

ABSTRACT

This study aims to analyze the effect of Environmental, Social, and Governance (ESG) disclosure on corporate profitability and the role of ownership structure as a moderating variable in the relationship. ESG disclosure is hypothesized to enhance profitability by strengthening stakeholder trust, improving corporate reputation, and promoting operational efficiency. Ownership structure, consisting of managerial and institutional ownership, is expected to strengthen this relationship, as firms with structured ownership tend to have better oversight and a stronger long-term interest in company performance.

The study uses a sample of non-financial companies listed on the Indonesia Stock Exchange (BEI) during the 2020–2023 period. The sample was selected using a purposive sampling method, resulting in a total of 189 firm-year observations. Data analysis was performed using multiple linear regression and moderation interaction analysis.

The results indicate that ESG disclosure, both simultaneously and partially, does not have a significant effect on ROA. Institutional ownership weakens the relationship between total ESG and profitability, whereas managerial ownership is unable to moderate the relationship between total ESG and ROA. In addition, neither institutional ownership nor managerial ownership can moderate the relationship between ESG dimensions and ROA. These findings suggest that the role of ownership structure as a moderating variable does not fully support stakeholder theory and agency theory.

Keywords: ESG, Profitability, Managerial Ownership, Institutional Ownership, Return on Assets, Stakeholder Theory, Agency Theory

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