ABSTRACT

This study was conducted to examine the effect of Environmental, Social, and Governance (ESG) performance on corporate financial distress to analyze the role of earnings management as a moderating variable in this relationship. The level of financial distress was measured using the Springate S-Score model, while earnings management was assessed using the modified Jones model based on the absolute value of discretionary accruals (DA). The study also includes firm size, leverage, and industry classification as control variables that affect financial distress. The research sample consisted of non-financial companies listed on the Indonesia Stock Exchange (IDX) during the period 2020–2024. The sample selection was conducted using purposive sampling, resulting in 45 companies as the research sample. Hypothesis testing was conducted using panel data regression analysis. The results showed that LST performance had a negative effect on financial distress, indicating that an increase in LST performance could reduce a company's level of financial distress. In addition, earnings management was found to negatively moderate the relationship between LST performance and financial distress. Thus, the existence of earnings management practices tended to weaken the negative effect of LST performance on a company's financial distress.

Keywords: Financial Distress, Environmental, Social, and Governance (ESG), Earnings Management, Non-Financial Companies.

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INTISARI

Penelitian ini dilakukan untuk mengkaji pengaruh kinerja Lingkungan, Sosial, dan Tata Kelola (LST) terhadap kondisi *financial distress* perusahaan serta menganalisis peran manajemen laba sebagai variabel moderasi dalam hubungan tersebut. Tingkat *financial distress* diukur menggunakan model Springate S-Score, sementara manajemen laba dinilai dengan model modified Jones yang dihitung berdasarkan nilai absolut akrual diskresioner (DA). Selain itu, penelitian ini mempertimbangkan ukuran perusahaan, *leverage*, dan klasifikasi industri sebagai variabel kontrol yang turut mempengaruhi *financial distress*. Objek penelitian mencakup perusahaan sektor nonkeuangan yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2020–2024. Pemilihan sampel dilakukan melalui metode *purposive sampling* sehingga diperoleh 45 perusahaan sebagai sampel penelitian. Pengujian hipotesis dilakukan dengan menggunakan analisis regresi data panel. Hasil penelitian menunjukkan bahwa kinerja LST memiliki pengaruh negatif terhadap *financial distress*, yang mengindikasikan bahwa peningkatan kinerja LST dapat menurunkan tingkat *financial distress* perusahaan. Selain itu, manajemen laba terbukti memoderasi hubungan antara kinerja LST dan *financial distress* secara negatif. Dengan demikian, keberadaan praktik manajemen laba cenderung melemahkan pengaruh negatif kinerja LST terhadap kondisi *financial distress* perusahaan.

Kata Kunci: *Financial Distress*, Lingkungan, Sosial, Tata Kelola, LST, Manajemen Laba, Perusahaan Non-Keuangan.