THE EFFECT OF ESG, HUMAN CAPITAL, AND GREEN INNOVATION DISCLOSURE ON FINANCIAL PERFORMANCE

Yeny Widya Tuti[1]
Universitas Pembangunan Nasional "Veteran" Jawa Timur, Surabaya, Indonesia
ynywt12@gmail.com

Tantina Haryati[2]
Universitas Pembangunan Nasional "Veteran" Jawa Timur, Surabaya, Indonesia
tantinah.ak@upnjatim.ac.id

Nanda Wahyu Indah Kirana[3*]
Universitas Pembangunan Nasional "Veteran" Jawa Timur, Surabaya, Indonesia
nanda.wahyu.ak@upnjatim.ac.id

Abstract

Financial performance is a crucial element for a company's sustainability because it determines its ability to make a profit. However, companies that are members of the SRI-KEHATI index experienced fluctuations in performance based on ROA during 2019–2023. This study focuses on companies in the SRI-KEHATI index listed on the IDX during the period, to empirically examine the influence of ESG, human capital, green process innovation, and green product innovation on financial performance. The analysis used secondary data from financial, annual, and sustainability reports as many as 125 observations were obtained through purposive sampling. This study uses a quantitative approach and SEM-PLS analysis techniques, which results in findings that ESG, human capital, and green process innovation have a positive and significant impact on financial performance, while green product innovation has a non-significant negative influence.

Keywords: Environmental Social Governance (ESG), Human Capital, Green Process Innovation, Green Product Innovation, Financial Performance, Company Size

INTRODUCTION

A company's financial performance, which shows the results obtained over a specific period, gives an overview of its financial stability and health (Wahyuni et al, 2023). Numerous decisions made by management throughout the years, including those concerning operations, funding, and investment, have resulted in this achievement. Rahayu (2021) asserts that the impact of corporate policies extends beyond the improvement of financial performance to include the environmental impact of the business's operations that result in this financial success. Strong business financial success will increase profits, which will improve the company's well-being through the services it provides (Sauerman & Isbahi, 2023).

According to Santi (2021), the Indonesia Equity Exchange has launched two equity indices that emphasize environmental, social, and governance (ESG) considerations. The two recently issued indexes are the ESG Quality 45 Index and the ESG Sector Leaders IDX Kehati Index. The current composition of the SRI-KEHATI index, which is composed of 25 shares of publicly traded companies listed on the IDX, is reviewed and updated every May and November. This index has done better than several important indexes since its launch, such as the Composite Stock Price Index (JCI), LQ45, JII, and others. The stock price of the SRI-KEHATI index varied from 2019 to 2023, with 2020 seeing a particularly steep decline. This decline was triggered by the March 2020 uncovering of the first COVID-19 case in Indonesia, which also contributed to a pessimistic outlook for stock prices. In addition to improving financial performance and guaranteeing the company's sustainability, putting a green innovation plan into action is essential to increasing the company's value and fulfilling its environmental responsibilities.

Since many businesses deal with environmental issues, they need to be accountable and mindful of environmental factors. Through the Ministry of Environment, the government has implemented PROPER (Corporate Performance Rating Assessment Program in Environmental Management) to evaluate Indonesian companies' environmental performance in an attempt to raise awareness of environmental issues. The PROPER grade is a reflection of the Republic of Indonesia's Ministry of Environment's efforts to encourage corporate participation in environmental management.

Financial success can be assessed using return on assets (ROA), which is a stand-in for the profitability ratio. Return on assets (ROA) is a statistic that evaluates how successfully a company uses its resources to generate revenue. However, as indicated by the profitability ratio utilizing ROA, there are differences in the financial performance of the SRI-KEHATI index companies between 2019 and 2023. According to legitimacy theory and stakeholder theory, high performance usually means that the company has met the expectations of several interested stakeholders, such as investors, employees, and the government. This increases the company's credibility in the eyes of the public by proving that it is both profitable and runs effectively (Pulungan & Adiwibowo, 2022).

Numerous studies have examined the financial success of businesses. Among the elements influencing financial performance are environmental, social, and governance (ESG) considerations. ESG is a technique used to assess how successfully businesses implement environmental, social, and governance norms (Sari and Widiatmoko, 2023). To gain the public's trust and legitimacy for their social and environmental duties, businesses must take these factors into account when performing their operations. This will help the company's long-term viability (Mohammad & Wasiuzzaman, 2021).

Green innovation is a business strategy that respects regulations and is ecologically mindful (Nainggolan, 2023). Green innovation's primary objectives are cost reduction and process and product differentiation. It can reduce negative environmental consequences by optimizing the utilization of energy and raw materials in the production process of a product. Green product innovation and green process innovation are the two types of green innovation, according to Wang et al. (2024). Green process innovation can increase a company's financial success by producing eco-friendly products that attract consumers and the general public (Singh & Pandey, 2021). Green product innovation can reduce energy and raw material consumption, as well as waste and pollution generated during production.

The last factor that causes a decline in financial performance is intellectual capital. The term "intellectual capital" refers to intangible assets that arise from a combination of market value and intellectual property, with a focus on human and infrastructure components. The three components of intellectual capital are Structural Capital Value Added (STVA), Value Added Human Capital (VAHU), and Value Added Capital Employed (VACA). The

researcher decided to focus on Value Added Human Capital (VAHU) because it is essential to improving a company's success.

There is a research gap showing that various factors, including value added human capital (VAHU), environmental, social, and governance (ESG), green process innovation, and green product innovation, have an effect on a company's performance, based on the phenomenon and findings of previous studies. This study focuses on SRI-KEHATI index companies that were listed on the Indonesia Stock Exchange (IDX) between 2019 and 2023. The 2019–2023 research period was selected because of the significant changes brought about by the COVID-19 pandemic's repercussions on the global economy and the company's commercial plan. It is feasible to assess the impact of a company's sustainability initiatives on its financial results within this time range. Additionally, business size was included as a control variable in this analysis due to its significant impact on financial success. Larger companies usually have better access to resources, more stability, and higher operational efficiency than smaller ones. By integrating these control variables, the study may be more clear and accurate about how each of the significant variables influences financial performance.

REVIEW OF LITERATURE

Legitimacy Theory

Since society is seen as a crucial component of a company's ability to survive, legitimacy theory places a strong emphasis on the connection between businesses and society (Dowling & Pfeffer, 1975). This idea highlights the fact that organizations are a part of society and must always make sure that their operations adhere to standards that stakeholders find acceptable and that society values. To survive, businesses require legitimacy from a variety of sources.

Stakeholder Theory

Stakeholder theory, according to Freeman (1984), demonstrates that a business must act not just in its own best interests but also in the best interests of its stakeholders, which include shareholders, creditors, customers, suppliers, the government, society, analysts, and other parties. The business must benefit all of its stakeholders, including shareholders,

creditors, customers, suppliers, governments, and society at large, in addition to its own interests. As a result, these stakeholders' support is crucial to the company's continued existence.

Environmental Social Governance (ESG)

As public awareness of social and environmental issues grows, a company's capacity to carry out its business plan and create value over time may be impacted by a variety of environmental, social, and corporate governance factors that are collectively referred to as ESG. To promote economic, social, and environmental efforts and accomplish sustainable business objectives, environmental, social, and governance requirements must be met (Yanto & Maulia, 2020). The author of this study used checklists and rating techniques to assess the caliber and level of ESG reports. This method entails gathering information by hand from annual reports and business websites to evaluate how much information about ESG is disclosed by companies.

Financial Performance

Decisions based on an assessment of the company's capabilities in a number of areas, such as liquidity, activity, solvency, and profitability, determine the financial performance of the business. The information in the company's financial accounts is used to measure financial performance, which is a reflection of how well the business is doing (Yusra & Sulistyowati, 2023).

Intellectual Capital

In the modern economic period, intellectual capital is a means of gaining a competitive edge and is crucial to the success, expansion, and advancement of businesses (Mustafa et al., 2024). The author employs human capital as a measurement ratio in this study. The ability of workers to produce goods and services and to establish positive relationships is referred to as human capital (Tangngisalu, 2022).

Green Innovation

Green innovation, according to Intari & Khusnah (2023), is a methodology used in the creation of goods, procedures, or technology to lessen adverse environmental effects. Green innovation can be divided into two categories: green process innovation and green product innovation. Green process innovation integrates technological and environmental

initiatives to manage waste and pollution through the use of bioenergy in the production process (Xie et al., 2019). Reducing and preventing negative environmental effects is the aim of green product innovation. These inventions help organizations achieve their goals by reducing costs and enhancing the environment.

Company Size

Brigham & Houston (2011:4) define company size as the size of a business, which can be categorized in several ways, such as total equity, total assets, and revenue size. A company's size is determined by its total assets, which are a collection of resources that are arranged and integrated to create goods or services that are intended for sale.

RESEARCH METHOD

This study includes three types of factors: dependent variables, which include financial performance; independent variables, which include ESG, human capital, green process and green product innovation, and company size control variables. The SRI-KEHATI index firms that were listed on the Indonesia Stock Exchange between 2019 and 2023 were the subject of this study. The population of this study consists of 28 companies. Purposive sampling is the method employed, in which data is chosen according to preset standards. The companies that will be used as research subjects are chosen based on these characteristics. The data in this study was obtained from financial statements, annual reports, and sustainability reports following the criteria that have been determined. Data was obtained by documentation techniques with the final results of 25 companies. The number of data used in this study is 125 data.

RESULTS AND DISCUSSION

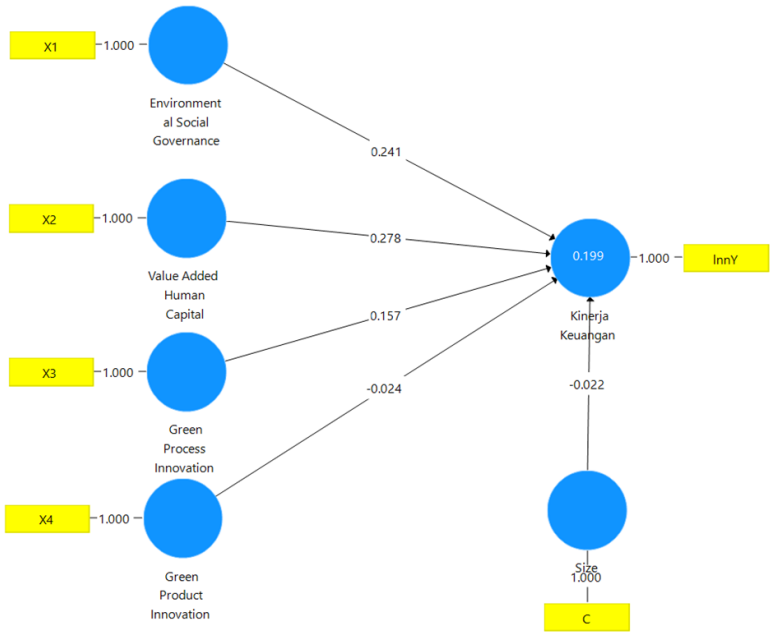

Figure 1.
Outer Model with Factor Loading, Path Coefficient, and R-Square
Source: Primary data processed, 2024

The analysis of the outer model is carried out to ensure that the variables are suitable for measurement (valid and reliable).

Table 1.
Outer Loadings

	X1	X2	X3	X4	Y	C
X1	1.000					
X2		1.000				
X3			1.000			
X4				1.000		
Y					1.000	
C						1.000

Source: Primary data processed, 2024

Table 2.
Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
X1	1.000
X2	1.000
X3	1.000
X4	1.000
Y	1.000
C	1.000

Source: Primary data processed, 2024

Table 1 Outer Loadings shows that each indicator has an outer loading value greater than 0.7, which can be interpreted as meaning that all indicators are valid and acceptable. Table 2 Average Variance Extracted (AVE) shows that each indicator has an AVE value greater than 0.5, indicating that it has satisfied the validity requirements and is acceptable for use in additional testing and analysis.

Table 3.
Cross Loading

	X1	X2	X3	X4	Y	C
X1	**1.000**	0.086	0.100	-0.118	0.287	-0.147
X2	0.086	**1.000**	0.176	0.167	0.325	-0.102
X3	0.100	0.176	**1.000**	0.112	0.236	-0.399
X4	-0.118	0.167	0.112	**1.000**	0.016	-0.223
Y	0.287	0.325	0.236	0.016	**1.000**	-0.143
C	-0.147	-0.102	-0.399	-0.223	-0.143	**1.000**

Source: Primary data processed, 2024

According to Table 3, the cross-loading for each variable is examined as part of the validity test of discrimination, and if the cross-loading value is more than 0.7, the test is deemed valid and acceptable. To satisfy the requirements for the validity of discrimination, the cross-loading value needs to be higher than the values of the other constructs. The cross-loading value of each indicator for its latent variables is higher than that of other latent variables.

Table 4.
Cronbach's Alpha and Composite Reliability

	Cronbach's Alpha	Composite Reliability	Criteria	Information
Environmental Social Governance (X1)	1.000	1.000	> 0,7	Reliable
Value Added Human Capital (X2)	1.000	1.000	> 0,7	Reliable
Green Process Innovation (X3)	1.000	1.000	> 0,7	Reliable
Green Product Innovation (X4)	1.000	1.000	> 0,7	Reliable
Financial Performance (Y)	1.000	1.000	> 0,7	Reliable
Company Size (C)	1.000	1.000	> 0,7	Reliable

Source: Primary data processed, 2024

To demonstrate the instrument's accuracy, consistency, and ability to measure constructs, reliability tests are conducted. Composite reliability with a value greater than 0.7 and Cronbach's alpha are the two methods for conducting construct reliability testing in the study. The data in this study has a good degree of reliability, as indicated by Table 4, which shows that the values of Cronbach's alpha and composite reliability over the variables in this study have satisfied the requirements.

Table 5.
R-Square

	R Square	Percentage
Financial Performance	0.199	19,9%

Source: Primary data processed, 2024

According to Table 5, the financial performance variable (Y) has an R-squared value of 0.199, or 19.9%. Included in the weak category, this score indicates that company size, value-added human capital, green process innovation, green product innovation, and ESG factors have a 19.9% impact on financial performance, with other factors influencing the remaining 80.1%. Low R-Square values can be produced by a sample size that is too small as well as by the independent variable not having a substantial impact on the dependent variable.

Table 6.
Q-Square

	Q^2 (=1-SSE/SSO)
Financial Performance	0.142

Source: Primary data processed, 2024

The model is deemed good and satisfies the requirements for predictive relevance if the Q^2 value is greater than 0. Table 6 shows that the financial performance variable's (Y) Q-Square value is 0.142. If the variable's Q-Square value is higher than zero, it is deemed good and its predictive significance is satisfied.

Table 7.
Path Coefficient

	Original Sample (O)	P-Value	Results
Environmental Social Governance -> Financial Performance	0.241	**0.003**	Accepted
Value Added Human Capital -> Financial Performance	0.278	**0.000**	Accepted
Green Process Innovation -> Financial Performance	0.157	**0.034**	Accepted
Green Product Innovation -> Financial Performance	-0.024	**0.376**	Rejected
Company Size -> Financial Performance	-0.022	**0.421**	Rejected

Source: Primary data processed, 2024

H1 : According to the test results, the p-value for this hypothesis is 0.003. Additionally, a path coefficient result of 0.241 was also shown by the test of this hypothesis. The conclusion drawn from the p-value and path coefficient is that ESG factors significantly and favorably impact financial performance, hence H1 is approved.

H2 : According to the test results, the p-value for this hypothesis is 0.000. Additionally, a path coefficient result of 0.278 was also shown by the test of this hypothesis. Value Added Human Capital has a positive and significant impact on financial performance, according to the p-value and path coefficient data, hence H2 is accepted.

H3 : According to the test results, the p-value for this hypothesis is 0.034. This hypothesis's test also revealed a route coefficient result of 0.157. Given that the Green Process Innovation variable has a positive and significant impact on financial performance, as determined by the p-value and path coefficient, H3 is accepted.

H4 : According to the results of testing this hypothesis, the p-value is 0.376. Furthermore, a path coefficient result of -0.024 was also found in the test of this hypothesis. The Green Product Innovation variable has a negative but not statistically significant impact on financial performance, according to the p-value and path coefficient data, so H4 is rejected.

Environmental Social Governance's (ESG) Impact on Financial Performance

According to the findings of this study's first hypothesis test, financial performance is significantly improved by environmental social governance or ESG. Thus, the study's initial hypothesis might be said to be accepted. Control variables, such as the size of the relevant company, were added to the research to make sure that other variables that might have an impact on the findings did not influence the association between ESG and financial performance. The inclusion of control variables in the study further enhances the validity of the findings by demonstrating that the strong and positive correlation between ESG and financial success is a direct result of ESG implementation rather than the result of other factors. ESG significantly improves financial performance, according to research by Sari & Widiatmoko (2023), which is consistent with our study. This research, however, runs counter to Yanto & Maulia's (2020) findings, which indicate that ESG has no bearing on financial performance.

Value-Added Human Capital's Impact on Financial Performance

Value-added human capital significantly improved financial performance, according to the findings of the study's second hypothesis test. Thus, the study's second hypothesis can be deemed to be true. An important factor in raising the company's financial success is the rise in added value produced by its human capital. Businesses that successfully manage and optimize their human resources typically perform better financially. The inclusion of control variables enhances the findings' validity by implying that VAHU's substantial impact on financial performance is reflected in its influence. The company's prosperity is sustained by increased productivity and operational efficiency brought forth by human resources. The findings of this study demonstrate how crucial human capital management is to raising a company's financial performance. According to Kurniawati et al. (2020), VAHU significantly improves financial performance, which is consistent with this study.

Additionally, this study supports that of Masyhuri et al. (2024), who found that human resources had a major impact on organizational behavior. This research, however, runs counter to that of Ndruru & Permatasari (2024), who found no relationship between VAHU and financial performance.

Green Process Innovation's Impact on Financial Performance

The study's third hypothesis test revealed that financial performance was significantly improved by green process innovation. In addition to being good for the environment, implementing green process innovation boosts the company's bottom line. Thus, it may be said that the third hypothesis in this research is true. Green process innovation refers to the use of technology and techniques, such as waste reduction, energy efficiency, and sustainable natural resource management, to lessen environmental consequences. The inclusion of control variables enhances the findings' validity by demonstrating that the impact of green process innovation on financial performance originates solely from the innovation and is not impacted by outside influences. Control variables aid in mitigating bias, thereby elucidating the correlation between financial performance and green process innovation. These developments enhance operational effectiveness and lower long-term expenses, which boosts financial results. This research supports that of Xie et al. (2019), who found that a company's financial performance can be enhanced by green process innovation. The research by Intari & Khusnah (2023), however, claims that green innovation has a detrimental impact on financial success, which is in conflict with this study.

Green Product Innovation's Impact on Financial Performance

Green product innovation had a negative but not statistically significant impact on financial performance, according to the findings of the study's fourth hypothesis test. According to these results, even if eco-friendly product innovations are being adopted, their influence on financial performance is not substantial enough to be deemed noteworthy. Thus, it may be said that the fourth hypothesis in this research is not true. Green product innovation is the process of creating goods that are less harmful to the environment in terms of their materials, manufacturing methods, and effects. However, its execution necessitates significant financial outlays for things like technology, industrial modifications, and research, which may limit its effect on financial success.

The way the market reacts and how much consumers value eco-friendly items will also determine its success. These inventions are significant, but they need strong marketing plans. The association between the analysis's control variables and financial performance has not been properly reinforced, indicating that other external factors continue to have an impact. According to research by Intari & Khusnah (2023), green innovation has a detrimental impact on financial performance, which is consistent with this study. This research is also consistent with that of Muwaffaq Helmi and Erna Widiastuty (2023), who found that it significantly affects the company's financial performance in a negative trend.

CONCLUSION

The company's financial performance is positively and significantly impacted by Environmental Social Governance (ESG) and Value Added Human Capital (VAHU), highlighting the significance of integrating ESG into operational activities and maximizing human resource management to support business sustainability. By using environmentally friendly technologies to increase operational efficiency and lower costs, green process innovation also has a positive and significant influence. On the other hand, because of its high development costs and reliance on market reactions, green product innovation has a negative and negligible impact on financial performance. An efficient marketing plan is required to generate customer interest in eco-friendly products to boost their impact.

REFERENCES

Agustin, H., & Bertuah, E. (2024). Factor Determinant Profitability and Financial Distress of Non-Financial Sector Companies in Indonesia. *Owner*, *8*(3), 2393–2405. https://doi.org/10.33395/owner.v8i3.2193

Alexander, H. (2024). Terapkan Bisnis Berkelanjutan, Avia Masuk Indeks Sri-Kehati . *Kompas.Com.* *Https://Lestari.Kompas.Com/Read/2024/06/04/090000086/Terapkan-Bisnis-Berkelanjutan-Avia-Masuk-Indeks-Sri-Kehati-*.

Anesa, M., Spee, A. P., Gillespie, N., & Petani, F. J. (2024). Reassessing Moral Legitimacy in Times of Instability. *Journal of Management Studies*, *61*(3), 857–887. https://doi.org/10.1111/joms.12889

Arwangga, E. P., & Raharja, S. (n.d.). Pengaruh Kinerja Keuangan Dan Karakteristik Dewan Terhadap Pengungkapan Karbon (Studi Empiris Pada Perusahaan Sektor Non Finansial yang terdaftar di Bursa Efek Indonesia (BEI) 2018-2020). *Diponegoro Journal of Accounting*, *12*(1), 1–11. http://ejournal-s1.undip.ac.id/index.php/accounting

Batae, O. M., Dragomir, V. D., & Feleagă, L. (2020). Environmental, social, governance (ESG), and financial performance of European banks. *Journal of Accounting and Management Information Systems*, *19*(3). https://doi.org/10.24818/jamis.2020.03003

Becker, G. S. (1993). *Human capital: a theoretical and empirical analysis, with special reference to education*. The University of Chicago Press.

Brigham dan Houston. (2011). *Dasar-Dasar Manajemen Keuangan (II)* (Edisi ke 11). Jakarta. Salemba Empat.

Brinkmann, M. (2024). *An Instrumentalist Theory of Political Legitimacy*. Oxford University PressOxford. https://doi.org/10.1093/9780198901174.001.0001

Candio, P. (2024). The effect of ESG and CSR attitude on financial performance in Europe: A quantitative re-examination. *Journal of Environmental Management*, *354*. https://doi.org/10.1016/j.jenvman.2024.120390

Dani Sarnisa, W., Rafianamaghfurin, & Djasuli, M. (2022). Praktik Pengungkapan Informasi Environmental, Social and Governance (ESG) Dalam Penerapan GCG. *Jurnal Ekonomika Dan Bisnis (JEBS)*, *2*(3), 754. https://doi.org/10.47233/jebs.v2i3.267

Dao, B., Coenders, G., Hoai, P., Dam, T., & Trinh, H. (2023). An empirical examination of financial performance and distress profiles during Covid-19: the case of fishery and food production firms in Vietnam. *Journal of Financial Reporting and Accounting*, *62*, 183–209. https://doi.org/10.13039/501100011033

Dewi, R., & Rahmianingsih, A. (2020). Meningkatkan Nilai Perusahaan Melalui Green Innovation Dan Eco-Effisiensi. *Ekspansi: Jurnal Ekonomi, Keuangan, Perbankan Dan Akuntansi*, *12*(2), 225–243. https://doi.org/10.35313/ekspansi.v12i2.2241

Dowling, J., & Pfeffer, J. (1975). *Organizational Legitimacy: Social Values and Organizational Behavior*. The Pacific Sociological Review.

Dwimayanti, N. M. D., Sukartha, P. D. Y., Putri, I. G. A. M. A. D., & Sisdyani, E. A. (2023). Beyond profit: How ESG performance influences company value across industries? *JEMA: Jurnal Ilmiah Bidang Akuntansi Dan Manajemen*, *20*(1), 43–65. https://doi.org/10.31106/jema.v20i1.20574

Elmghaamez, I. K., Nwachukwu, J., & Ntim, C. G. (2024). ESG disclosure and financial performance of multinational enterprises: The moderating effect of board standing committees. *International Journal of Finance & Economics*, *29*(3), 3593–3638. https://doi.org/10.1002/ijfe.2846

Falikhatun, F., & Asila, F. N. (2023). Environmental Disclosure, Green Technology Innovation, and Financial Performance of Manufacturing Companies in Indonesia. *Jurnal Digital Akuntansi*, *6*(18), 216–227.

Freeman, E. (1984). *Strategic Management: A Stakeholder Approach*.

Gangi, F., Daniele, L. M., Varrone, N., Coscia, M., & D'Angelo, E. (2024). The impact of business ethics on ESG engagement and the effect on corporate financial performance: evidence from family firms. *Management Decision*. https://doi.org/10.1108/MD-10-2023-1931

Hasbiyadi, H. (2021). Is it possible that intellectual Capital Affects Performance? *ATESTASI: Jurnal Ilmiah Akuntansi*, *4*(1), 70–78. https://doi.org/10.33096/atestasi.v4i1.677

Hery, A. (2023). Memahami Laporan Keuangan Dan Analisisnya. *Papas Sinar Sinanti*.

Intari, A. P. N., & Khusnah, H. (2023a). Pengaruh Green Innovation Terhadap Kinerja Keuangan dengan Kinerja Lingkungakan sebagai Mediasi. *Jurnal Ilmiah Akuntansi Dan Keuangan*, *12*(2), 149–160. https://doi.org/10.32639/jiak.v12i2.805

Intari, A. P. N., & Khusnah, H. (2023b). Pengaruh Green Innovation Terhadap Kinerja Keuangan dengan Kinerja Lingkungan sebagai Mediasi. *Jurnal Ilmiah Akuntansi Dan Keuangan*, *12*(2), 149–160. https://doi.org/10.32639/jiak.v12i2.805

Kasmir. (2019). *Analisis laporan keuangan* (C.12, Revisi, Ed). Rajawali Pers.

Khairunnisa, K., & Haryati, T. (2024). Pengungkapan ESG dan Kinerja Keuangan bagi Nilai Perusahaan Dimoderasi oleh Ukuran Perusahaan. *Religion Education Social Laa Roiba Journal*, *6*, 3075. https://doi.org/10.47476/reslaj.v6i6.2337

Kurniawati, A. D., & Purwaningsih, A. (2024). The Impact of Financial Stability and Audit Firm Affiliation on the Level of Disclosure of Sustainable Green Banking. *Media Ekonomi Dan Manajemen*, *39*, 419–432.

Kurniawati, Rasyid, R., & Setiawan, F. A. (2020). Pengaruh Intellectual Capital Dan Ukuran Perusahaan Terhadap Kinerja Keuangan Perusahaan. *Jurnal Muara Ilmu Ekonomi Dan Bisnis*, *4*(1), 64–76.

Li, D., Zhao, Y., Zhang, L., Chen, X., & Cao, C. (2018). Impact of quality management on green innovation. *Journal of Cleaner Production*, *170*, 462–470. https://doi.org/10.1016/j.jclepro.2017.09.158

Lin, H., Zeng, S. X., Ma, H. Y., Qi, G. Y., & Tam, V. W. Y. (2014). Can political capital drive corporate green innovation? Lessons from China. *Journal of Cleaner Production*, *64*, 63–72. https://doi.org/10.1016/j.jclepro.2013.07.046

Madyan, M., & Widuri, S. K. (2023). Environmental, Social, Governance (ESG) Performance and Capital Structure: The Role of Good Corporate Governance. *Jurnal Manajemen Teori Dan Terapan| Journal of Theory and Applied Management*, *16*(3), 560–570. https://doi.org/10.20473/jmtt.v16i3.47483

Mardani, R. M. (2022). Dividend policy, ownership structure, and corporate governance: An empirical analysis of Indonesian firms. *JEMA: Jurnal Ilmiah Bidang Akuntansi Dan Manajemen*, *19*(1), 60–76. https://doi.org/10.31106/jema.v19i1.11116

Masyhuri, Sudiro, A., Prabandari, S. P., & Kurniawati, D. T. (2024). The effect of human capital on organizational performance in the service industry 4.0: Mediation analysis from Indonesia. *Problems and Perspectives in Management*, *22*(1), 418–431. https://doi.org/10.21511/ppm.22(1).2024.34

Millenia, A., & Etty Murwaningsari. (2023). Pengaruh Inovasi Produk Hijau Dan Inovasi Proses Hijau Terhadap Keunggulan Kompetitif Hijau Dengan Modal Intelektual Hijau Sebagai Variabel Moderasi. *Jurnal Ekonomi Trisakti*, *3*(2), 2319–2328. https://doi.org/10.25105/jet.v3i2.17046

Mita Ndruru, F., & Permatasari, A. (2024). Pengaruh Struktur Modal, Harga Saham Dan Intellectual Capital Terhadap Kinerja Keuangan Pada Sektor Industri Barang Konsumsi Yang Terdaftar Di Bei. *Ekomania : Ekonomi, Manajemen, Akuntansi Dan Bisnis*, *10*(3).

Mohammad, W. M. W., & Wasiuzzaman, S. (2021). Environmental, Social and Governance (ESG) disclosure, competitive advantage and performance of firms in Malaysia. *Cleaner Environmental Systems*, *2*. https://doi.org/10.1016/j.cesys.2021.100015

Muhidin, & Situngkir, T. (2023). Pengaruh Rasio Profitabilitas Terhadap Harga Saham Perusahaan Perbankan yang Terdaftar di Bursa Efek Indonesia pada Tahun 2015 – 2021. *Journal of Islamic Education Management*, *3*, 15–27. https://doi.org/10.47476/manageria.v3i1.2093

Mulialim, C., & Madyan, M. (2023). How does ESG explain excess returns in emerging market? An Asset-Pricing Approach. *Jurnal Manajemen Teori Dan Terapan | Journal of Theory and Applied Management*, *16*(2), 280–292. https://doi.org/10.20473/jmtt.v16i2.48072

Mustafa, D. I., Alzebdieh, R. M., Abdullatif, M., & Al Majali, S. A. (2024). Intellectual capital and firm performance of Jordanian financial institutions. *Banks and Bank Systems*, *19*(3), 9–22. https://doi.org/10.21511/bbs.19(3).2024.02

Musyaffi, A. M., Khairunisa, H., & Respati, D. K. (2022). *Konsep Dasar Structural Equation Model-Partial Least Square SEM-PLS Menggunakan SmartPLS*. Pascal Book.

Muwaffaq Helmi, W., & Erna Widiastuty. (2023). Effect Of Green Innovation And Green Process Innovation On Firm Performance. *Jurnal Riset Akuntansi Aksioma*, *22*(1), 55–69. https://doi.org/10.29303/aksioma.v22i1.203

Nainggolan, H. (2023). *Green Technology Innovation: Transformasi Teknologi Ramah Lingkungan berbagai Sektor* ((Cetakan I)). Sonpedia Publishing Indonesia.

Nisa, A. Z., Titisari, K. H., & Masitoh, E. (2023). Pengaruh Pengungkapan Environmental, Social, dan Governance terhadap Kinerja Perusahan. *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah*, *5*(5), 2400–2411. https://doi.org/10.47467/alkharaj.v5i5.3410

Nurwulandari, A. (2021). Effect of Liquidity, Profitability, Firm Size on Firm Value with Capital Structure as Intervening Variable. *ATESTASI: Jurnal Ilmiah Akuntansi*, *4*(2), 257–271. https://doi.org/10.33096/atestasi.v4i2.835

Odat, M., & Bsoul, R. (2024). The Relationship Between Intellectual Capital Efficiency and Firms' Dividend Policy: Do Ceo Characteristics Matter? *Investment Management and Financial Innovations*, *21*(3), 84–95. https://doi.org/10.21511/imfi.21(3).2024.08

Prof. Dr. Ir. Sugiarto, M. S. (2022). *Metodologi Penelitian Bisnis* (Edisi 2). Andi.

Pulungan, M., & Adiwibowo, A. (2022). Pengaruh Good Corporate Governance Terhadap Kinerja Keuangan Perbankan Selama Masa Pandemi. *Diponegoro Journal of Accounting*, *11*(4), 1–11. http://ejournal-s1.undip.ac.id/index.php/accounting

Putri Fabiola, V., & Khusnah, H. (2022). Pengaruh Green Innovation dan Kinerja Keuangan Pada Competitive Advantage dan Nilai Perusahaan Tahun 2015-2020. *Media Mahardhika*, *20*((2)), 295–303.

Rahayu, N. E., & Setiawan, D. (2023). Intellectual Capital Disclosure and the Effecting Factor on Official Website of Higher Education in Indonesia. *Atestasi: Jurnal Ilmiah Akuntansi*, *6*(2), 512–527. https://doi.org/10.57178/atestasi.v6i2.488

Rahayu, R. (2021). *Kinerja Keuangan Perusahaan*. Nas Media Pustaka.

Ramadhan, R. P., & Sulistyowati, E. (2022). Pengaruh Corporate Social Responsibility terhadap Kinerja Keuangan dengan Nilai Perusahaan sebagai Variabel Mediasi. *Jurnal Pendidikan Tambusai*, *6*(2), 11033–11040.

Ramadhana, N. M., & Setiawan, M. A. (2024). Pengaruh Pengungkapan Biaya Lingkungan terhadap Kinerja Keuangan dengan Kinerja Lingkungan sebagai Variabel Moderasi.

Jurnal Eksplorasi Akuntansi (JEA), *6*(2), 640–654. https://doi.org/10.24036/jea.v6i2.1550

Riady, A., Prodi Manajemen Sekolah Tinggi Ilmu Ekonomi Makassar Bongaya, M., Muh Jusuf Radja Mahasiswa Prodi Manajemen Sekolah Tinggi Ilmu Ekonomi Makassar Bongaya, I., Hasyim Mochtar Mahasiswa Prodi Manajemen Sekolah Tinggi Ilmu Ekonomi Makassar Bongaya, I., Corresponding Author, I., & author, N. (2024). Pengaruh Human Capital dan Structural Capital Terhadap Kinerja Keuangan Perusahaan Perbankan Konvensional. In *Insan Cita Bongaya Research Journal E-ISSN* (Vol. 3, Issue 2). www.idx.co.id.

Rizky Linuwih, D., & Tresna Parasetya, M. (2024). Pengaruh Good Corporate Governance Terhadap Kinerja Keuangan Perusahaan. *Diponegoro Journal of Accounting*, *13*, 1–15.

Salvatira Bibi, Y., & Putu Dian Rosalina Handayani Narsa, N. (2022). Bibi dan Narsa., Pengaruh Enviromental Management Terhadap Kinerja Keuangan. In *Jurnal Akuntansi Universitas Jember* (Vol. 20, Issue 2).

Samonas, M. (2015). *Financial Forecasting, Analysis, and Modelling: A Framework for Long-Term Forecasting* ((1st Editio)). Wiley.

Santi, J. T. (2021). Bursa Efek Indonesia Luncurkan Dua Indeks "Saham Hijau". *Kompas.Id*. *Https://Www.Kompas.Id/Baca/Desk/2021/12/20/Bursa-Efek-Indonesia-Luncurkan-Dua-Indeks-Saham-Hijau*.

Sari, & Widiatmoko. (2023). Pengaruh Environmental, Social, and Governance (ESG) Disclosure terhadap Kinerja Keuangan dengan Gender Diversity sebagai Variabel Moderasi. *Jurnal Ilmiah Akuntansi Dan Keuangan*, *5*(9). https://journal.ikopin.ac.id/index.php/fairvalue

Sauerman, J. ., & Isbahi, M. B. (2023). Worker Reciprocity and the Returns to Training: Evidence from a Field Experiment. *Majapahit Journal of Islamic Finance and Management*, *3*(1), 49–89. https://doi.org/10.31538/mjifm.v3i1.35

Sekar Ayu Cahyani, R., & Puspitasari, W. (2023). Pengaruh Kinerja Lingkungan, Biaya Lingkungan, Kepemilikan Saham Publik, Green Accounting, Dan Struktur Modal Terhadap Kinerja Keuangan. *Jurnal Akuntansi Trisakti*, *10*(2), 189–208. https://doi.org/10.25105/jat.v10i2.17846

Sindhu, M. I., Windijarto, Wong, W. K., & Maswadi, L. (2024). Implications of corporate social responsibility on the financial and non-financial performance of the banking sector: A moderated and mediated mechanism. *Heliyon*, *10*(9). https://doi.org/10.1016/j.heliyon.2024.e30557

Singh, D., Dateer, J. R., & Raja, S. (2015). *Human Capital Management* ((1Tth ed.)). Thakur Publishers.

Singh, N. K., & Pandey, S. (2021). *Green Innovation, Sustainable Development, and Circular Economy* ((First edit)). CRC Press Taylor and Francis Group.

Singh, N. K., Pandey, S., Sharma, H., & Goel, S. (2020). *Green Innovation, Sustainable Development, And Circular Economy*. CRC Press.

Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D. Alfabeta.*

Tambunan, A. L., Aristi, M. D., & Azmi, Z. (2023). Pengaruh Biaya Lingkungan dan Corporate Social Responsibility Terhadap Kinerja Keuangan. *Jurnal Wira Ekonomi Mikroskil*, *13*(1), 1–9. https://doi.org/10.55601/jwem.v13i1.936

Tangngisalu, J. (2022). Relationship between Intellectual Capital and Corporate Profitability the Creative Commons Attribution 4.0 International License. Site Using OJS 3 PKP Optimized. *Atestasi: Jurnal Ilmiah Akuntansi*, *5*(1), 225–235. https://doi.org/10.33096/atestasi.v5i1.1078

Undang-Undang (UU) Nomor 20 Tahun 2008 Tentang Usaha Mikro, Kecil, Dan Menengah, Pub. L. No. LN.2008/NO.93, TLN NO.4866, LL SETNEG: 20 HLM, https://peraturan.bpk.go.id/Details/39653/uu-no-20-tahun-2008 (2008).

Wang, Y. Z., & Ahmad, S. (2024). Green process innovation, green product innovation, leverage, and corporate financial performance; evidence from system GMM. *Heliyon*, *10*(4), e25819. https://doi.org/10.1016/j.heliyon.2024.e25819

Xie, X., Huo, J., & Zou, H. (2019). Green process innovation, green product innovation, and corporate financial performance: A content analysis method. *Journal of Business Research*, *101*, 697–706. https://doi.org/10.1016/j.jbusres.2019.01.010

Yang, C., Zhu, C., & Albitar, K. (2024). ESG ratings and green innovation: A U-shaped journey towards sustainable development. *Business Strategy and the Environment*, *33*(5), 4108–4129. https://doi.org/10.1002/bse.3692

Yanto, H., & Maulia, D. (2020). The Determinants of Environmental Disclosure in Companies in Indonesia. *JDA Jurnal Dinamika Akuntansi*, *12*(2), 178–188. https://doi.org/10.15294/jda.v12i1.26014

Yusniawati, Y., & Romdioni, A. N. (2024). Pengaruh Intellectual Capital Terhadap Kinerja Keuangan. *Musamus Accounting Journal*, *6*(2), 10–19. https://doi.org/10.35724/maj.v6i2.6094

Yusra, M. A., & Sulistyowati, E. (2023). The Effect of Profitability, Good Corporate Governance, and Environmental Disclosure on Firm Value in Mining Companies Listed on The Indonesia Stock Exchange. *Jurnal Pamator: Jurnal Ilmiah Universitas Trunojoyo*, *16*(3), 661–673. https://doi.org/10.21107/pamator.v16i3.22079

Wahyuni, S., Hafiz, M., & Pradesyah, R. (2023). The Effect of Contribution, Role, and Capital on MSMEs Business Development in Islamic Banks with Human Resources Quality as A Moderation Variable. *Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE)*, *6*(1), 222-231. https://doi.org/10.31538/iijse.v6i1.3044