ABSTRACT

The Impact of ESG Performance on Corporate Investment Efficiency through Financing Constraints and Agency Cost as Mediating Variables in Companies Listed on the Indonesia Stock Exchange

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W. Li et al. (2024) found that high Environmental, Social, and Governance (ESG) performance in China is able to reduce under-investment and over-investment behavior through Financing Constraints. However, this mechanism remains limited as it does not consider other variables that may explain the relationship in a more comprehensive way. In emerging economies such as Indonesia, ESG implementation still varies, so further empirical investigation is needed regarding its effect on Corporate Investment Efficiency. This study aims to analyze the effect of ESG Performance on Corporate Investment Efficiency through Financing Constraints and Agency Cost as mediating variables in companies listed on the Indonesia Stock Exchange. This study uses a quantitative approach with panel data regression on 65 companies during the 2022–2024 period. The results show that ESG Performance has no effect on Financing Constraints or Agency Cost. Financing Constraints and Agency Cost each affect Corporate Investment Efficiency, but both fail to mediate the relationship between ESG Performance and Corporate Investment Efficiency. These findings indicate that the impact of ESG in the Indonesian context has not yet been transmitted through financing mechanisms or agency cost reduction. This study contributes to the ESG literature by extending the mediation model in an emerging market context and provides implications for strengthening ESG integration in corporate investment decision-making.

Keywords: ESG Perfromance, Financing Constraints, Agency Cost, Corporate Investment Efficiency, Companies on the Indonesia Stock Exchange.

ABSTRACT

PENGARUH *ESG PERFORMANCE* TERHADAP *CORPORATE INVESTMENT EFFICIENCY* MELALUI *FINANCING CONSTRAINTS* DAN *AGENCY COST* SEBAGAI VARIABEL MEDIASI PADA PERUSAHAAN YANG TERDAFTAR DI BEI

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Pada penelitian W. Li et al. (2024) dijelaskan bahwa kinerja ESG yang tinggi di China mampu menekan perilaku *under-investment* dan *over-investment* melalui *Financing Constraints*. Namun, mekanisme tersebut masih terbatas karena belum mempertimbangkan variabel lain yang berpotensi menjelaskan hubungan secara lebih komprehensif. Dalam konteks negara berkembang seperti Indonesia, implementasi ESG masih beragam sehingga diperlukan kajian empiris lebih lanjut mengenai pengaruhnya terhadap *Corporate Investment Efficiency*. Penelitian ini bertujuan untuk menganalisis pengaruh *ESG Performance* terhadap *Corporate Investment Efficiency* melalui F*inancing Constraints* dan *Agency Cost* sebagai variabel mediasi pada perusahaan yang terdaftar di Bursa Efek Indonesia. Penelitian ini menggunakan pendekatan kuantitatif dengan metode regresi data panel pada 65 perusahaan tahun 2022-2024. Hasil penelitian menunjukkan bahwa *ESG Performance* tidak berpengaruh terhadap *Financing Constraints* maupun *Agency Cost*. *Financing Constraints* dan *Agency Cost* masing-masing berpengaruh terhadap *Corporate Investment Efficiency*, namun keduanya tidak mampu memediasi hubungan antara *ESG Performance* dan *Corporate Investment Efficiency*. Temuan ini mengindikasikan bahwa pengaruh ESG dalam konteks Indonesia belum tersalurkan melalui mekanisme pendanaan maupun pengendalian keagenan. Penelitian ini berkontribusi pada literatur ESG dengan memperluas model mediasi dalam konteks pasar berkembang serta memberikan implikasi bagi penguatan integrasi ESG dalam pengambilan keputusan investasi perusahaan.

Kata kunci: *ESG Performance, Financing Constraints*, *Agency Cost*, *Corporate Investment Efficiency,* Perusahaan di BEI.