

ESG and dividend policy: Evidence from ASEAN-5 countries

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Abstract

This study aims to investigate the effect of Environmental, Social, and Governance (ESG) on dividend policy. ESG disclosure is measured using the Refinitiv Eikon database's ESG Score, and dividend policy is measured using the Dividend Payout Ratio (DPR). Purposive sampling was used to obtain 115 samples of non-financial companies listed on the ASEAN-5 Countries Stock Exchange from 2017 to 2021. The sample companies originated from the ASEAN-5 countries. These countries include Indonesia, Malaysia, Singapore, Philippines, and Thailand. The results suggest that ESG has a positive effect on dividend policy. Companies with higher ESG scores are more likely to have suitable dividend policies, as companies that disclose ESG indicate a high level of transparency and a low risk of information asymmetry. This study provides empirical evidence to support the implementation of ESG disclosure in numerous nations, particularly the ASEAN-5. This study provides empirical incentives for company managers to implement ESG disclosure and its components. The relationship between ESG and its components and dividend policy in ASEAN-5 countries has yet to be investigated.

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ASEAN-5; Environmental; Social; Governance; ESG; Dividend Policy

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Abstrak

Penelitian ini bertujuan untuk mengetahui pengaruh Environmental, Social, and Governance (ESG) terhadap kebijakan dividen. Pengungkapan ESG diukur menggunakan ESG Score database Refinitiv Eikon, dan kebijakan dividen diukur menggunakan Dividend Payout Ratio (DPR). Purposive sampling digunakan untuk memperoleh 115 sampel perusahaan non-keuangan yang terdaftar di Bursa Efek Negara-negara ASEAN-5 pada tahun 2017 hingga 2021. Perusahaan sampel tersebut berasal dari negara-negara ASEAN-5. Negara-negara tersebut antara lain Indonesia, Malaysia, Singapura, Filipina, dan Thailand. Hasil penelitian menunjukkan bahwa ESG berpengaruh positif terhadap kebijakan dividen. Perusahaan dengan skor ESG yang lebih tinggi cenderung memiliki kebijakan dividen yang sesuai, karena perusahaan yang mengungkapkan ESG menunjukkan tingkat transparansi yang tinggi dan risiko asimetri informasi yang rendah. Studi ini memberikan bukti empiris yang mendukung penerapan pengungkapan ESG di banyak negara, khususnya ASEAN-5. Studi ini memberikan insentif empiris bagi manajer perusahaan untuk menerapkan pengungkapan ESG dan komponen-komponennya. Hubungan antara ESG dan komponennya serta kebijakan dividen di negara-negara ASEAN-5 masih belum diteliti.

Kata kunci: ASEAN-5; lingkungan; sosial; tata kelola; esg; kebijakan dividen

Introduction

Environmental, Social, and Governance (ESG) criteria have become a basic consideration for investors in making decisions. Environmental, Social, and Governance (ESG) refers to the three key factors for measuring the sustainable and ethical impacts of a business or company when making investment decisions. The three factors are environmental, social, and governance. ESG concepts, standards, and criteria are increasingly utilized by global and regional investors, as well as at the national level with the introduction of sustainable finance (Atan et al., 2018). Companies that disclose Environmental, Social, and Governance (ESG) and Corporate Social Responsibility (CSR) can easily attract public attention. Furthermore, there are distinctions between ESG and CSR. Where ESG means the way in which businesses and investors incorporate environmental, social, and governance concerns into their operations. While CSR refers to company activities related to greater social responsibility, how to become a good company in integrating environmental, social, and economic issues. ESG addresses governance issues directly, whereas CSR addresses governance issues indirectly, due to the connection between CSR and environmental and social considerations. Thus, Environmental tends to be a broader term than CSR in ESG (Gillan et al., 2021).

Copeland et al. (1992) define dividend policy as the company's determination of the proportion of income that will be distributed to shareholders or wealth owners in the form of dividends and which will be retained as retained earnings. Explanation from Nishat & Saghir (1991) and Glen et al. (1995) is that a company that pays consistent and high dividends increases the demand for its shares, thereby increasing the price per share. Companies typically avoid reducing or skipping dividend payments (D'Souza & Saxena, 1999), so that this condition can continue to exist.

The event that is being hotly discussed in the world is the COP-26 event in October to November 2021 where the COP or Conference of the Parties is a United Nations conference held in Glasgow, attended by leaders of the countries worldwide with the aim of discussing solutions to tackle global climate change. The conference's climate goals are more ambitious. The ASEAN-5 countries are required to ensure the occurrence of environmentally friendly development, including low-carbon development. It is also related to the human resources expected to support the ASEAN-5's contribution to sustainable development. It is strongly linked to ESG in all pillars.

The availability of skilled workers to support the implementation of long-term low-carbon and climate resilience strategies is a problem for ASEAN-5 countries that have previously experienced a pandemic. Parties (including the private sector) are expected to support the transition process by increasing workforce capacity that is prepared to respond to the green transition (Erwinsyah, 2021).

Due to this circumstance, the author is interested in discussing ESG. Companies that disclose ESG information must incur significant expenses, particularly in the current era in which every country has recently recovered from a pandemic. Consequently, all parties require encouragement to plan and implement environmentally friendly development, as well as the knowledge and skills of a supporting workforce, such as the addition of workers with specialized skills for various industrial sectors. As far as the author is aware, no one has investigated and examined the relationship between ESG and its components, namely environmental, social, and governance, and dividend policy in ASEAN-5 countries. This relationship is significant and can encourage companies to integrate ESG into their corporate business strategy and disclose ESG activities in a transparent manner. As more companies implement and disclose ESG to the public, the public will be able to monitor it better and more closely; this will have a positive impact on the company's performance, which will automatically improve for the better and can reduce violations, resulting in even greater dividends.

This study intends to answer the primary question in light of this context. How does the Environmental, Social, and Governance (ESG) performance of a company affect dividend policies in ASEAN-5 countries? Researchers seek empirical evidence concerning the relationship between ESG and dividend policy. This is because previous research has primarily examined ESG-related topics in the context of the United States (Fatemi et al., 2018), Europe (Buallay, 2019), Germany (Velte, 2017), Spain (de La Cuesta & Valor, 2013), and Australia (Sila & Cek, 2017).

Theoretical framework and hypotheses

Dividend

Wahyudiono (2014) defines dividends as company profits distributed to shareholders, while Khanzode et al. (2021) characterizes dividends as the proportion of company profits distributed to shareholders and other stakeholders in cash or other forms. The dividend distribution can be adjusted according to the number of shares purchased by shareholders. Annual dividend amounts are determined at the Annual General Meeting of Shareholders (GMS). The amounts of dividends distributed is not always the same, because the amounts of dividends depend on the profits generated by the company. Dividend policy is the company's strategy for deciding whether to pay dividends, and there is typically a dividend distribution ratio (Rampershad & de Villiers, 2019). According to Sudana (2011), dividend policy is a part of the company's spending decisions, particularly those pertaining to internal spending. This is due to the fact that the size of dividends will impact the size of retained profits. If the company decides to distribute dividends, the dividends may be paid out in cash or in other forms.

Environmental, Social, and Governance (ESG)

Based on the ESG Score and the ESG Controversies Score, the ESG Combined Score is calculated for the purposes of this study. The ESG Score ranges from 0 (lowest) to 100 (highest). The company that has the highest score on the three pillars means that the company has reported the three ESG aspects, namely environmental aspects, social aspects, and governance aspects in accordance with the ESG score assessment criteria set by Refinitiv Eikon.

Refinitiv Eikon uses over 630 company-level measures when measuring ESG. Then, from 186 relevant and comparable subgroups, subgroups were chosen to strengthen the overall scoring and scoring process for each company. They are organized into ten categories that are used to reformulate the scores of the three pillars and the overall ESG score. This scoring and scoring process is based on considerations of data availability, industry relevance, and comparability. This is because some indicators are not applicable to all industries. Based on the explanation above, the data obtained according to Refinitiv Eikon are ten grouping categories for the three pillars, namely environmental, social, and governance, which are presented in the following figure:

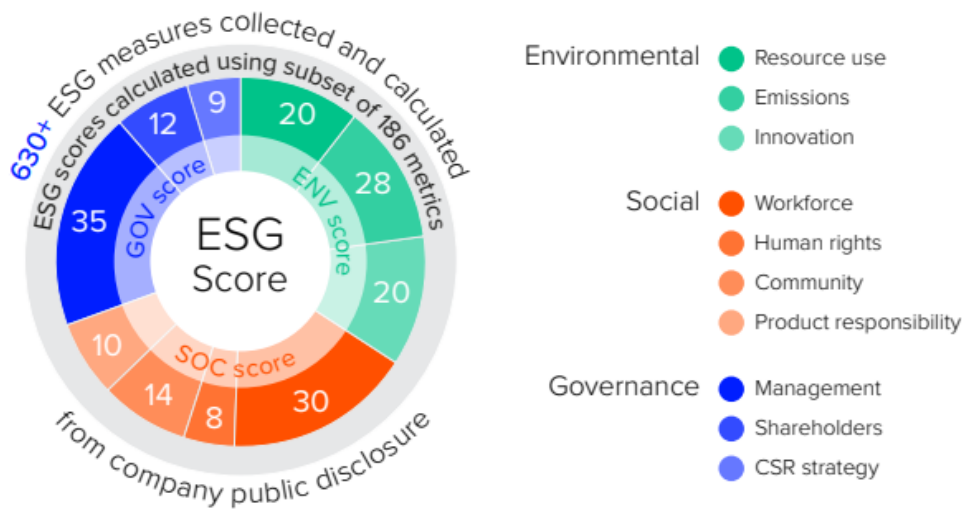


Figure 1.
ESG Scoring Category
 Source: Refinitiv Eikon

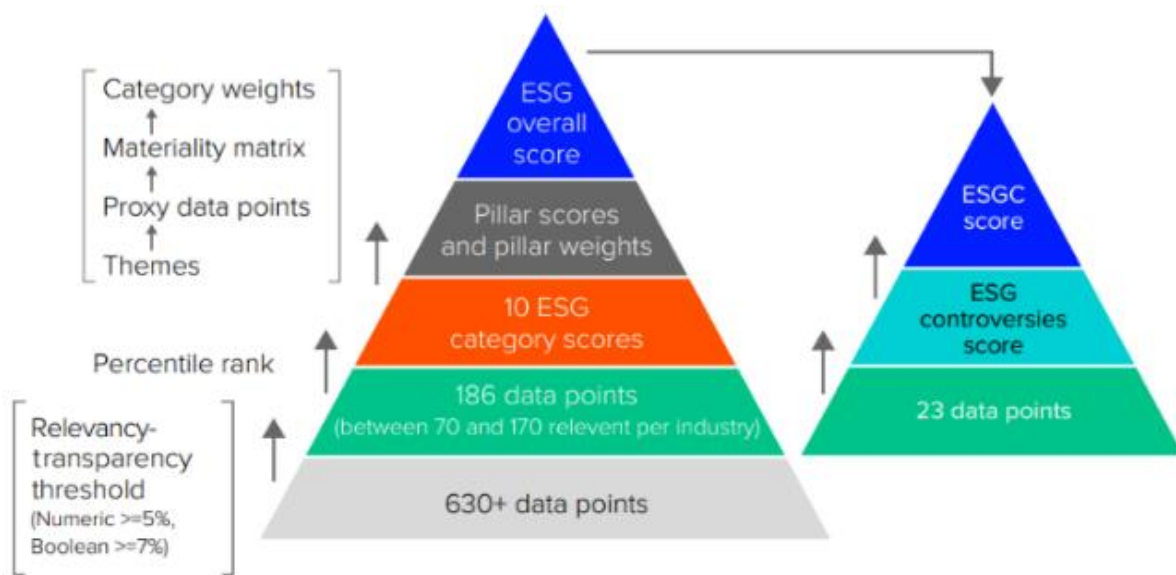


Figure 2.
Process for Obtaining ESG Combined Score
 Source: Refinitiv Eikon

Refinitiv Eikon displays ESG Controversies Score data in addition to the ESG Score. Based on 23 ESG controversy topics, the ESG Controversies Score was calculated. The overall final ESG score and assessment will be affected if the company is involved in a scandal throughout the year. This will also cause an adjustment between the ESG Score and the ESG Controversies Score, resulting in the ESG Combined Score. The company's ESG Combined Score will be affected by ongoing scandal cases, such as those involving legal disputes or fines, lawsuits, or other matters. As large companies attract and receive more media attention, the ESG Controversies Score also discusses the market capitalization experienced by large companies. For an illustration regarding the ESG Score, the ESG Controversies Score, and the ESG Combined Score obtained above, please see Figure 1 and Figure 2.

Hypotesis

According to Rita & Lucas (2020), there is a positive relationship between the disclosure of ESG scores and dividend policy, namely that companies with higher ESG scores tend to have the correct and appropriate policies in paying dividends, and dividends can be assumed to be one of the sources of shareholder wealth as well as maximizing corporate value for all types of stakeholders. As a result of previous research, it can be concluded in this study that ESG has an effect on dividend policy, because companies that disclose the conditions of the environmental, social, and governance pillars by producing good and transparent values will attract investors to invest, including in the performance of companies with a tendency to pay high dividends, and dividend distribution is adjusted to the dividend policy in the company. Thus, this leads to the following hypothesis: "ESG has a positive effect on dividend policy".

Based on the literature that has been elaborated, the research framework is presented in Figure 3.

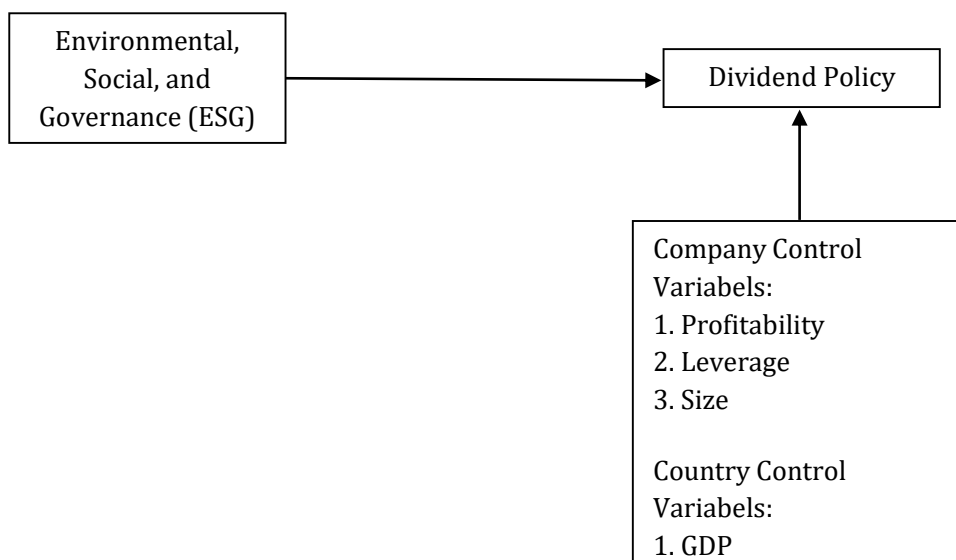


Figure 3.
Research Framework

Methods

This study selects companies engaged in non-financial industries. This study does not include the financial industry because the financial industry is a highly regulated industry so that it cannot be compared to other industries. This study uses a classification based on the Global Industry Classification Index (GICS). GICS consists of a sequence of four levels with a total of 11 sectors, 24 industry groups, 69 industries, and 158 sub-industries.

Population and sample

This study has a population of 2,178 companies and a purposive sampling technique was used to determine the number of samples, resulting in a total sample of 575 companies in the 2017-2021 period.

Table 1.

Research Sample Selection

Criteria	IDN	MYS	SIG	PHL	THA	Total
Go public companies listed on the Stock Exchange in ASEAN-5 countries which are included in the non-financial sector in 2021	657	978	180	224	139	2.178
Exception:						
- Companies that do not have the required data in full in this study	(640)	(948)	(156)	(205)	(114)	(2.063)
Number of companies being sampled	17	30	24	19	25	115
Total Observation (five years)	85	150	120	95	125	575

Note: IDN=Indonesia; MYS=Malaysia; SIG=Singapore; PHL=Philippines; THA=Thailand

Measurement

Several groups of variables were used in this study. The dependent variable is dividend policy, the independent variable is Environmental, Social, and Governance (ESG), and the control variables are profitability, leverage, firm size, and Gross Domestic Product (GDP).

The dividend policy is the dependent variable in this study. The DPR (Dividend Payout Ratio) is measured using a ratio scale, and the proxies used are as follows (Raed, 2020):

$$DPR = \frac{\text{Dividends paid by a company}}{\text{Earnings after tax}}$$

The independent variable in this study is ESG (Environmental, Social, and Governance). ESG disclosure scores for large public companies were obtained using the Refinitiv Eikon ESG (Asset 4) Database. The calculation of the ESG Combined Score, which is based on the assessment of the ESG Score, is used in this study. The ESG Score is assigned from 0 to 100, with 0 being the lowest and 100 being the highest. The three factors considered by Refinitiv Eikon in determining the ESG score are as follows (Sila & Cek, 2017): first, environmental performance: reducing resource consumption, reducing emissions and product innovation. Second, social performance: product responsibility, community, human rights, diversity and opportunity, quality of work, health and safety, and training and development. Third, governance performance: management, stakeholders and CSR strategy.

Table 2.
Control Variables

Variable	Notation	Measure
Profitability	ROA	Net Income / Total Assets
Leverage	DER	Total Liabilities / Total Equity
Firm Size	SIZE	L_n (Total Assets)
GDP	GDP	GDP Growth

Research Method

This study uses a statistical test of panel data regression regarding the effect of ESG disclosure on dividend policy. The following is the form of the research model as follows:

$$DIV_{i,t} = \beta_0 + \beta_1 ESG + \beta_2 ROA + \beta_3 LEV + \beta_4 SIZE + \beta_5 GDP + \epsilon$$

Where: $DIV_{i,t}$ = Dividend Policy; ESG=ESG Disclosure Score; ROA=Profitability; LEV=Leverage; SIZE= Firm Size; GDP=Gross Domestic Product. In addition, this study also conducted a robustness test on the research results by controlling for industrial and country heterogeneity.

Results and discussion

Descriptive Statistics

This study's preliminary data analysis found outliers in the variables of dividend policy (DPR), profitability (ROA), leverage, and GDP. To address the issue of outliers in this study, a winsorization technique with upper and lower limits of 1% was used. The descriptive analysis of each of the variables related to this study resulted in the Table 3.

Table 3.
Descriptive Statistics

Variables	N	Mean	Std. Dev	Min	Max
DPR	575	0,6193	0,6875	-1,6535	3,7165
ESGCS	575	52,9657	17,7987	5,3365	92,1917
ESCORE	575	49,5496	23,3621	0,0000	97,2946
SSCORE	575	58,0380	20,6075	3,3626	97,2425
GSCORE	575	50,3481	21,1863	2,9610	97,3625
ROA	575	0,0618	0,0642	-0,0436	0,3580
LEV	575	1,3543	1,2304	0,0655	8,2189
SIZE	575	22,3947	1,1092	19,1011	25,2519
GDP	575	2,4659	4,3993	-9,5183	7,6140

Note: DPR = Dividend policy measurement proxy; ESGCS = Measurement score of ESG Combined Score; ESCORE = Environmental pillar score; SSCORE = Social pillar score; GSCORE = Governance pillar score; ROA = Profitability, which is measured using the ratio of net income to total assets; LEV = Leverage, which is measured using the ratio of total liabilities to total equity; SIZE = Firm size, which is measured using the natural logarithm of total assets; GDP = GDP per capita growth of the country.

The results of descriptive statistical analysis of 115 samples of companies from ASEAN-5 countries selected through purposive sampling technique for the period 2017-2021 were

presented on the table 1, resulting in a total of 575 data used in this study. The sample companies have an average dividend policy of 0.6193 and a standard deviation of 0.6875. This value indicates that the standard deviation is higher than the average. This demonstrates that data distribution varies, and thus the dividend policy of companies in ASEAN-5 countries varies. In 2020, a Malaysian state company owned by PPB Group Bhd had the highest dividend policy, while a Singapore state company owned by Singapore Telecommunications Ltd had the lowest dividend policy.

Correlation test

A correlation test was used in this study to determine the relationship between the variables in this study. The coefficient value of a variable can reveal the nature of the correlation. The coefficient value is between 0 and 1. If the coefficient value is greater than 0.8, the two variables have a strong correlation. When the value of the correlation coefficient reaches 1, the correlation between variables becomes a perfect correlation. The correlation test results table is displayed in Appendix 1.

A correlation test was performed in this study, with the results displayed in the Appendix 1, where the independent variable, ESG and its pillars, as well as several control variables, had a correlation with the dependent variable of this study, dividend policy (DPR). The independent variable in this study, ESG (ESGCS), has a 10% significant positive correlation with the dependent variable, dividend policy (DPR). This is possible because companies that provide more transparent information increase dividend payments (see Appendix 1).

Discussion

Furthermore, using the Pooled Least Square (PLS) method, this study conducted a regression model test to answer the hypothesis regarding the disclosure of Environmental, Social, and Governance (ESG) on dividend policy. The regression results for this research model, which include the model's simultaneous significance (F-test), partial significance (T-test), and R2 value, are displayed in the Appendix 2.

Effect of environmental, social, and governance (ESG) on dividend policy

The coefficient value for the ESG variable (ESGCS) is 0.0048 (sig. 1%), based on the results of the regression model test in Appendix 2, indicating that Environmental, Social, and Governance have a positive and significant influence on dividend policy. When controlling for industry and country heterogeneity in the sample, these results remain consistent because they both show a significant positive effect on dividend policy, implying that hypothesis 1 is accepted. The results of this study indicate that companies with higher ESG scores tend to have the right policies in paying dividends. This is because companies that disclose ESG show that they have a high level of transparency and a low risk of information asymmetry. This is an indication that the company has good performance so that it can increase shareholder wealth through the payment and distribution of company dividends.

Control variable analysis

When a regression model is used to test the control variable, profitability (ROA), the results have no effect on dividend policy. These findings agree with models that account for industry and country heterogeneity. The control variable, leverage, has no effect on dividend policy when tested with a regression model. When tested with a regression model, the control variable,

company size (SIZE), has a negative effect on dividend policy. The final control variable in this study is GDP per capita growth (GDP). The results of the regression model test have no effect on dividend policy. This indicates that a country's high or low GDP growth has no effect on dividend policy in ASEAN-5 countries. In this study, the GDP variable does not predict the direction of influence, and it is only used to control the characteristics of a country.

Additional testing

Furthermore, this study conducted an additional test by testing the regression model in this study to answer the hypothesis regarding the disclosure of each pillar of the Environmental, Social, and Governance (ESG) on dividend policy. The results of additional analysis testing are presented in Appendix 3.

Environmental pillar

The environmental pillar coefficient value of 0.0020 with a significant level of 5% was calculated using the regression model of this study. As a result, it is acceptable for additional testing on this environmental pillar. The test results in this study are in line with the research by Hendijani Zadeh (2020) which shows that the results of corporate environmental transparency have a positive effect on dividend policy. Because companies that are currently concerned with the environment in their operational activities will have an impact on the community's quality of life.

Social pillar

This study's regression model obtained a social pillar coefficient value of 0.0040 with a significance level of 1%. As a result, it is acceptable for additional testing on this social pillar. The findings of this study are consistent with the findings of research by Hendijani Zadeh (2020), which shows that corporate social transparency has a positive effect on dividend policy. The higher the company's social score and the more the company discloses the transparency of its social pillars, the greater the capacity of the company to generate trust and loyalty with its workforce, customers, and society through the use of good management practices.

Governance pillar

The governance pillar coefficient value of 0.0029 with a significant level of 5% was calculated using the regression model of this study. As a result, it is acceptable for additional testing on the pillars of this governance. The test results in this study are consistent with research by Ellili (2022). Good governance can improve company compliance, provide accurate information, reduce information asymmetry, increase transparency, and increase shareholder wealth in receiving payments and dividend distribution. Furthermore, the findings of this additional test show that the control variable has an effect on dividend policy, which is consistent with the findings of the main research test, one of which is company size. Other control variables, on the other hand, have no effect on dividend policy.

Conclusion

The Environmental, Social, and Governance (ESG) variables are found to have a positive and significant effect on dividend policy when the first hypothesis is tested. Companies with higher ESG scores are more likely to have adequate dividend policies. This is due to the fact that businesses have a high level of transparency and a low risk of information asymmetry.

In testing the additional test hypothesis, it shows the following results: First, the *environmental* has a positive effect on dividend policy. Because companies that are currently

concerned with the environment in their operational activities will have an impact on the community's quality of life. This may indicate that the company has a positive image and little information asymmetry. Second, *social* has a positive effect on dividend policy. The higher the company's social score and the more the company discloses the transparency of its social pillars, the greater the capacity of the company to generate trust and loyalty with its workforce, customers, and society through the use of good management practices. Third, *governance* has a positive effect on dividend policy. Because good governance can improve company compliance, provide accurate information, reduce information asymmetry, increase transparency, and increase shareholder wealth in receiving payments and dividend distribution. Finally, company size (SIZE), the control variable, has a significant relationship with dividend policy. Other control variables, such as profitability (ROA), leverage, and GDP, have no significant relationship with dividend policy.

This study provides empirical evidence to support the implementation of ESG disclosure in numerous nations, particularly the ASEAN-5. This study also provides empirical incentives for company managers to implement ESG disclosure and its components. It is hoped that the company can provide another perspective regarding the importance of information related to environmental, social and governance performance. In reporting good company performance, it can influence investor interest in making investment decisions by increasing the good image and reputation of the company. For investors, this research is expected to provide consideration and understand the importance of knowing company performance information by considering the company's financial aspects and aspects of the environment, social, and corporate governance as considerations in making decisions.

Based on the conclusions described in the research above, there are several suggestions as follows. First, it is hoped that science can add insight, provide understanding regarding the results of this research and determine the influence of each pillar in Environmental, Social, and Governance (ESG) on dividend policy. Second, for future researchers, it is hoped that they can add or change other independent variables such as firm value, profit growth, and others, because it is possible that other variables not included in this study affect dividend policy. It is expected to be able to develop research samples other than non-financial companies listed on the Stock Exchange and be able to use other datastreams to view ESG scores, such as ESG scores on Bloomberg and other datastreams, and can increase the research period so that research results can be more optimal in explaining the company's condition.

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Declaration section

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Appendix 1.

VARIABLE	DPR	ESGCS	ESCORE	SSCORE	GSCORE	ROA	LEV	SIZE	GDP
DPR	1,0000								
ESGCS	0,0475*	1,0000							
ESCORE	0,0202	0,8384***	1,0000						
SSCORE	0,0302*	0,9121***	0,7291***	1,0000					
GSCORE	-0,0340*	0,6648***	0,3075***	0,4711***	1,0000				
ROA	0,0534*	0,1591***	0,0873**	0,1560***	0,1076***	1,0000			
LEV	0,0109	0,0821**	0,0181	0,0367*	0,0969**	0,1065**	1,0000		
SIZE	-0,0741**	0,1068**	0,1640***	0,0852**	0,0339*	-0,4158***	-0,251	1,0000	
GDP	-0,0323*	-0,1578***	-0,1709***	-0,1541***	-0,0516*	0,1246***	-0,0149	-0,0492*	1,0000

Note: *, ** and *** significant indication on 10%, 5% and 1%.

DPR = Dividend policy measurement proxy; **ESGCS** = Measurement score of ESG Combined Score; **ESCORE** = Environmental pillar score; **SSCORE** = Social pillar score; **GSCORE** = Governance pillar score; **ROA** = Profitability, which is measured using the ratio of net income to total assets; **LEV** = Leverage, which is measured using the ratio of total liabilities to total equity; **SIZE** = Firm size, which is measured using the natural logarithm of total assets; **GDP** = GDP per capita growth of the country.

Appendix 2

		$DIV_{i,t} = \beta_0 + \beta_1 ESG + \beta_2 ROA + \beta_3 LEV + \beta_4 SIZE + \beta_5 GDP + \epsilon$				$DIV_{i,t} = \beta_0 + \beta_1 ESG + \beta_2 ROA + \beta_3 LEV + \beta_4 SIZE + \beta_5 GDP + \epsilon$ + $\sum Industry + \sum Country + \epsilon$			
Variable	Expectation	Coefficient	t-value	P> t	Sig	Coefficient	t-value	P> t	Sig
ESGCS	H1 (+)	0,0048	2,74	0,003	***	0,0054	2,38	0,009	***
ROA	(+)	0,0840	0,17	0,432		-0,7943	-1,10	0,135	
LEV	(-)	-0,0061	-0,35	0,364		-0,0707	-2,12	0,017	**
SIZE	(+)	-0,8864	-3,60	0,000	***	-0,1334	-3,79	0,000	***
GDP	(+/-)	-0,0078	-0,89	0,376		-0,0073	-0,81	0,418	
Constant		2,3705	4,16	0,000		3,7567	4,66	0,000	
Industry									Yes
Country									Yes
Prob>F									0,0000
R ²									0,1076

Note: *, ** and *** significant indication on 10%, 5% and 1%.

DPR = Dividend policy measurement proxy; **ESGCS** = Measurement score of ESG Combined Score; **ESCORE** = Environmental pillar score; **SSCORE** = Social pillar score; **GSCORE** = Governance pillar score; **ROA** = Profitability, which is measured using the ratio of net income to total assets; **LEV** = Leverage, which is measured using the ratio of total liabilities to total equity; **SIZE** = Firm size, which is measured using the natural logarithm of total assets; **GDP** = GDP per capita growth of the country.

Appendix 3

DPR	Expectation	DPR (1)	DPR (2)	DPR (3)	DPR (4)	DPR (5)	DPR (6)
ESCORE	(+)	0,0020** (1,66)			0,0025* (1,60)		
SSCORE	(+)		0,0040*** (2,59)	0,0029** (2,07)		0,0046** (2,34)	0,0024* (1,34)
GSCORE	(+)			0,3155 (0,67)			-0,5476 (-0,77)
ROA	(+)	0,2889 (0,60)	0,1081 (0,22)	0,3155 (0,67)	-0,6528 (-0,92)	-0,7752 (-1,08)	-0,6266** (-1,87)
LEV	(-)	-0,0027 (-0,15)	-0,0027 (-1,15)	-0,0068 (-0,38)	-0,0687** (-2,07)	-0,0693** (-2,08)	-0,1122*** (-3,15)
SIZE	(+)	-0,0824*** (-3,32)	-0,0860*** (-3,54)	-0,0766*** (-3,13)	-0,1263*** (-3,73)	-0,1317*** (-3,80)	-0,0094 (-1,05)
GDP	(+/-)	-0,0093 (-1,04)	-0,0079 (-0,90)	-0,0104 (-1,21)	-0,0079 (-0,87)	-0,0075 (-0,83)	3,4149 (4,10)
Constant		2,3685 (4,13)	2,3306 (4,10)	2,2015 (3,77)	3,7089 (4,72)	3,7449 (4,69)	
Industry			No			Yes	
Country			No			Yes	
Prob>F		0,0001	0,0000	0,0000	0,0000	0,0000	0,0000
R ²		0,6809	0,0362	0,0311	0,1008	0,1076	0,1000

Note: *, ** and *** significant indication on 10%, 5% and 1%.

DPR = Dividend policy measurement proxy; **ESCORE** = Environmental pillar score; **SSCORE** = Social pillar score; **GSCORE** = Governance pillar score; **ROA** = Profitability, which is measured using the ratio of net income to total assets; **LEV** = Leverage, which is measured using the ratio of total liabilities to total equity; **SIZE** = Firm size, which is measured using the natural logarithm of total assets; **GDP** = GDP per capita growth of the country.



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