
	Firm Age	Number of years of incorporation	(Boulhaga et al., 2023; Marie et al., 2024)
	Board Size	The number of members on board of directors (BOD)	(Firmansyah et al., 2023; Shahzad et al., 2021)
	Leverage	Ratio of total debt divided by total asset	(Jung & Yoo, 2023; Mohammad & Wasiuzzaman, 2021; Sandberg et al., 2023)
	Gender	Gender of firm's director Coded '1' if female; otherwise, coded '0'	(Primacintya & Kusuma, 2025; Tania & Hesniati, 2022)

Table 2. Descriptive Statistics

Variable	Obs	Mean	Std. dev.	Min	Max
TOBIN	296	3.016159	13.32087	.2791041	220.8104
ENV	296	38.33277	24.086	0	89.2
SOC	296	53.68797	22.4836	5.14	95.88
GOV	296	50.08142	23.20116	2.98	94.01
SIZE	296	31.47276	1.550863	26.68655	35.22819
AGE	296	49.71622	25.269	3	148
BSIZE	296	6.293919	2.651146	2	21
LEV	296	.5367909	.4671659	.0504088	7.451626
GEN	296	.1946772	.2570802	0	1

Table 3. Pearson Correlation

	TOBIN	ENV	SOC	GOV	SIZE	AGE	BSIZE	LEV	GEN
TOBIN	1.000								
ENV	-0.095 (0.104)	1.000							
SOC	0.010 (0.866)	0.698*** (0.000)	1.000						
GOV	-0.116** (0.047)	0.500*** (0.000)	0.603*** (0.000)	1.000					
SIZE	-0.149** (0.010)	0.032 (0.582)	-0.031 (0.601)	0.035 (0.548)	1.000				
AGE	-0.071 (0.225)	-0.073 (0.212)	-0.108* (0.063)	-0.108* (0.063)	0.260*** (0.000)	1.000			
BSIZE	-0.107* (0.065)	-0.051 (0.380)	-0.076 (0.189)	0.033 (0.575)	0.536*** (0.000)	0.229*** (0.000)	1.000		
LEV	0.047 (0.416)	0.033 (0.567)	0.020 (0.736)	0.044 (0.451)	0.303*** (0.000)	0.033 (0.573)	0.150*** (0.010)	1.000	
GEN	-0.019 (0.749)	0.020 (0.735)	-0.073 (0.212)	-0.068 (0.245)	-0.098* (0.093)	0.049 (0.403)	-0.287*** (0.000)	-0.002 (0.972)	1.000

p-values in parentheses

* p < 0.1, ** p < 0.05, *** p < 0.01

Table 4. Regression Analysis

(1) TOBIN	(2) TOBIN	(3) TOBIN	(4) TOBIN
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ENV	-0.054* (-1.69)			-0.087* (-1.94)
SOC		-0.004 (-0.11)		0.120** (2.30)
GOV			-0.069** (-2.09)	-0.094** (-2.26)
Firm level:				
SIZE	-1.232** (-1.99)	-1.307** (-2.11)	-1.265** (-2.06)	-1.178* (-1.92)
AGE	-0.015 (-0.47)	-0.011 (-0.35)	-0.019 (-0.59)	-0.019 (-0.58)
LEV	2.955* (1.71)	2.902* (1.68)	3.009* (1.75)	2.974* (1.74)
Board level:				
BSIZE	-0.289 (-0.80)	-0.251 (-0.69)	-0.237 (-0.66)	-0.192 (-0.54)
GEN	-2.364 (-0.75)	-2.440 (-0.77)	-2.738 (-0.87)	-1.781 (-0.57)
_cons	45.296** (2.52)	45.414** (2.50)	47.649*** (2.65)	42.584** (2.37)
r2	0.045	0.035	0.050	0.068
r2_a	0.025	0.015	0.030	0.043
N	296	296	296	296

t statistics in parentheses
* p < 0.1, ** p < 0.05, *** p < 0.01