DIPONEGORO JOURNAL OF ACCOUNTING *Volume 13, Nomor 4, Tahun 2024, Halaman 1-15*
http://ejournal-s1.undip.ac.id/index.php/accounting *ISSN (Online): 2337-3806*

The Impact of Environmental Social Governance Disclosure, Capital Structure, Profitability, and Company Size to The Company Value (empirical study of LQ45 company sector listed on the indonesia stock exchange 2018- 2022 period)

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ABSTRACT

This study aims to the impact of environmental social governance disclosure, capital structure, profitability, and company size to the company value (empirical study of lq45 company sector listed on the indonesian stock exchange 2018- 2022). Variables used in the examination are environmental social governance disclosure, capital structure, profitability, and company size as independent variable, Company value as dependent variable.

Research population is LQ45 companies listed on Indonesia Stock Exchange (IDX) in 2018-2022. The sampling techniques used purposive sampling and resulting 169 samples. Hypothesis testing was carried out using multiple regression analysis.

The result of this study shows that environmental social governance disclosure, profitability, and company size has a significant positive effect on company value. However, the other hypothesis capital structure does not have significant on company value.

Keywords: Environmental Social Governance Disclosure (ESGD), Capital Structure, Profitability, Company Size, Company Value

INTRODUCTION

Economic developments connected to information and communication technology have provided opportunities and convenience for companies to improve and develop their businesses. Every company must be able to adapt to economic developments as well as the business world, which must be able to produce company value that can be seen favorably by stakeholders. Indonesia has entered the era of Industrial Revolution 4.0 which is marked by increased connectivity, interaction, and boundaries between humans, machines and communication technology. This era certainly has an impact on various aspects, including aspects of economic development. The impact of this will affect the increase in a country's economy and national income. Seeing the importance of Company value and the many influencing factors including the following: Envorimental, social, and governance capital structure, profitability, and company size.

These economic developments will of course have an impact on company businesses, which will cause competition between companies to achieve their goals so that companies will be deemed necessary to develop their strategies less competitive with other companies (Santiani, 2018). The concept of company value is certainly inseparable from the concept of the company itself. Concepts about companies and company values has developed over time. In the traditional approach or concept, the concept of a company still refers to shareholders.

In an effort to increase company value, it is deemed necessary for companies to be able to formulate effective and efficient strategies, including in their ESG activities. The high value of a company can also illustrate public trust in the company. High company value can indicate the welfare of the company owner. On the one hand, shareholders will pay attention and assess ESG activities. Also will disclosures by companies because shareholders also pay attention to the sustainability of the companies they own (Eccles & Klimenko, 2019).

The term ESG is associated with the UN (United Nations) Global Compact report in 2004 on ESG investments. Companies involved in ESG issues can increase shareholder value. The example is by managing their risks properly, anticipating regulations, or accessing new markets

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while contributing to the company operates. According to Melinda & Wardhani (2020), good company ESG performance will have an impact on increasing the value of a company.

The ESG concept is increasingly popular and important in various countries due to the increasing issue of global warming. This implies forces companies to pay attention to their environmental and social responsibilities, and this is also the case in Indonesia. In Indonesia, the government through the Financial Services Authority as the regulator, issued Financial Services Authority Regulation Number 51/POJK.03/2017. The regulation concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies. In article 1 of the regulation stated that sustainable financial products and services are financial products. Also stated services that integrate economic, social and environmental aspects, as well as governance in their features. In article 10 it is stated that Financial Services Institutions, Issuers, and Public Companies are required to prepare a Sustainability Report. This report must be submitted to the Financial Services Authority every year no later than the deadline for submitting annual reports that applies to each Financial Services Institution (LJK), Issuers and Public Companies (Financial Services Authority, 2017).

The Indonesian Stock Exchange (IDX) has launched a new index, namely IDX ESG (Environmental, Social, Governance) Leaders in 2020. The addition of this index is an effort to support sustainable investment in the Indonesian capital market. IDX announced shares that have good ESG values through Exchange Announcement No. Peng-00363/BEI.POP/12-2020. In this index, IDX collaborates with Sustainalytics to assess companies' ESG performance, and the shares with the best assessment will be included in the ESG index. This ESG index will allow investors to play a leading role in encouraging companies to increase the transparency and disclosure of their reporting (Pasha, 2020).

Indonesia itself is still lagging behind in paying attention to environmental aspects, social responsibility and good governance in running a business. Based on the Corporate Knights ranking, the ESG of the Indonesian capital market was ranked 36th out of 46 capital markets in the world in 2019. This position makes Indonesia rank in ESG below other ASEAN countries such as the Philippines, Singapore, Malaysia and Thailand (Alfaruq , 2021).

The next factor that is thought to influence company value is capital structure. According to some studies of capital structure theory such as Durand’s (1952), the cost of debt is often “cheaper” than the cost of equity. As a result, business tends to use more debt to increase the value of the business. In addition, the theory by Modigliani and Miller (1958) and Modigliani and Miller (1963) also showed that debt ratio has a positive relationship with enterprise value. Overuse of financial leverage, however, will cause financial distress and reduce the value of the business, even leading to bankruptcy (Hung ngoc el at, 2019).

For creditors the company value reflects the company's ability to pay its debts so that creditors do not need to worry about providing loans to the company. This was important for knowed the factors that can influence the value of a company (Mudjijah et al., 2019). Composition of funding between equity (own funding) and debt in the company is what called capital structure. Company funding decisions are one aspect that influences creating value for the company. Therefore, it is important for companies to create appropriate funding policies. The indicator used to determine the size of the capital structure used by a company uses the debt to equity ratio (Hermawan, 2017)

Another factor that is thought to influence company value is profitability. Profitability is the company's ability to earn profits in relation to sales, total assets and own capital. Investors remain interested in company profitability because profitability is perhaps the single best indicator of a company's financial health (Mudjijah ,2019)

Profitability is a ratio that can represent a company's financial condition, where if a company's financial condition improves, it can be said that the company's performance is improving so that it will increase the returns obtained by investors (Palupi, 2018).

The next factor that is thought company size. Company size is the number of assets owned by the company, large assets owned by the company must be used optimally, so that it affects the value of the company which results in a high share price compared to its book value and vice versa if large assets are not used optimally then the value of the company will decrease or the stock price will be low compared to its book value.

Company size includes its size a company shown by assets, total sales, average total sales and average total assets. The size of the company will also influence the company's ease of obtaining funds from the capital market, and will influence the company's strength in carrying out the process bargaining in financial contracts between companies.

THEORETICAL FRAMEWORK AND HYPOTHESIS FORMULATION

This section explains the theory used in research, the framework that describes the relationship between research variables, and the development of research hypotheses.

Stakeholder Theory

Stakeholder theory explains that a company is not an company that only operates for its own interests, but must provide benefits to its stakeholders such as shareholders, creditors, consumers, suppliers, government, society, analysts and other parties (Ghozali, 2020). Stakeholder theory is an approach that focuses on the relationship between a company and all parties related to the company's business domain (Abdi et al., 2021). Stakeholder theory also states that companies have a responsibility towards their stakeholders (Qureshi et al., 2019). This implies that the existence of a company is greatly influenced by the support provided by stakeholders to the company.

Another stakeholder theory view is that all stakeholders have their respective rights to their assets in the company. workers contribute their human resources, customers, and suppliers also contribute to the company have the right to claim a portion of the company's income. Lonkani (2018) stated that stakeholder theory has the following perceptions, where these perceptions are very important for understanding how company and stakeholder values are interrelated:

1. All stakeholders have the right to participate in company decisions that have an impact on them
2. Company managers have a fiduciary duty to serve the interests of all stakeholder groups
3. The company's goal should be to promote all interests and not just the interests of shareholders

The definition of stakeholder itself has changed. Shareholders were considered the only stakeholders of the company which was based on Friedman's view in 1962. However, as time progressed Freeman in 1983 disagreed with this view and expanded the scope of stakeholders to include different constituents including adversarial group that are not considered beneficial to the company (Ghozali, 2020). According to Freeman (2010) stakeholders are defined as consisting of employees, customers and suppliers, shareholders, government, environmental observers, and other groups or individuals who are affected by a company.

Signaling Theory

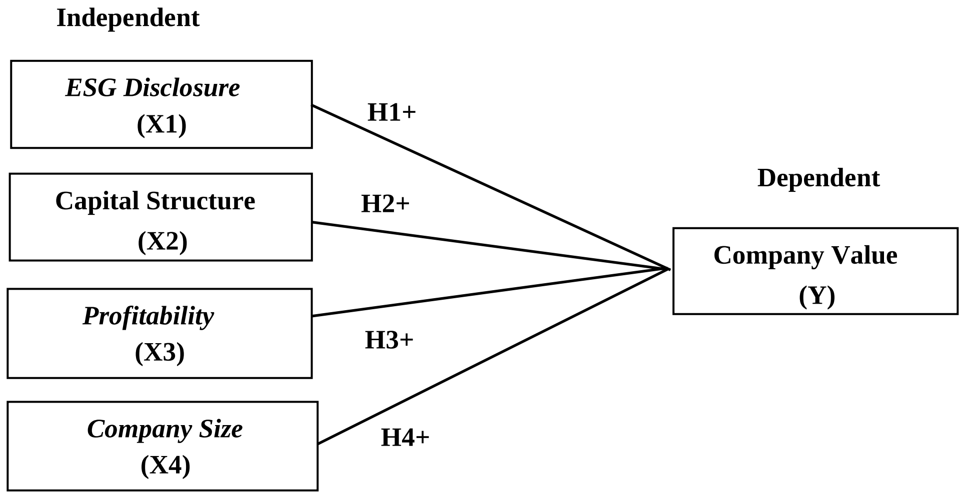
Signaling theory is to clarify information asymmetry in the labor market (Spence, 1973). . It suggests that asymmetric information problems can be minimized if the parties signal information to each other. It has also been used to explain the disclosure of information on the company’s report (Ross, 1977)

Signaling theory presents certain observations made by company managers that provide investors with insight into how managers manage the company's performance. The signaling hypothesis is closely related to information dissemination. In this case, if the company's profit margin increases, it will be able to use its assets more productively and generate larger profits. According to the theory of signal, this will be a positive signal from management that is used to provide an illustration of the life cycle of a business based on a stable profit margin that will gradually increase the business's value as evidenced by a steadily rising stock price.

Theoretical Framework

Framework thinking explains the flow of thinking and relationships that show the relationship between one variable and other variables in this research.

Figure 1
Theoretical Framework



Research Hypothesis

The Effect of ESG Disclosure on Company Value

The company will make a disclosure that will encourage support from stakeholders. Disclosure of environmental, social and governance aspects by a company is a dialogue relationship between the company and the stakeholders involved. Companies can also use disclosure of social, environmental and governance aspects to gain strong Signaling in the eyes of the public. The Signaling of the company is very important because the company has a relationship with the community when carrying out its operational activities.

Previous research conducted by Bashatweh et al (2023) produced a significant positive relationship between ESG disclosure and company value. Similar results were also shown by research by Abdi et al (2021), research by Melinda & Wardhani (2020), Qureshi et al (2019), Handayati et al (2022), Fuadah et al (2022), and Yip & Lee (2018) which shows that there is a significant and positive relationship between ESG disclosure and company value. Based on these arguments, the researcher put forward the following hypothesis:

H1: ESG disclosure has a positive effect on company value

The Effect of Capital Structure on Company Value

Debt for companies can help to control excessive and discretionary use of cash funds by management. An increase in this can in turn help to increase the value of the company which can be seen from the increase in share prices. The optimal capital structure is a capital structure that can increase the value of the company. The statement means if the company is able to balance the benefits of using debt with bankruptcy & agency costs, then every additional debt will increase the value of the company. Previous research shows that capital structure has a significant effect on company value, as shown by research conducted by Hendra Sintyana and Sri Artini (2019), Dang, Van Thi, Xuan Thanh Ngo and Ha Thi Viet Hoang (2019). Based on these arguments, the researcher put forward the following hypothesis:

H2: Capital Structure has a positive effect on company value.

The Effect of Profitability on Company Value

Businesses with high profitability ratios will demonstrate that their employees have good work ethics and will generate profits, which will make investors want to put money into the company in question. This will implies the company's profitability threshold will negatively impact its value. The above statement is consistent with research conducted by Dwiasuti & Dillak (2019) states that profitability has a positive impact on organization's net worth. This is related to Nursariyanti & Adi's (2021) found that profitability had a positive impact on the company's net

worth. High profits indicate that the company's prospects are good that can trigger investors to increase demand for shares. Rising demand for shares causes company value to increase. The greater the dividend paid by the company, the greater the impact on the company value. Previous research shows that company size has a significant effect on company value, as shown by research conducted by Hendra Sintyana and Sri Artini (2019) Mesra Berlyn Hakim and Hwihanus (2023) Wibowo and Suryadari (2023) Dang, Van Thi, Xuan Thanh Ngo and Ha Thi Viet Hoang (2019). Based on these arguments, the researcher put forward the following hypothesis:
H3: Profitability has a positive effect on company value

The Effect of Company Size on Company Value

Firm size explains how effective a firm in using working capital that comes from the firm assets in order to achieve maximum firm value. By having a large resources, the firm can carry out the desired investment activities with the aim of expanding market share, so that the firm profits will increase. Previous research shows that company size has a significant effect on company value, as shown by research conducted by Hendra Sintyana and Sri Artini (2019) Mesra Berlyn Hakim and Hwihanus (2023) Wibowo and Suryadari (2023) Dang, Van Thi, Xuan Thanh Ngo and Ha Thi Viet Hoang (2019). Based on these arguments, the researcher put forward the following hypothesis:
H4: Company size has a positive effect on company value

RESEARCH METHODS

This section explains the research population and sample, the variables used and their measurements, and the research model.

Population and Sample

The population used in this research is LQ45 companies listed on the Indonesia Stock Exchange in the 2018-2022 period. Sampling was chosen using a purposive sampling method based on previously determined criteria. The criteria used in taking research samples are:

1. LQ45 companies that have been listed for 5 consecutive years on the Indonesia Stock Exchange (IDX) for the 2018-2022 period.
2. Companies that publish complete annual and financial reports for the 2018-2022 period.
3. LQ45 companies that have complete information and data according to research variables for the 2018-2022 period.
4. LQ45 companies that use financial reports in rupiah during the 2018-2022 period.

Variables and Operational Definitions

This research was conducted to examine the effect of ESG disclosure, Capital Structure, and Profitability on company value. Each variable is proxied by the ESG Disclosure (ESGD), Debt to Equity ratio, Return on asset, Total Asset and Market-to-Book Ratio (M/B ratio). Explanations and operational definitions of each of these variables are as follows:

Tabel 1
Variables and Operational Definitions

Variable	Symbol	Operational Definitions
Independent Variable		
Company Value	CVAL	Proxied by the Market-to-Book Ratio (M/B ratio). The M/B ratio computation is the Market capitalization divided the book value per share.
Dependent Variable		
Environmental, social, governance disclosure	ESGD	Percentage of ESGD is measurement in the form of a score issued by Bloomberg, the ESG score is in the range 0-100.
Capital Structure	DER	Percentage of capital structure is proxied by the Debt to Equity ratio. The computation is Total debt divided by total Equity

Profitability	ROA	Percentage of profitability is proxied by the *Return on Assets*
Company size	SIZE	Percentage of company size is proxied by total asset that become Natural Logarithm.

Research Model

This study utilizes quantitative methodology for testing purposes. To facilitate the testing process, researchers used the SPSS Statistics 26 for Windows application. The analytical approach applied is multiple linear regression, starting with an initial classical assumption test and followed by descriptive statistical analysis. The multiple linear regression testing equation, namely:

$$\mathbf{Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + e}$$

Information:

Y	= The value of the company
α	= Constant
β1, β2, β3, β4	= Regression direction coefficient
X1	= ESG disclosure
X2	= Capital Structure
X3	= Return on asset
X4	= Company Size
E	= Residual Score

RESULT AND ANALYSIS

The research results and discussion section contains an explanation of sample selection and findings which include descriptive statistical analysis, normality tests, and quantitative descriptive results.

Description of Research Objects

This research used a 45 companies sample of LQ45 companies listed on the IDX from 2018 to 2022. Of this number, 37 companies met the criteria and were taken as research samples. The sample selection steps carried out in this research are as follows:

Table 2
Sample Criteria

Sample Criteria	**Jumlah**
LQ45 companies registered in Indonesian Stock Exchange for the 2018-2022 period	45
LQ45 companies that haven’t complete information and data according to research variables during the period 2018-2022	(5)
LQ45 companies that haven’t publish annual and financial reports sequentially from 2018-2022	(3)
Total companies that meet the criteria	37
Number of Company sampled (37 x 5)	185
Data sample outliers	(18)
Total sample after outliers	**167**

Descriptive Statistical Analysis

In table 3 dependent variable Company Value (CVAL) is proxied through the M/B ratio value which is measured by Market capitalization divided by Book Value per Share. The Market to Book ratio has a mean value of 24.68 with a max value of 27.61 at PT Unilever Indonesia TBK (UNVR) in 2019 and a min value of 21.65 at PT Indo Tambangraya TBK (ITMG) in 2020. Value The standard deviation for the Market to Book ratio is 1.27. It is known that the mean value is higher than the standard deviation value so it is possible that the data distribution is normal.

Table 3
Descriptive Statistics

	N	Min	Max	Mean	Std. Deviation
CVAL	167	21.65	27.61	24.68	1.27
ESGD	167	19.00	73.87	46.44	11.95
CAPI	167	0.06	389.53	57.53	67.82
PROF	167	-12.56	55.73	7.17	9.28
SIZE	167	27.22	35.23	31.83	1.49
Valid N (listwise)	167				

Source: Secondary data with SPSS processing, 2024

ESG disclosure in the company as an independent variable (ESGD) is proxied by the ESG disclosure on score by a scale of 0-100. The ESG disclosure in this study has a mean value of 46.44 with a max value of 73.87 and a min value of 19.00. The standard deviation value for the ESG disclosure variable is 11.95. It is known that the standard deviation value is lower than the mean value, so this indicates that the data distribution is likely normal.

Capital Structure as a second independent variable (CAPI) obtained from Debt to Equity ratio which formulated total debt divided by the total Equity of the company and multiplied by 100. Capital Structure has a mean value of 57.53 with a maximum value of 389.53 and the minimum value is 0.06. The standard deviation value for the Capital Structure variable is 67.92. It is known that the standard deviation value is higher than the mean value, so this indicates that the data spread is greater for the Capital Structure variable in the research sample.

Profitability is used as the third independent variable (PROF), obtained from Return on asset which formulated net income divided by the total revenue of the company. Return on asset in this study has a mean value of 57.53. with a max value of 55.73 and a min value of -12.56 Value The standard deviation for the Total Asset variable is 9.28. It is known that the standard deviation value higher than the mean value, so this indicates that the data spread is greater for the Profitability variable in the research sample.

Company size is used as the Fourth independent variable (SIZE) is proxied through the natural logarithm of total company assets. Total Asset in this study has a mean value of 31.83 with a max value of 35.23 and a min value of 27.22. The standard deviation value for the Total Asset variable is 1.49. It is known that the standard deviation value is lower than the mean value so it can be concluded that the data distribution is likely normal

Normality test

Referring to Table 4, the results of the Kolmogorov-Smirnov test show a significance value of 0.200>0.05. This indicates that the regression residuals are normally distributed. This result concluded that the regression model has passed the normality assumption.

Table 4
Kolmogorov-Smirnov Test Results

		Unstandardized Residual
N		167
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	1,21695513
Most Extreme Differences	Absolute	,051
	Positive	,039
	Negative	-,051
Test Statistic		,051

Asymp Sig. (2-tailed)		.200[c,d]

Source: Secondary data with SPSS processing, 2024

Multicollinearity Test

Table 5 shows that the tolerance figure for each variable is >0.1 and the VIF value is <10. Previously, research data was processed using data center methods to treat multicollinearity in research using Multiple Regresion Analisys (Ghozali, 2021). Based on the results of multicollinearity testing the conclusion was obtained namely that there were no symptoms of correlation between independent variables so that there were no symptoms of multicollinearity

Table 5
Multicollinearity Test Results

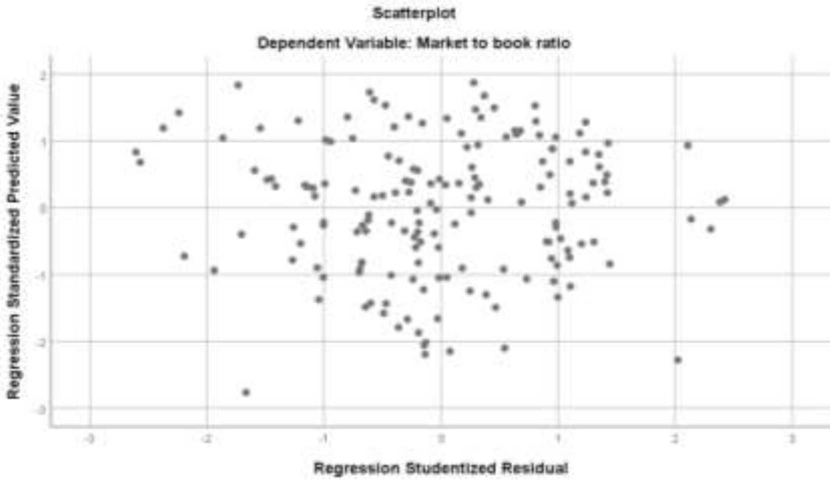
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	ESGD	,834	1.199
	CAPI	,966	1.035
	PROF	,875	1.143
	SIZE	,821	1.161
Dependent Variabel: The Value of Company			

Source: Secondary data with SPSS processing, 2024

Heteroscedasticity Test

A regression model is categorized as good if homoscedasticity occurs. Here, the heteroscedasticity test uses a graph plot test between the predicted value of the dependent variable, namely ZPRED, and the residual, namely SRESID.

Figure 1
Plot graph



Source: Secondary data with SPSS processing, 2024

Through testing the plot graph which can be seen in Figure 1, it was found that the points on the plot graph were spread randomly and spread both above and below the number 0 on the Y axis. Heteroscedasticity did not occur in the regression model.

Autocorrelation Test

In table 6, the DW figure is 1.864, which is between -2 to +2. This concluded there is no autocorrelation.

Table 6 Durbin-Watson Results

Model	Durbin-Watson
1	1,864
a. Predictors: (Constant), ESGD, CAPI, PROF, SIZE b. Dependent Variable: CVAL	

Source: Secondary data with SPSS processing, 2024

Coefficient of Determination Test (R2)

In table 7, the adjusted R2 value of 0.088 means that 8% of the company value which acts as the dependent variable can be explained by other variables, namely ESG disclosure, Capital structure, profitability,and Company size. The remaining 92% of the value is explained by other variables in outside the regression model

Table 7
Coefficient of Determination Test Results (R2)

Model Summaryb				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,297[a]	,088	,066	1,23189
a. Predictors: (Constant), ESG disclosure (ESGD), Debt to Equity (CAPI), Return on asset (PROF), Total asset (SIZE).				
b. Dependent Variabel: The value of company				

Source: Secondary data with SPSS processing, 2024

F Statistical Test.

According to the results shown in the table 8 F statistical test, the F value is 3,920 with a significance level of 0.000. If the significance level shows a number less than 0.05, it is concluded that the regression model is fit.

Table 8
Simultaneous Significance Test Results (F Statistical Test)

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23,793	4	5,948	3,920	,000[b]
	Residual	245,843	162	1,518		
	Total	269,636	166			
a. Dependent Variabel: The Value of Company						
b. Predictors: (Constant), ESG disclosure (ESGD), Debt to Equity (CAPI), Return on asset (PROF), Total asset (SIZE).						

Source: Secondary data with SPSS processing, 2024

Statistical Test t

Table 9
Individual Parameter Significance Test Results (t Statistical Test)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	19,089	2,124		8,986	,000
	ESGD	-,028	,009	-,264	-3,213	,002
	CAPI	,001	,001	,034	,442	,659
	PROF	.023	,011	,171	2,132	,035
	SIZE	,210	,069	,247	3,059	,003
a. Dependent Variabel: The Value of company						

Source: Secondary data with SPSS processing, 2024

The following are the results of multiple regression testing which displays the test output are :

The results of the regression analysis in this study For ESG disclosure obtained a significance value of 0.002 which is smaller than 0.05 and a coefficient value of -0.028. This shows that ESG disclosure has a significant effect on company value (Market-to-Book Ratio). This conclude the first hypothesis in this research is **H1 supported** empirically. The results of this research are in line with stakeholder theory, where stakeholder theory implies that a company has a responsibility towards shareholders, creditors, consumers, suppliers, government, society, analysts and other parties. This theory also states that the existence of the company is greatly influenced by the stakeholders. Stakeholder theory implies that the existence of stakeholders has an important influence on the sustainability of an company. The results of this research are also in line with Signaling theory. Signaling theory implies that company continually strive to ensure that they carry out operational activities the corridors and norms that their activities considered by outside parties as legitimate.

The results of the regression analysis in this study obtained a significance value of 0.659 which was higher than 0.05 and a coefficient value of 0,001. This shows that Capital Structure has an insignificant positive effect on company value (M/B ratio). The second hypothesis in this study is **H2 not supported** empirically hypothesis. The positive and negative impacts on a company's usefull of debt meaning cannot be used as a consideration in investing, so that the capital structure cannot provide a signal to investors about investing. Apart from having a positive impact, high debt implement can also have a negative impact. The risks faced by companies that implement high debt on company capital are very high. High debt can put the company at risk of bankruptcy if the company can’t balance the benefit of using debt. Based with signaling theory this risk can give a negative signal to investors. The results of this research are supported by I Putu hendra and Luh Gede Sri Artini (2019) who state that capital structure has a positive and insignificant effect on company value.

The results of the regression analysis in this study obtained a significance value of 0.035 which was higher than 0.05 and a coefficient value of 0,023. This shows that Profitability has an significant positive effect on company value (M/B ratio). The third hypothesis in this study is **H3 supported** empirically hypothesis. The influence of the ROA variable on company value shows results which is positive and significant means H3 accepted, the results of this significance are meaningful ROA can be used for explain and company value (M/B ratio). That's appropriate with the theory that has been put forward above that Return on asset level (ROA) and one-way enterprise value, meaning that an increase in ROA will be followed significant increase in value company. The decline in ROA will be followed by a decline company value significantly.

The results of the regression analysis in this study obtained a significance value of 0.003 which was higher than 0.05 and a coefficient value of 0,120. This shows that Profitability has an insignificant positive effect on company value (M/B ratio). The fourth hypothesis in this study is

H4 supported empirically hypothesis. The influence of the total asset variable on company value shows results which is positive and significant means H4 accepted, the results of this significance are meaningful total asset can be used for explain and company value (M/B ratio). That's appropriate with the theory that has been put forward above that total asset level and one-way enterprise value, meaning that an increase in total asset will be followed significant increase in value company. The decline in total asset will be followed by a decline company value significantly.

CONCLUSION AND LIMITATION

This section contain of conclusion of the research, limitation and suggestion for the future research.

Conclusion

Environmental, Social, and Governance (ESG) disclosure was have a positive effect on company value in LQ45 IDX company sector. ESG disclosure carried out by an company is carried out to carry out its responsibilities towards stakeholders and gain Signaling from society so that the company will gain support from stakeholders and Signaling from society. As a result, company value will also increase if the company discloses its ESG activities. The discoveries from this consider is anticipated to offer knowledge to showcase players whereas making their venture choices.

Capital Structure was concluded doesn'have a positive effect on company value in LQ45 IDX company sector. Obligation for companies can offer assistance control intemperate and free utilize of cash stores by administration. Which is accomplished on the off chance that the company is able to adjust benefits based on the utilize of obligation utilizing insolvency & office costs. On the other hand each extra obligation will suffer the company value for the risk that being achieved. When the costs and benefits brought about cannot be counterbalanced by the company, obligation will become a issue. In this way appearing that by considering debt, capital structure cannot impact company value.

Profitability was concluded have a positive effect on company value in LQ45 IDX company sector. A company needs its objective to be accomplished, specifically maximizing company value. The company`s capacity to produce higher benefits is the company's objective, the more noteworthy the returns anticipated by speculators, the superior the company value. The more prominent the benefit accomplished, the more prominent the company's capacity to pay profits. Rising request for offers causes company value to extend. The positive relationship between administration and corporate productivity was as it were watched in firms with frail administration.

Company size was concluded have a positive effect on company value in LQ45 IDX company sector. This result is supported by the fact that whether the size of an entity is large or small will not have an influence on whether the company value is large or small. In conclusion company that can obtain high profits are not only large company, but small company can also achieve high profits.

Research Limitations

This research is not without limitations. The following are several things to consider for future researchers in order to obtain better results and benefits, namely:

1. The availability of ESG disclosure data released by Bloomberg for LQ45 companies on the Indonesia Stock Exchange for the 2018-2022 period is only 38 companies.
2. The data tabulated in the research contained outlier data.

Suggestion

1. It is recommended for further research to add other variables such as the country's economic conditions, government regulations, and political connections which have an influence on company value in order to increase the coefficient of determination so that it is hoped to have more optimal research results.
2. This research is expected to pay more attention to the level of company value by improving the ESG disclosure performance, capital structure, company size and profitability, because

as the company grows, the capital structure and profitability will improve so as not to harm many parties.

3. Further researchers is to be able to conduct research with different populations, not only companies in the LQ45 sector.
4. Future researchers are expected to be able to deepen the influence of ESG disclosure, capital structure, company size and profitability on company value

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