International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Analysis Of The Effects Of Environmental, Social, And Governance (ESG) Disclosure, Liquidity, And Profitability On Firm Value, With Stock Price Volatility As A Moderating Variable: A Case Study Of IDX ESG Leaders

Reifan Hadaya Putra[1*], Moermahadi Soerja Djanegara[2], David HM Hasibuan[3]

[1,2,3] Master of Accounting Program, Graduate School, Institut Bisnis dan Informatika Kesatuan, Bogor, Indonesia

Abstract

This study aims to analyze the effects of Environmental, Social, and Governance (ESG) disclosure, liquidity, and profitability on firm value, as well as to test stock price volatility as a moderating variable for companies listed on the Indonesia Stock Exchange during the 2024–2025 period. Corporate value is measured using Tobin's Q; liquidity is assessed using the Current Ratio (CR), Quick Ratio (QR), and Cash Ratio; and profitability is measured using ROE and ROA. The study employs a quantitative approach using secondary data from annual reports and financial statements, involving 30 companies or 60 observations. The analysis was conducted using panel data regression with the Fixed Effects Model (FEM) and Moderated Regression Analysis (MRA). The results indicate that ESG Disclosure, the Current Ratio, ROE, and ROA do not have a significant effect on firm value. Meanwhile, the Quick Ratio has a negative and significant effect, while the Cash Ratio has a positive and significant effect on firm value. Stock price volatility does not moderate the effects of ESG Disclosure, Current Ratio, ROE, and ROA, but it strengthens the effect of the Quick Ratio and weakens the effect of the Cash Ratio on firm value. These findings suggest that the role of stock price volatility as a moderating variable depends on the type of fundamental information investors use to evaluate firms.

Keywords: ESG Disclosure, Liquidity, Profitability, Firm Value, Stock Price Volatility, Moderated Regression Analysis.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

INTRODUCTION

Climate change, environmental degradation, and growing demands for corporate social responsibility have driven changes in business practices and investment decision-making. Data from the Indonesian Agency for Meteorology, Climatology, and Geophysics (BMKG) indicate that the 2023–2024 period recorded an average air temperature anomaly of approximately 0.8°C, indicating increasingly intense global environmental pressures (BMKG, 2024). These conditions encourage companies to focus not only on profit achievement but also on environmental sustainability, social responsibility, and the quality of corporate governance. In line with the Sustainable Development Goals (SDGs) formulated by the United Nations in 2015, the Environmental, Social, and Governance (ESG) approach has increasingly become an important component of corporate strategies and investor considerations (Nugroho et al., 2024). ESG disclosure through sustainability reports also serves as a communication mechanism between companies and stakeholders by reducing information asymmetry and providing signals regarding corporate quality and sustainability (Khamisu & Paluri, 2024; Lunawat et al., 2025).

The global development of sustainable investment indicates that ESG information is increasingly taken into consideration in investment decision-making processes. This development has also encouraged the Indonesian capital market to develop instruments that accommodate sustainability considerations, one of which is the IDX ESG Leaders Index, launched by the Indonesia Stock Exchange (IDX) in 2020. The index consists of companies with relatively strong ESG assessments, taking into account ESG ratings, trading liquidity, and other market characteristics (Harahap & Akbar, 2025). The IDX ESG Leaders Index is therefore relevant as a research setting because the companies included in the index represent issuers that have received greater attention regarding the implementation and disclosure of sustainability practices. However, ESG-oriented corporate performance does not always move in the same direction as the overall market index. Such differences in performance indicate that ESG information may not be uniformly responded to by investors and may instead be influenced by fundamental corporate conditions and broader market conditions (E. N. Sari & Napitupulu, 2026).

In Indonesia, sustainability disclosure has been further strengthened through regulations issued by the Financial Services Authority (OJK), including OJK Regulation No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies. The development of this regulatory framework reflects increasing demands for corporate transparency and

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

accountability in disclosing sustainability-related information. In addition, the development of sustainability standards toward the adoption of global standards such as IFRS S1 and IFRS S2 further emphasizes the importance of sustainability information that is relevant, consistent, and comparable. Nevertheless, an increase in the quantity of disclosure does not necessarily guarantee the quality of ESG information, as differences remain in the scope, measurement, weighting, and assessment methodologies employed by ESG information providers. These differences may lead to ESG rating divergence and potentially result in different market responses to ESG information (Ge et al., 2025; Zhang et al., 2025; Zhao et al., 2025).

In addition to ESG disclosure, corporate fundamentals, particularly liquidity and profitability, also play important roles in determining firm value. Liquidity reflects a company's ability to meet its short-term obligations and may serve as a signal of its financial condition to investors. A sound level of liquidity may reduce perceived risk and the cost of capital, thereby increasing firm value, although excessively high liquidity may also indicate inefficient utilization of corporate assets (Luo, 2022). Meanwhile, profitability reflects a company's ability to generate earnings from the resources it possesses. High profitability provides a positive signal regarding operational efficiency, dividend-paying capacity, and growth prospects, and may therefore increase firm value in theoretical terms (Dsouza et al., 2024). Accordingly, ESG disclosure, liquidity, and profitability can be regarded as forms of information that investors use to evaluate a company's prospects and risks.

However, previous studies have produced inconsistent findings regarding the relationship between ESG disclosure and firm value. Putri et al. (2024) found that ESG disclosure had no significant effect on stock returns among mining-sector companies, whereas Malik et al. (2026) found that aggregate ESG disclosure and social disclosure had a positive effect on firm value among companies included in the IDX ESG Leaders Index. Syahida et al. (2025) also found that only governance disclosure had a positive effect on return on assets (ROA) in the banking sector, while the other ESG dimensions did not exhibit significant effects. Meanwhile, Sakina and Darmawan (2024) found that ESG disclosure simultaneously had a positive effect on return on equity (ROE) and Tobin's Q but a negative effect on ROA. These divergent findings indicate that the relationship between ESG and firm value is contextual and may be influenced by industry sector, observation period, measurement proxies, and market conditions.

The inconsistency in previous research findings indicates the existence of a research gap, particularly concerning the conditions that may strengthen or weaken the

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

effects of corporate information on firm value. Most previous studies have focused on the direct effect of ESG disclosure on firm value or have employed internal corporate characteristics as moderating variables. Corporate transparency and the institutional environment may strengthen the relationship between ESG and firm value, while other studies have examined cash holdings, downside risk, upside potential, and media attention as moderating factors (Li et al., 2026). On the other hand, studies that simultaneously examine ESG disclosure, liquidity, and profitability as independent variables while considering stock price volatility as a moderating variable remain relatively limited, particularly among companies included in the IDX ESG Leaders Index.

Stock price volatility is important to consider because it reflects the degree of uncertainty and risk faced by investors in the capital market. Under conditions of high volatility, investors tend to be more sensitive to risk and may assign different weights to corporate financial and non-financial information. Conversely, in relatively stable market conditions, information concerning ESG disclosure, liquidity, and profitability may be more readily processed and reflected in market valuation. Kurniawan and Husodo (2023) found that ESG performance had a negative effect on stock price volatility, while Murata and Hamori (2021) demonstrated that ESG disclosure could reduce stock price crash risk. Sari and Hariyani (2024) also found that stock price volatility could moderate the relationship between ESG disclosure and financial performance. These findings provide a basis for considering volatility not merely as an outcome of corporate conditions but also as a market condition that may alter the strength of the relationship between corporate information and firm value.

Based on Signaling Theory, ESG disclosure, liquidity, and profitability can serve as signals regarding a company's quality, prospects, and financial condition to investors (Connelly et al., 2011, 2025). Meanwhile, the Efficient Market Hypothesis explains that available information is reflected in market prices according to the level of market efficiency (Nyakurukwa & Seetharam, 2023; Ying et al., 2019). In this context, stock price volatility may represent a condition that determines the extent to which corporate information is translated into market value. Therefore, this study aims to analyze the effects of ESG disclosure, liquidity, and profitability on firm value, with stock price volatility as a moderating variable, among companies included in the IDX ESG Leaders Index. This study is expected to provide empirical contributions to understanding the relationship between sustainability information, corporate financial fundamentals, and market conditions, while also offering implications for companies in improving the quality

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

of ESG disclosure and for investors in considering ESG and fundamental information under market conditions characterized by different levels of volatility.

RESEARCH METHOD

This study employs a quantitative method with an explanatory approach to analyze the effects of Environmental, Social, and Governance (ESG) Disclosure, liquidity, and profitability on firm value and to examine the role of stock price volatility as a moderating variable. The data used are secondary data obtained from annual reports, audited financial statements, sustainability reports, stock price data, and official publications of the Indonesia Stock Exchange (IDX), the Financial Services Authority (OJK), and the respective companies' official websites. ESG disclosure is measured using the Sustainability Report Disclosure Index (SRDI) based on GRI standards, while liquidity is proxied by the Current Ratio, Quick Ratio, and Cash Ratio. Profitability is measured using Return on Assets (ROA) and Return on Equity (ROE), firm value is measured using Tobin's Q, and stock price volatility is calculated based on the annualized standard deviation of stock returns (Azizah et al., 2026; Christy & Sofie, 2023; Husada & Handayani, 2021; Melinda & Wardhani, 2020; Wardana et al., 2024).

The population of this study consists of companies included in the IDX ESG Leaders Index in 2026, with an observation period covering 2024–2025. The sample was selected using purposive sampling based on the criteria that companies were included in the IDX ESG Leaders Index and had complete data required for the study. Of the 34 companies comprising the population, four companies did not meet the predetermined criteria, resulting in a final sample of 30 companies. With a two-year observation period, the study generated a total of 60 firm-year observations. Data were collected using documentation techniques based on company reports and relevant capital market data sources.

Data analysis was conducted using Stata 17 through panel data regression and *Moderated Regression Analysis* (MRA). The analysis procedures included descriptive statistics, panel data model selection using the Chow test, Hausman test, and Lagrange Multiplier (LM) test, as well as multicollinearity and heteroscedasticity tests. Hypothesis testing was performed using the partial (t) test, simultaneous (F) test, and coefficient of determination. Subsequently, the moderation analysis was conducted by incorporating interaction terms between each independent variable and stock price volatility. A moderating effect was considered statistically significant when the coefficient of the interaction term had a probability value of < 0.05.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

RESULTS AND DISCUSSION

Table 1. Panel Data Model Selection Test

Test	Result	Selected Model
Chow Test	Prob. 0,0001 < 0,05	Fixed Effect Model
Hausman Test	Prob. 0,000 < 0,05	Fixed Effect Model

Based on the results of the Chow Test, Hausman Test, and Lagrange Multiplier (LM) Test, the Fixed Effects Model (FEM) was identified as the most appropriate panel data regression model for this study. Therefore, hypothesis testing concerning the effects of Environmental, Social, and Governance (ESG) Disclosure, liquidity, and profitability on firm value, with stock price volatility as a moderating variable, was conducted using the Fixed Effects Model (FEM) through the Moderated Regression Analysis (MRA) approach.

The results of the classical assumption tests conducted in this study are presented below.

Table 2. Multicollinearity Test

```
. vif

    Variable |       VIF       1/VIF
-------------+----------------------
         X2B |      2.24    0.396150
         X2C |      2.31    0.411280
         X3B |      2.32    0.430680
         X3A |      2.22    0.450452
         X2A |      1.30    0.771768
          X1 |      1.19    0.840959
-------------+----------------------
    Mean VIF |      1.93
```

Based on the multicollinearity test using the Variance Inflation Factor (VIF), ESG Disclosure (X1) had a VIF value of 1.19, Current Ratio (X2A) had a value of 1.30, Quick Ratio (X2B) had a value of 2.24, Cash Ratio (X2C) had a value of 2.31, Return on Equity (X3A) had a value of 2.22, and Return on Assets (X3B) had a value of 2.32. In addition, the Mean VIF was 1.93. All VIF values were well below the commonly used thresholds of 5 and 10, indicating that the relationships among the independent variables remained within acceptable levels. Therefore, there was no indication of serious multicollinearity in the research model, suggesting that each independent variable provided sufficiently distinct information in explaining variations in firm value.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Table 3. Heteroscedasticity Test

```
Breusch-Pagan/Cook-Weisberg test for heteroskedasticity
Assumption: Normal error terms
Variable: Fitted values of Y

H0: Constant variance

    chi2(1) =  1.82
Prob > chi2 = 0.1774
```

Based on Table 3, the Breusch–Pagan/Cook–Weisberg test produced a chi-square value of 1.82 with a Prob > chi-square value of 0.1774. At a significance level of α = 0.05, the probability value of 0.1774 > 0.05 indicates that the null hypothesis was not rejected. Thus, there was no evidence of heteroscedasticity in the regression model. This finding indicates that the residual variance was relatively constant (homoscedastic), meaning that the regression model satisfied one of the classical assumptions and was suitable for subsequent analysis.

Table 4. Baseline Regression Model Results

```
R-squared:                                      Obs per group:
     Within    = 0.2488                                   min =          2
     Between   = 0.0003                                   avg =        2.0
     Overall   = 0.0027                                   max =          2

                                                F(6,24)           =       1.32
corr(u_i, Xb) = -0.6313                         Prob > F          =     0.2847

------------------------------------------------------------------------------
           Y | Coefficient           P>|t|
-------------+----------------------------------------------------------------
          X1 |    4.983765           0.746
         X2A |    .0062633           0.978
         X2B |   -4.225778           0.015
         X2C |    4.913073           0.012
         X3A |    -27.0611           0.283
         X3B |    46.62156           0.325
       _cons |    4.080117           0.000
-------------+----------------------------------------------------------------
------------------------------------------------------------------------------
F test that all u_i=0: F(29, 24) = 4.30                     Prob > F = 0.0003
```

Based on the regression results presented above, the findings are discussed as follows.

1. The Effect of ESG Disclosure on Firm Value

Based on the panel data regression using the Fixed Effects Model (FEM), ESG Disclosure had a coefficient of 4.983765 with a probability value of 0.746. Since the probability value was greater than the 5% significance level (0.05), the null hypothesis

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

was not rejected and the alternative hypothesis was rejected. Therefore, ESG Disclosure did not have a statistically significant effect on firm value. Although the coefficient was positive, an increase in ESG disclosure was not sufficient to significantly increase firm value among the sampled companies during the 2024–2025 observation period.

Theoretically, this finding does not fully support Signaling Theory and Stakeholder Theory. ESG disclosure is expected to serve as a signal to investors regarding management quality, sustainability commitments, risk management, and long-term corporate prospects. However, the insignificant result indicates that ESG information may not yet constitute a primary consideration for investors in determining firm value. This condition may occur because ESG practices in Indonesia remain relatively *compliance-driven* and have not been fully integrated into companies' strategic decision-making processes. Consequently, ESG disclosure does not necessarily reflect substantive sustainability practices (Prayogo et al., 2026).

This finding is consistent with Prasetiyo and Annisa (2025), who found that ESG Disclosure had no significant effect on firm value among companies listed in ESG indices on the Indonesia Stock Exchange. Similar findings were reported by Ningrum et al. (2025), who found no significant effect of ESG Disclosure on firm value in the manufacturing sector. Steven and Yanti (2026) likewise found that ESG Disclosure had a negative but statistically insignificant effect on firm value in the food and beverage subsector in Indonesia. These findings indicate that increased ESG disclosure does not automatically translate into higher firm value in the market.

2. The Effect of Liquidity, Proxied by the Current Ratio, on Firm Value

Based on the panel data regression using the Fixed Effects Model (FEM), the Current Ratio had a coefficient of 0.0062633 with a probability value of 0.978. Since the probability value was greater than 0.05, the null hypothesis was not rejected and the alternative hypothesis was rejected. Thus, the Current Ratio had a positive but statistically insignificant effect on firm value. The positive coefficient indicates that an increase in the company's ability to meet its short-term obligations tended to be associated with an increase in firm value; however, the relationship was not statistically strong enough to establish a significant effect.

Conceptually, this finding is consistent with Signaling Theory because liquidity conditions can provide investors with information regarding a company's ability to meet its short-term obligations. Nevertheless, high liquidity does not necessarily increase firm value when current assets are not utilized productively. Accordingly, investors may

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

consider other factors that are more closely associated with the company's ability to generate profits and create growth prospects.

This finding is consistent with Suryani and Djawoto (2021), who found that the Current Ratio had a positive but statistically insignificant effect on firm value as measured by Tobin's Q. Similar findings were reported by Santoso and Sasongko (2022) in the pharmaceutical sector and by Ningsih and Mulyanto (2018) in Indonesian manufacturing companies. These findings suggest that the ability to meet short-term obligations is not necessarily a primary determinant of a company's market value.

3. The Effect of Liquidity, Proxied by the Quick Ratio, on Firm Value

Based on the panel data regression using the Fixed Effects Model (FEM), the Quick Ratio had a coefficient of −4.225778 with a probability value of 0.015. Since the probability value was lower than 0.05, the null hypothesis was rejected and the alternative hypothesis was accepted. Therefore, the Quick Ratio had a negative and statistically significant effect on firm value.

The negative coefficient indicates that an increase in the Quick Ratio tended to be associated with a decrease in firm value, holding other variables constant. This finding suggests that a company's greater ability to meet short-term obligations using its most liquid assets is not necessarily perceived positively by the market. An excessively high Quick Ratio may indicate that cash, receivables, or other liquid assets have not been utilized optimally for productive activities. Therefore, investors may consider not only the company's ability to meet short-term obligations but also its efficiency in utilizing assets to generate earnings.

This finding is consistent with Insani and Amalina (2023), who found that the Quick Ratio had a negative effect on firm value among Indonesian manufacturing companies. Ventury and Oktaviani (2022) likewise found that the Quick Ratio had a negative and statistically significant effect on firm value as measured by Tobin's Q. These findings reinforce the view that excessive liquidity does not always provide a positive signal when it is not accompanied by productive asset utilization.

4. The Effect of Liquidity, Proxied by the Cash Ratio, on Firm Value

Based on the panel data regression using the Fixed Effects Model (FEM), the Cash Ratio had a coefficient of 4.913073 with a probability value of 0.012. Since the probability value was lower than 0.05, the null hypothesis was rejected and the alternative hypothesis was accepted. Therefore, the Cash Ratio had a positive and statistically significant effect on firm value.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

The positive coefficient indicates that the greater the company's ability to meet short-term obligations using cash and cash equivalents, the higher its firm value. This finding suggests that adequate cash availability may generate a positive perception among investors because it reflects the company's ability to meet short-term obligations and reduces the risk of liquidity difficulties. Thus, during the 2024–2025 observation period, the company's ability to maintain sufficient cash and cash equivalents constituted fundamental information that received a positive market response.

This finding is consistent with Insani and Amalina (2023), who found that the Cash Ratio had a positive effect on firm value. Ventury and Oktaviani (2022) also found that the Cash Ratio had a positive and statistically significant effect on firm value among manufacturing companies listed on the Indonesia Stock Exchange. Similar findings were reported by Saputri et al. (2022) among food and beverage companies, indicating that the ability of cash to meet short-term obligations can increase investor confidence in a company's financial condition. Therefore, the results suggest that cash-based liquidity may provide a positive signal to the market and contribute to higher firm value.

5. The Effect of Profitability, Proxied by Return on Equity, on Firm Value

Based on the panel data regression using the Fixed Effects Model (FEM), Return on Equity (ROE) had a coefficient of −27.06110 with a probability value of 0.283. Since the probability value was greater than 0.05, the null hypothesis was not rejected and the alternative hypothesis was rejected. Thus, ROE had a negative but statistically insignificant effect on firm value.

The negative coefficient indicates a tendency for an increase in ROE to be associated with a decrease in Tobin's Q; however, the relationship was not supported by sufficient statistical evidence. Theoretically, a high ROE should provide a positive signal because it reflects the company's ability to generate earnings from shareholders' equity. Nevertheless, ROE can also be affected by financing structure and the use of debt. An increase in ROE resulting from high financial leverage may increase financial risk and therefore may not necessarily be perceived positively by investors. Accordingly, investors may consider earnings quality, asset efficiency, capital structure, and growth prospects in addition to ROE.

This finding is consistent with Tumanggor and Isnaen (2025), who found that ROE had a negative and statistically insignificant effect on firm value. Repi et al. (2016) also found that ROE did not have a significant effect on firm value, although the direction of the coefficient differed. These findings suggest that ROE is not necessarily a statistically significant determinant of firm value.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

6. The Effect of Profitability, Proxied by Return on Assets, on Firm Value

Based on the panel data regression using the Fixed Effects Model (FEM), Return on Assets (ROA) had a coefficient of 46.62156 with a probability value of 0.325. Since the probability value was greater than 0.05, the null hypothesis was not rejected and the alternative hypothesis was rejected. Therefore, ROA had a positive but statistically insignificant effect on firm value.

The positive coefficient indicates that an increase in the company's ability to generate earnings from its assets tended to be associated with an increase in firm value, although this relationship was not statistically significant. Theoretically, ROA reflects management's ability to utilize the company's total assets to generate earnings and may serve as a signal of corporate performance quality to investors. However, the findings indicate that an increase in ROA was not sufficiently strong to significantly increase firm value. Investors may consider not only current profitability but also earnings sustainability, growth prospects, risk, capital structure, future cash flows, and industry conditions.

This finding is consistent with Waruwu and Hendrajaya (2025), who found that ROA had no significant effect on Tobin's Q among mining-sector companies. Assyukur (2025) also found that ROA had no significant effect on firm value in the pharmaceutical subsector, while Indrarini (2018) reported similar findings in pharmaceutical companies. These findings suggest that asset-based profitability does not always receive a statistically significant market response.

Table 5. Regression Results with Moderating Variable

```
                                                F(13,17)          =       3.55
corr(u_i, Xb) = -0.9258                         Prob > F          =     0.0081

------------------------------------------------------------------------------
           Y | Coefficient  Std. err.      t    P>|t|     [95% conf. interval]
-------------+----------------------------------------------------------------
          X1 |   13.82652   15.17311     0.91   0.375    -18.18595    45.83898
         X2A |   1.468941   4.391915     0.33   0.742     -7.79719    10.73507
         X2B |  -9.383176   4.711418    -1.99   0.063     -19.3234    .5570462
         X2C |   9.543445   1.614191     5.91   0.000     6.137799    12.94909
         X3A |  -22.54436   21.89668    -1.03   0.318    -68.74233    23.65361
         X3B |   11.27758   52.31312     0.22   0.832    -99.09345    121.6486
           Z |   9.435954   11.86048     0.80   0.437    -15.58747    34.45938
         X1Z |  -4.086644   115.6241    -0.04   0.972    -248.0321    239.8588
        X2AZ |    1.73429   4.995991     0.35   0.733    -8.806329    12.27491
        X2BZ |   15.45412   7.078513     2.18   0.043     .5197611    30.38847
        X2CZ |   -24.4433   8.851265    -2.76   0.013    -43.11784   -5.768761
        X3AZ |  -10.71733   55.86356    -0.19   0.850    -128.5791    107.1445
        X3BZ |   100.6993   231.7953     0.43   0.669    -388.3461    589.7447
       _cons |   3.554911    1.14569     3.10   0.006     1.137717    5.972105
-------------+----------------------------------------------------------------
```


Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Based on the results presented above, the findings are discussed as follows.

1. The Effect of ESG Disclosure on Firm Value Moderated by Stock Price Volatility

Based on the panel data regression using the Fixed Effects Model (FEM) with Moderated Regression Analysis (MRA), ESG Disclosure had a coefficient of 13.82652 with a probability value of 0.375, while the interaction term between ESG Disclosure and Stock Price Volatility (X1Z) also had a probability value of 0.375. Since the probability value of the interaction term was greater than 0.05, stock price volatility was not found to significantly moderate the effect of ESG Disclosure on firm value. The negative interaction coefficient indicates a tendency for volatility to weaken the relationship between ESG Disclosure and firm value; however, this relationship was not statistically significant. These results indicate that changes in stock price volatility did not significantly alter the effect of ESG Disclosure on Tobin's Q among the sampled companies.

Theoretically, high stock price volatility may increase market uncertainty, making it more difficult for investors to interpret ESG information as a fundamental signal of corporate quality. However, this mechanism was not supported by the empirical findings of this study. This result differs from Putra et al. (2025), who found that stock price volatility weakened the relationship between ESG and market reactions, whereas Sidharta and Kim (2024) showed that ESG may be associated with lower stock price volatility. These differences may be attributable to variations in dependent variables, observation periods, industry characteristics, and market conditions across studies.

2. The Effect of Liquidity, Proxied by the Current Ratio, on Firm Value Moderated by Stock Price Volatility

Based on the FEM estimation with MRA, the Current Ratio (X2A) had a coefficient of 1.468941 with a probability value of 0.742, while the interaction between the Current Ratio and Stock Price Volatility (X2AZ) had a coefficient of 1.734294 with a probability value of 0.733. Since the probability value of the interaction term was 0.733, which was greater than 0.05, stock price volatility was not found to significantly moderate the effect of the Current Ratio on firm value. The positive interaction coefficient merely indicates a tendency for volatility to strengthen the relationship between the Current Ratio and firm value; however, this tendency was not statistically supported.

Theoretically, the Current Ratio can serve as a signal of a company's ability to meet short-term obligations, while volatility reflects the degree of market uncertainty. However, the results indicate that changes in volatility did not significantly alter the effect of the Current Ratio on firm value. This finding is consistent with previous studies

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

showing that the effect of liquidity on firm value is not always consistent. For example, Nuur and Komara (2024) found a positive effect of the Current Ratio, whereas Putri et al. (2024) found no significant effect.

3. The Effect of Liquidity, Proxied by the Quick Ratio, on Firm Value Moderated by Stock Price Volatility

Based on the FEM estimation with MRA, the Quick Ratio (X2B) had a coefficient of −9.383176 with a probability value of 0.063, while the interaction between the Quick Ratio and Stock Price Volatility (X2BZ) had a coefficient of 15.45412 with a probability value of 0.043. Since the probability value of the interaction term was 0.043, which was lower than 0.05, stock price volatility was found to significantly moderate the effect of the Quick Ratio on firm value. The positive interaction coefficient indicates that an increase in volatility tended to strengthen the relationship between the Quick Ratio and firm value. Thus, under more volatile market conditions, information concerning a company's ability to meet short-term obligations without relying on inventory may become more relevant to market valuation.

These findings indicate that the role of the Quick Ratio in determining firm value may vary depending on the level of stock price volatility. This finding is consistent with Insani and Amalina (2023), who reported a negative relationship between the Quick Ratio and Tobin's Q, while Taha et al. (2023) provided a basis for considering stock price volatility as a moderating variable in relationships among corporate variables. Differences across previous findings indicate that the relationship between liquidity and firm value may be affected by the liquidity proxy used, industry characteristics, observation period, and market conditions.

4. The Effect of Liquidity, Proxied by the Cash Ratio, on Firm Value Moderated by Stock Price Volatility

Based on the FEM estimation with MRA, the Cash Ratio (X2C) had a coefficient of 9.543445 with a probability value of 0.000, while the interaction between the Cash Ratio and Stock Price Volatility (X2CZ) had a coefficient of −24.44332 with a probability value of 0.013. Since the probability value of the interaction term was 0.013, which was lower than 0.05, stock price volatility was found to significantly moderate the effect of the Cash Ratio on firm value. The negative interaction coefficient indicates that an increase in stock price volatility tended to weaken the effect of the Cash Ratio on firm value. In other words, when market uncertainty increases, the company's ability to maintain cash and cash equivalents is not necessarily translated into a corresponding increase in firm value.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

These findings indicate that the effect of the Cash Ratio on firm value depends on the level of market volatility. This result differs from Insani and Amalina (2023), who found a positive effect of the Cash Ratio on firm value, but is consistent with Petronila and Aprilianti (2024), who showed that the Cash Ratio does not always have a positive effect on Tobin's Q. Thus, stock price volatility may alter the strength of the relationship between cash-based liquidity and firm value.

5. The Effect of Profitability, Proxied by ROE, on Firm Value Moderated by Stock Price Volatility

Based on the FEM estimation with MRA, ROE had a coefficient of −22.54436 with a probability value of 0.318, while the interaction between ROE and Stock Price Volatility (X3AZ) had a coefficient of −10.71733 with a probability value of 0.850. Since the probability value of the interaction term was 0.850, which was greater than 0.05, stock price volatility was not found to significantly moderate the effect of ROE on firm value. The negative interaction coefficient indicates a tendency for volatility to weaken the relationship between ROE and firm value; however, this tendency was not statistically significant.

These findings indicate that changes in stock price volatility did not significantly alter the effect of equity-based profitability on firm value. Theoretically, ROE may serve as a signal of a company's ability to generate earnings from shareholders' equity, but investors also consider corporate risk and growth prospects. Previous studies have likewise reported mixed findings. Novelia et al. (2020) and Waruwu and Hendrajaya (2025) found a positive and significant effect of ROE on Tobin's Q in manufacturing and mining companies, respectively, whereas Cristy et al. (2025) found a negative and significant effect. These differences indicate that the effect of ROE on firm value is contextual and is not necessarily altered by stock price volatility.

6. The Effect of Profitability, Proxied by ROA, on Firm Value Moderated by Stock Price Volatility

Based on the FEM estimation, ROA had a coefficient of 46.62156 with a probability value of 0.325 and therefore did not have a statistically significant effect on firm value. After stock price volatility and the interaction term were incorporated through MRA, the ROA coefficient changed to 11.27758 with a probability value of 0.832. These results indicate that ROA remained statistically insignificant in explaining firm value after the moderating variable was introduced. Thus, the company's ability to generate earnings from its total assets was not sufficiently strong to explain variations in Tobin's Q during the observation period.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Theoretically, ROA may serve as a signal of a company's efficiency in managing its assets. However, investors also consider growth prospects, risk, industry conditions, and expectations regarding future cash flows. This finding is consistent with Waruwu and Hendrajaya (2025) and Assyukur (2025), who found that ROA had no significant effect on Tobin's Q. Conversely, Fatimah (2022) and Utami et al. (2026) found that ROA had a positive and significant effect on firm value. These differences indicate that market responses to asset-based profitability may vary according to company characteristics, industry sector, observation period, and prevailing market conditions.

CONCLUSION

Based on the results of the analysis using the Fixed Effects Model (FEM) and Moderated Regression Analysis (MRA), ESG Disclosure did not have a statistically significant effect on firm value. Liquidity produced mixed results: the Current Ratio had no significant effect, the Quick Ratio had a negative and significant effect, while the Cash Ratio had a positive and significant effect on firm value. Meanwhile, profitability, as proxied by ROE and ROA, did not have a statistically significant effect on firm value. The moderation analysis further showed that stock price volatility did not moderate the effects of ESG Disclosure and profitability on firm value. In contrast, stock price volatility significantly moderated the relationship between liquidity and firm value, strengthening the effect of the Quick Ratio while weakening the effect of the Cash Ratio.

These findings indicate that market responses to corporate information are not uniform but vary according to the type of information and prevailing market conditions. Overall, the findings provide partial support for Signaling Theory, particularly in demonstrating that cash-based liquidity information received a positive market response, whereas ESG Disclosure and profitability did not emerge as primary determinants of firm value during the observation period. This study is subject to several limitations, including the relatively short observation period of 2024–2025, the use of ESG measurement based on content analysis, which involves a degree of subjectivity, and the limited sample coverage restricted to companies included in the IDX ESG Leaders Index. Future studies are therefore encouraged to extend the observation period, employ ESG ratings provided by independent rating agencies, incorporate control variables such as firm size, leverage, and capital expenditure, and conduct sector-specific analyses to obtain more comprehensive findings.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

REFERENCES

Azizah, S. S., Inayah, S., & Nisa, K. (2026). Volatilitas Abnormal Saham BEI Pasca-Rebalancing MSCI. *Jurnal Ilmu Ekonomi, Pendidikan Dan Teknik*, *3*(1). https://doi.org/10.70134/identik.v3i1.1298

Christy, E., & Sofie. (2023). Pengaruh Pengungkapan Environmental, Social, Dan Governance Terhadap Nilai Perusahaan. Jurnal Ekonomi Trisakti, 3(2), 3899–3908. https://doi.org/10.25105/jet.v3i2.18233

Connelly, B. L., Certo, S. T., Ireland, R. D., & Reutzel, C. R. (2011). Signaling theory: A review and assessment. In Journal of Management (Vol. 37, Number 1). https://doi.org/10.1177/0149206310388419

Connelly, B. L., Certo, S. T., Reutzel, C. R., DesJardine, M. R., & Zhou, Y. S. (2025). Signaling Theory: State of the Theory and Its Future. In Journal of Management (Vol. 51, Number 1). https://doi.org/10.1177/01492063241268459

Cristy, A., Alika, P. J., & Selvia, B. (2025). Pengaruh Debt to Equity Ratio, Return on Equity, dan Current Ratioterhadap Tobin's Q pada Perusahaan Pharmaceutical and HealthcareResources yang Terdaftar di Bursa Efek Indonesia. Jurnal Akuntansi Dan Keuangan West Science, 4(03). https://doi.org/10.58812/jakws.v4i03.2629

Dsouza, S., Momin, M., Habibniya, H., & Tripathy, N. (2024). Optimizing performance through sustainability: the mediating influence of firm liquidity on ESG efficacy in African enterprises. Cogent Business and Management, 11(1). https://doi.org/10.1080/23311975.2024.2423273

Ge, Y., Zhang, R., & Zhu, H. (2025). Green investors and ESG ratings divergence. Scientific Reports, 15(1). https://doi.org/10.1038/s41598-025-05329-x

Harahap, D. R. N., & Akbar, T. (2025). Apakah Tata Kelola Perusahaan yang Baik Menguatkan Hubungan Antara Pelaporan ESG dan Kinerja Keuangan? Sebuah Studi tentang Indeks IDX ESG Leaders. Jurnal Akuntansi Dan Ekonomika, 15(2).

Husada, E. V., & Handayani, S. (2021). Pengaruh Pengungkapan Esg Terhadap Kinerja Keuangan Perusahaan (Studi Empiris Pada Perusahaan Sektor Keuangan Yang Terdaftar Di Bei Periode 2017-2019). Jurnal Bina Akuntansi, 8(2). https://doi.org/10.52859/jba.v8i2.173

Insani, K. A., & Amalina, N. (2023). Analisis Rasio Likuiditas Terhadap Nilai Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia. Jurnal Ilmu Ekonomi, Manajemen Dan Bisnis, 1(1). https://doi.org/10.30787/jiembi.v1i1.1178

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Khamisu, M. S., & Paluri, R. A. (2024). Emerging trends of environmental social and governance (ESG) disclosure research. In Cleaner Production Letters (Vol. 7). https://doi.org/10.1016/j.clpl.2024.100079

Kurniawan, M., & Husodo, Z. A. (2023). The effect of ESG performance on stock price volatility: A study of emerging markets in Asia. BISMA (Bisnis Dan Manajemen). https://doi.org/10.26740/bisma.v16n1.p28-46

Li, Q., Liu, C., & Lin, Y. E. (2026). ESG and Firm Value: The Moderating Effects of Corporate Transparency and Institutional Environment. International Journal of Finance and Economics, 31(2). https://doi.org/10.1002/ijfe.70005

Lunawat, R. M., Elmarzouky, M., & Shohaieb, D. (2025). Integrating Environmental, Social, and Governance (ESG) Factors into the Investment Returns of American Companies. Sustainability (Switzerland), 17(19). https://doi.org/10.3390/su17198522

Luo, D. (2022). ESG, liquidity, and stock returns. Journal of International Financial Markets, Institutions and Money, 78. https://doi.org/10.1016/j.intfin.2022.101526

Malik, P. A., Mahmudi, B., & Mulyani, A. S. (2026). Pengaruh Profitabilitas terhadap Nilai Perusahaan dengan Corporate Social Responsibility sebagai Variabel Moderating. Journal Social Society, 6(1). https://doi.org/10.54065/jss.6.1.2026.1050

Melinda, A., & Wardhani, R. (2020). The Effect Of Environmental, Social, Governance, And Controversies On Firms' Value: Evidence From Asia. In International Symposia in Economic Theory and Econometrics (Vol. 27). https://doi.org/10.1108/S1571-038620200000027011

Murata, R., & Hamori, S. (2021). ESG Disclosures and Stock Price Crash Risk. Journal of Risk and Financial Management, 14(2). https://doi.org/10.3390/jrfm14020070

Novelia, H., Sumiati, A., & Fauzi, A. (2020). Pengaruh Profitabilitas dan Ukuran Perusahaan Terhadap Nilai Perusahaan pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2018. Jurnal Bisnis, Manajemen, Dan Keuangan, 1(2).

Nugroho, D. P. D., Hsu, Y., Hartauer, C., & Hartauer, A. (2024). Investigating the Interconnection between Environmental, Social, and Governance (ESG), and Corporate Social Responsibility (CSR) Strategies: An Examination of the Influence on Consumer Behavior. Sustainability (Switzerland), 16(2). https://doi.org/10.3390/su16020614

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Nuur, A. A., & Komara, E. F. (2024). The Effect Of Current Ratio, Debt To Assets Ratio, Total Assets Turnover, And Company Size On Company Value (Tobin's Q) In Coal Sub Sector Companies Listed On The Indonesia Stock Exchange Period 2018-2022. EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis, 12(3). https://doi.org/10.37676/ekombis.v12i3.6006

Nyakurukwa, K., & Seetharam, Y. (2023). Alternatives to the efficient market hypothesis: an overview. In Journal of Capital Markets Studies (Vol. 7, Number 2). https://doi.org/10.1108/JCMS-04-2023-0014

Petronila, T. A., & Aprilianti, A. (2024). The Effect of Liquidity, Profitability, and Dividend on Firm Value: Role of Capital Structure. AJAR, 7(02). https://doi.org/10.35129/ajar.v7i02.517

Prasetiyo, R., & Annisa, D. (2025). Pengaruh Esg Disclosure, Green Accounting Dan Intellectual Capital Terhadap Firm Value. CURRENT: Jurnal Kajian Akuntansi Dan Bisnis Terkini, 6(3). https://doi.org/10.31258/current.6.3.526-537

Prayogo, E., Sudarma, M., Purwanti, L., & Adib, N. (2026). Environmental, Social, And Governance (Esg) Disclosure And Firm Value In Indonesia: A Meta-Analysis. International Journal of Business and Society, 27(1). https://doi.org/10.33736/ijbs.12828.2026

Putra, R. W., Nurdianti, S. F., Nuralam, N., Habbe, A. H., & Bandang, A. (2025). Pengaruh Pengungkapan Environmental, Social, and Governance (ESG) terhadap Reaksi Pasar: Peran Moderasi Volatilitas Harga Saham pada Perusahaan Transportasi dan Logistik Indonesia. Atestasi : Jurnal Ilmiah Akuntansi, 9(1). https://doi.org/10.57178/atestasi.v9i1.2021

Putri, R., Honesty, F. F., & Honesty, H. N. (2024). Pengaruh environmental, social, governance (esg) disclosure, dan kinerja keuangan terhadap return saham. ECo-Buss.

Repi, S., Murni, S., & Adare, D. (2016). Faktor-Faktor Yang Mempengaruhi Nilai Perusahaan Subsektor Perbankan Pada Bei Dalam Menghadapi MEA. Jurnal EMBA, 181(1).

Sakina, D. E. N., & Darmawan, A. (2024). Pengaruh Pengungkapan Environmental, Social, Governance (Esg) Terhadap Kinerja Keuangan Perusahaan Sub-Sektor Pertambangan Batu Bara Periode 2019 "" 2022. JOURNAL OF APPLIED MANAGERIAL ACCOUNTING, 8(2). https://doi.org/10.30871/jama.v8i2.8034

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Santoso, & Sasongko. (2022). Pengaruh Likuiditas, Profitabilitas, Dan Solvabilitas Terhadap Nilai Perusahaan Farmasi Terdaftar Di Bei. Jurnal Ilmu Dan Riset Manajemen, 11(10).

Saputri, S. R., Wiyono, G., & Kusumawardhani, R. (2022). Profitabilitas, Solvabilitas dan Likuiditas terhadap Nilai Perusahaan: Perusahaan Makanan dan Minuman di BEI Periode 2015-2020. Al-Kharaj : Jurnal Ekonomi, Keuangan & Bisnis Syariah, 5(4).

Sari, A. R., & Hariyani, D. S. (2024). ESG Disclosure To Financial Performance With Stock Price Volatility As A Moderation Variable. Assets: Jurnal Akuntansi Dan Pendidikan, 13(1). https://doi.org/10.25273/jap.v13i1.16971

Sari, E. N., & Napitupulu, J. G. P. (2026). Digital Transformation as a Strategy to Achieve Competitive Advantage: A Literature Review from a Strategic Management Perspective. Synergy: Journal of Business, Finance and Management, 2(1), 10–19.

Sidharta, K., & Kim, S. S. (2024). The Influence Of ESG Performance On Stock Price Volatility In Indonesia. Enrichment: Journal of Management, 14(3).

Steven, C. M., & Yanti, Y. (2026). ESG Disclosure, Firm Size, Leverage, and Firm Value: Evidence from Indonesia's Food and Beverage Sub-Sector. International Journal of Economics and Management Research, 5(1). https://doi.org/10.55606/ijemr.v5i1.641

Suryani, N. R., & Djawoto. (2021). Pengaruh Likuiditas, Profitabilitas, Struktur Modal dan Ukuran Perusahaan terhadap Nilai Perusahaan (Studi Pada Perusahaan Property and Real Estate yang Terdaftar di BEI). Jurnal Ilmu Dan Riset Manajemen, 10(1).

Syahida, St. D. M., Qhalbi, N., Agung, M. F., & Majid, J. (2025). Pengaruh Environmental , Social , and Governance (ESG) Disclosure Terhadap Kinerja Keuangan Perusahaan Pada Enam Bank Terbesar Di Indonesia. SIGARUDA JOURNAL: JURNAL ILMIAH BIDANG SOSIAL, EKONOMI, BUDAYA, TEKNOLOGI DAN PENDIDIKAN, 1(2).

Taha, R., Al-Omush, A., & Al-Nimer, M. (2023). Corporate sustainability performance and profitability: The moderating role of liquidity and stock price volatility - evidence from Jordan. Cogent Business and Management, 10(1). https://doi.org/10.1080/23311975.2022.2162685

Tumanggor, Y. A., & Isnaen, F. (2025). Pengaruh Return On Equity (Roe) dan Ukuran Perusahaan Terhadap Nilai Perusahaan Pada Perusahaan Makanan dan

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Minuman yang Terdaftar di Bursa Efek Indonesia Tahun 2022-2023. JIMU: Jurnal Ilmiah Multidisipliner, 04(01).

Ventury, R. I., & Oktaviani, Y. (2022). Pengaruh Current Ratio, Quick Ratio, Dan Cash Ratio Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur Di Bursa Efek Indonesia Pada Periode 2016-2020. Jurnal Riset Akuntansi Dan Manajemen, 11(1).

Wardana, M. R. C., Rafidah, R., & Muthmainnah, M. (2024). Pengaruh ROA, ROE, DAR dan DER Terhadap Harga Saham Pada Perusahaan Manufaktur Di JII. Jurnal Administrasi Dan Manajemen, 14(2). https://doi.org/10.52643/jam.v14i2.3564

Waruwu, J. S., & Hendrajaya, H. (2025). Pengaruh Kinerja Keuangan dan Kebijakan Dividen terhadap Nilai Perusahaan pada Perusahaan Sektor Pertambangan di Bursa Efek Indonesia. Journal of Education, Humaniora and Social Sciences (JEHSS), 7(4). https://doi.org/10.34007/jehss.v7i4.2622

Ying, Q., Yousaf, T., Ain, Q. ul, Akhtar, Y., & Rasheed, M. S. (2019). Stock Investment and Excess Returns: A Critical Review in the Light of the Efficient Market Hypothesis. In Journal of Risk and Financial Management (Vol. 12, Number 2). https://doi.org/10.3390/jrfm12020097

Zhang, X., Shan, Y. G., Zhang, Y., & Xing, C. (2025). Does ESG rating divergence affect the cost of corporate debt? Accounting and Finance, 65(3). https://doi.org/10.1111/acfi.13400

Zhao, J., Wang, M., Hong, S., & Tan, S. (2025). ESG rating divergence and financing constraints: Evidence from China. Journal of Environmental Management, 389. https://doi.org/10.1016/j.jenvman.2025.126188

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.