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The Effect of Environmental, Social, and Governance (ESG) Disclosure and Retention Ratio on Company Size in Companies Listed on the Indonesia Stock Exchange in 2022-2024

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ABSTRACT
This study aims to examine the influence of environmental, social, and governance (ESG) disclosure and retention ratios on company size. Sample selection was carried out using the purposive sampling method, which is a sampling technique from a number of populations based on certain criteria so that the selected sample is in accordance with the research objectives. The population in this study is energy sector companies listed on the Indonesia Stock Exchange in 2022-2024. The number of samples obtained was 8 energy sector companies listed on the Indonesia Stock Exchange (IDX) in 2022-2024, so the number of observations was 24 data. The data sources used in this study come from the official website of the Indonesia Stock Exchange and the websites of related companies. This study uses a quantitative approach with data collection techniques using descriptive analysis and multiple linear regression analysis, and utilizes SPSS 25 software to process data. The results of the analysis show that ESG disclosure and retention ratio have no effect on company size. These findings indicate that these factors have not been the main determinant of the size of energy sector companies in Indonesia in the study period. This research is expected to contribute to the development of literature related to ESG and retention ratios in Indonesia and become a consideration for company management and investors in strategic decision-making.
Keywords: *ESG disclosure, Retention Ratio, Company Size.*

1. Introduction

Sustainability issues are currently a major focus in the business world, especially in the midst of global challenges such as climate change, social inequality, and demands for more transparent governance. In this context, company size is one of the important indicators that shows the company's ability to manage resources, survive in the midst of external pressures, and create economic value in a sustainable manner. Company size is generally measured based on total assets, total sales, or number of employees, which indirectly reflects the company's capacity to run operations efficiently and scalably (Roestanto et al., 2022). Companies with large sizes usually have competitive advantages, such as easy access to financing, a stronger bargaining position against suppliers, and a wider market coverage. In contrast, small companies tend to be more susceptible to external changes and have limitations in terms of the flexibility of business expansion. Wufron (2021) stated that the size of the company has a significant effect on business performance and growth, because it determines the extent to which the company can implement a long- term strategy in a sustainable manner.

Companies operating in the energy sector, due to the direct environmental impact of their activities, are required to uphold a strong commitment to Environmental, Social, and Governance (ESG) standards, as they frequently face public scrutiny regarding environmental sustainability and social accountability. ESG *disclosure* be a proof of the company's responsibility and transparency for their non-financial performance (Rahmansyah & Mutmainah, 2024). Sustainability reporting—an essential component of ESG disclosure—has gained growing attention from both investors and regulators. This shift became more pronounced after

the Financial Services Authority (OJK) introduced Regulation No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, which mandates all public companies in Indonesia to publish sustainability reports (Financial Services Authority Regulations, 2017). Many companies, especially in the energy sector, are now actively disclosing their ESG programs, such as carbon emission management, community engagement, and corporate governance, as a form of commitment to sustainability. Starting in 2022, over 80% of energy sector companies listed on the Indonesia Stock Exchange have begun issuing sustainability reports.In the preparation of sustainability reports, companies can follow *pedoman Global Reporting Initiative* (GRI), which represents an international standard for the preparation of sustainability reports (Wangi & Aziz, 2024). However, the quality of ESG disclosure still varies depending on the scale and internal readiness of the company.

In Indonesia, ESG practices *disclosure* in the development stage. While the trend of publishing sustainability reports is increasing, the level of depth, consistency and measurability of ESG *disclosure* still varies greatly between companies (Labaco & Ahmad, 2024), especially in the energy sector which is capital-intensive and has a high risk of environmental issues. This raises the question of the extent of ESG *disclosure* It is truly able to have a real impact on the value of companies in this sector, especially in 2024 which has been heavily influenced by regulatory reforms and sustainable investment trends globally.

On the other hand, energy sector companies are faced with major challenges in terms of financing the energy transition and developing environmentally friendly infrastructure. In this context, internal sources of funds are very important, one of which is through retained earnings which are reflected in *retention ratio*. *Retention ratio* indicates how much of the company's net profit portion is not distributed as dividends to shareholders, but is reused for investment to support the company's growth and development (Olivia et al., 2025). Theoretically, companies that have a high retained earnings policy have greater growth potential because they can rely on internal financing without the need to rely on debt or capital from outside the company. However, in practice, the decision to withhold profits is greatly influenced by the company's financial condition, shareholder expectations, and industry growth projections. In the energy sector, where development projects often require large and long-term capital investments, policy *retention ratio* play a strategic role in expanding the scale of the business through increasing the company's total assets.

However, research examining the simultaneous influence of ESG *disclosure* and *retention ratio* The size of the company is still very limited, especially in the energy sector. Most previous studies have highlighted ESG relationships more *disclosure* and *retention ratio* with the company's value, profitability, or stock return, not on physical aspects such as the company's total assets. One of them, Prayogo et al. (2023) conducting research that found that ESG *disclosure* and *retention ratio* affects the company's value, but the company size is only used as a moderation variable, not as the main dependent variableFurthermore, a study by Mursalina et al. (2024) also examines the impact of ESG on firm value and finds that ESG disclosure has a significant effect on company value. In their research, company size functions only as a moderating variable rather than a direct influence.

In light of this context, this study aims to examine how ESG disclosure and the retention ratio influence firm size in energy sector companies listed on the Indonesia Stock Exchange in 2024. The findings of this research are anticipated to contribute to both academic and practical insights, particularly in advancing the discourse on ESG and retention ratio in Indonesia, and to serve as a reference for companies in formulating sustainability strategies focused on long-term value creation.

2. Literature Review

Stakeholder Theory

Stakeholder theory asserts that a company bears responsibilities not only to its shareholders but also to a wide range of other stakeholders, including employees, consumers, suppliers, the general public, and regulatory authorities who are involved in or influenced by the company's operations (Freeman et al., 2010). The theory also underscores the importance of fostering effective communication between the company and its stakeholders.

Transparent and comprehensive ESG disclosures enable companies to convey how they manage risks and seize opportunities related to environmental and social aspects. Through this practice, businesses can enhance stakeholder trust and loyalty, which in turn can contribute to business growth and an increase in company size (Hendra et al., 2025).

Moreover, stakeholder theory emphasizes the active involvement of management in navigating the business environment, particularly through establishing strategic relationships and implementing initiatives that align with shared objectives (Saputri et al., 2024). Stakeholder support and attention are expected to positively influence company performance, especially through investments or funding provided to the firm. These financial resources can then be allocated to support the company's operational processes. Improved operational efficiency may ultimately lead to the achievement of desired profit levels.

Legitimacy Theory

Legitimacy theory states that companies need to conform to prevailing social norms, values, and expectations in order to gain and maintain recognition from stakeholders (Suchman, 1995). Through the disclosure of ESG activities, such as emissions management and community involvement in social activities, companies seek to prove that their operations are in line with community-recognized norms and values. If a company fails to meet stakeholder expectations, then its social legitimacy can be threatened, ultimately potentially lowering the company's reputation and performance. On the other hand, ESG reporting that is carried out openly and accountably is able to strengthen a company's image, increasing trust *stakeholder,* and strengthen their social legitimacy (Avelyn & Syofyan, 2023).

Legitimacy theory emphasizes the focus of values and social norms of the community that need to be considered when the company conducts all its activities so that the company gains legitimacy from the surrounding community (Puspitaningrum & Indriani, 2021). Companies must also try to ensure that external parties can accept and consider their business activities "legitimate". Organizations are part of the social system of society and they strive to harmonize values with the social normal that has grown in the social life of the community. With the creation of harmony between the community and this affects the sustainability of the company in the future.

Signalling Theory

According to Spence (1973) Signalling theory explains that a company. performs certain actions to convey information to investors regarding management's view of the company's prospects. When a company decides to withhold most of its profits, this action signals that management believes in profitable investment opportunities in the future. Companies that have positive information about the state of their company certainly want to disseminate this information.

Disclosing information about ESG performance is expected to trigger a good response for the company's external parties. Investors respond to positive signals by increasing stock transactions, which raises the value of the stock. Companies also use retention ratios representing profits reserved for reinvestment as a clear signal of their potential for future growth. Companies that have retention ratio high indicates a strong reinvestment strategy and commitment to long-term growth (Halim, 2024).

Company Size

Company size represents the overall scale or scope of a business entity. A primary indicator used to assess company size is its total assets the greater the assets, the larger the company is considered to be. Therefore, effective asset management is essential to maintain and increase the size of the company (Jannah & Yuliana, 2021). Large-scale companies usually have advantages in the form of more abundant resources, such as easy access to funding, more mature managerial skills, and capacity to deal with risks, so they have the opportunity to grow faster and generate higher value. In contrast, small companies often face limited capital, technology, and market networks, which limits their ability to grow and adopt flexible strategies.

In this study, the size of the company was measured using natural logarithms. According to Fajriah et al. (2022) are as follows:

SIZE = Ln (Total Asse*t*)

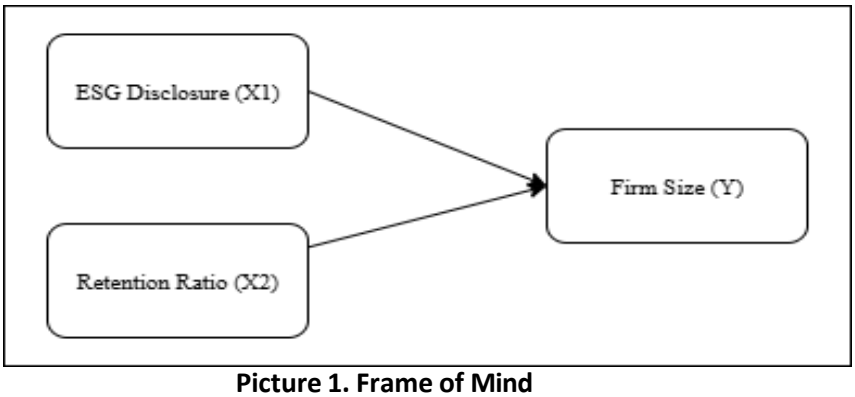
ESG Disclosure

ESG disclosure is the delivery of information by companies within the framework of sustainability covering three aspects, namely environmental, social and governance (Baier et al., 2020). One of the company's main motivations in conducting ESG disclosures is to meet regulatory requirements and expectations from stakeholders. Many companies now implement policies that actively promote transparent reporting of ESG performance. They measure, disclose, and communicate their ESG efforts directly to stakeholders (Almeyda & Darmansya, 2019). By sharing this information, companies send a strong, positive signal to the market that highlights their serious commitment to sustainability and social responsibility.

Retention ratio

The retention ratio reflects the portion of a company's earnings that is kept rather than paid out to shareholders as dividends (Qodary & Tambun, 2021). Companies with *retention ratio* high ones tend to choose to maintain those profits and reinvest them in the company's operations. By holding back profits, companies can reduce their reliance on debt or external funding sources to support their business expansion. This condition is often considered a positive signal regarding the company's growth, as it shows management's confidence in profitable investment opportunities in the future (Faradila et al., 2024). Moreover *retention ratio* also affects investors' views of the company. Investors often see *retention ratio* which is high as an indication that the company's management has a long- term vision and a strong commitment to developing the company.

Frame of Mind



Picture 1. Frame of Mind

Hypothesis Formulation

The Effect of ESG Disclosure on Company Size

Before investing in a company, investors will usually look for information about the company's status to make investment decisions. An important piece of information for investors to consider is whether a company applies ESG principles in its business operations (Ariasinta et al., 2024). The company engages in a dialogue with stakeholders through ESG disclosure and actively signals its commitment to sustainability and sound governance. Companies that provide disclosure of information about business activities by implementing ESG aspects can change the perception of stakeholders and investors.

In line with signaling theory, the company actively announces promising performance to send favorable signals to investors. These signals influence how investors perceive the company's value, leading to an increase in its stock price. As the stock price rises, investors see the company as more valuable.

H1: ESG disclosure affects the size of the company.

The Effect of Retention Ratio on Company Size

The retention ratio indicates the proportion of a company's net income that is retained rather than paid out as dividends to shareholders, with the purpose of reinvesting it into the business. By retaining earnings, a company effectively increases its internal capital, which can enhance its capital structure and contribute to the growth of its overall size. The higher the retention rate, the more internal capital available to support the company's expansion and growth (Aryanti, 2021).

Research from Safira & Dillak (2021) which found that retained earnings reflect the company's internal ability to finance long-term business activities, which directly impacts market value and capital structure. Recent study by Sari & Kadarningsih, (2024) also reinforces that although retention ratio It does not always have a direct effect on the value of the company, simultaneously with the leverage and size of the company, these ratios form the main determinants of the value of the company. Thus, retention ratio It can be used as an important indicator in the analysis of the size and growth potential of the company, and is worthy of consideration in making investment decisions.

H2: Retention ratio affects the size of the company.

3. Research Methods

This study uses a quantitative approach to analyze how ESG disclosure and the retention ratio influence firm size. It applies an associative research design, which is intended to explore the relationship between two or more interrelated variables (Abubakar, 2021). The study relies on secondary data sources, specifically financial statements and sustainability reports issued by energy sector companies listed on the Indonesia Stock Exchange in 2024. The data were obtained from the official website of the Indonesia Stock Exchange (www.idx.co.id) as well as from the official websites of each company.

Population and Sample

A population refers to the entire set of units, individuals, objects, or subjects that possess certain quantities and characteristics which are the main focus of a study (Nilawati & Fati, 2023).

This study considers all energy sector companies listed on the Indonesia Stock Exchange (IDX) in 2024 as the population, comprising a total of 90 companies. According to Wada et al. (2024), a sample is a subset of the population that represents the overall size and characteristics of that population. This research utilizes purposive sampling, a non- random sampling method in which participants are selected according to predetermined criteria. The criteria for selecting the samples in this study are as follows:

Table 1. Sample Selection Criteria

No.	Sample Criteria	Sum
1	Energy sector companies listed on the Indonesia Stock Exchange in 2022-2024	90
2	Energy sector companies listed consecutively in 2022-2024	(16)
3	Energy sector companies reporting sustainability reports in 2022-2024	(50)
4	Companies that publish complete research variable data on energy sector companies in 2022-2024	(16)
Number of Research Samples		8
Number of Data Processed (8 × 3 years)		24

Source: www.idx.co.id and official website of related companies (Data processed, 2025)

Variable Definition

ESG Disclosure

ESG disclosure refers to the disclosure of information related to company performance which includes environmental, social, and corporate governance aspects (Asyifa et al., 2025). ESG disclosure includes various elements, such as carbon emissions, resource utilization, social responsibility, and good governance practices. In energy sector companies, ESG disclosure is becoming increasingly crucial considering that this sector has a major impact on the environment and society.

To measure ESG disclosure, a dummy variable is used with a value of 1 if an item is disclosed, and a value of 0 if it is not disclosed. Here is the formula used to calculate ESG disclosure:

$$ESG = \frac{\text{Number of ESG Items Disclosed}}{\text{Total ESG Indicators}}$$

Retention Ratio

The retention ratio serves as a metric to assess the share of a company's net income that is withheld from dividend distribution and redirected toward operational investments (Aryanti, 2021). A high retention ratio reflects the company's inclination to retain earnings and reinvest them in its business activities.

The retention ratio in this study is calculated using the formula:

Retention ratio = 1 – Dividend Payout Ratio

Company Size

The size of the company is one of the key variables in financial analysis, as it can affect the company's bargaining position in various negotiations, the ease of obtaining resources, and the ability to make investments in the development of innovations (Nugraha & Kurnia, 2017). In addition to reflecting operational capacity, the size of the company also shows growth opportunities and innovation potential, particularly in the energy sector.

In this study, the size of the company was measured using the formula:

SIZE = Ln(Total Asset)

Data Analysis Techniques

The data were analyzed using multiple linear regression to assess both the combined and individual effects of the independent variables on the dependent variable. Before running the regression, several preliminary tests were carried out, including descriptive statistics and

classical assumption tests such as normality, multicollinearity, heteroscedasticity, and autocorrelation.

The regression equation model used is as follows:

$$SIZE = \alpha + \beta 1ESG + \beta 2RR + e$$

Information:
SIZE = Company Size
α = Konstanta
β1, β2 = Regression Model Coefficient
ESG = ESG Disclosure
RR = Retention ratio

4. Results and Discussions

Descriptive Statistical Analysis

The results of the descriptive statistical analysis are presented in the table below:

Table 2. Descriptive Statistical Analysis

Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
ESG	24	.37	.95	.7850	.16304
RR	24	-1.06	.87	.2338	.50784
SIZE	24	14.60	24.22	19.2554	3.42269
Valid N (listwise)	24				

Source: Processed Secondary Data, (2025)

Based on Table 2, which contains the results of the descriptive statistical analysis from SPSS with a number of observations (N) of 24 samples of energy sector companies in Indonesia in 2022–2024, the dependent variable, company size (SIZE), exhibits a minimum value of 14.60 and a maximum of 24.22, with a mean of 19.2554 and a standard deviation of 3.42269. The first independent variable, ESG disclosure, has values ranging from 0.37 to 0.95, with an average of 0.7850 and a standard deviation of 0.16304. Meanwhile, the second independent variable, the retention ratio (RR), falls between -1.06 and 0.87, with a mean of 0.2338 and a standard deviation of 0.50784.

Classic Assumption Test

Normality Test

The results of the normality test can be seen in the following table:

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		24
Normal Parametersa,b	Mean	.0000000
	Std. Deviation	3.33075408
Most Extreme Differences	Absolute	.165
	Positive	.137
	Negative	-.165
Test Statistic		.165
Asymp. Sig. (2-tailed)		.091c

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
Source: Processed Secondary Data, (2025)

The results of the normality test in Table 3 show an Asymp. Sig. (2-tailed) value of 0.091, which is above the 0.05 threshold. Based on the Kolmogorov-Smirnov test criteria, this indicates

that the data are normally distributed. Thus, the regression model used in this study meets the assumption of normality.

Multicollinearity Test

The results of the multicollinearity test are as follows:

Table 4. Multicollinearity Test

Coefficientsa

Model	Variable	Tolerance	VIF
1	ESG	.860	1.163
	RR	.860	1.163

a. Dependent Variable: SIZE

Source: Processed Secondary Data, (2025)

Based on Table 4, which presents the results of the multicollinearity test, the tolerance value for the ESG disclosure variable is 0.860 with a VIF of 1.163. Similarly, the retention ratio (RR) variable also has a tolerance value of 0.860 and a VIF of 1.163. Since both tolerance values are above 0.10 and the VIF values are below 10, it can be concluded that there is no multicollinearity issue between the independent variables in this study.

Heteroscedasticity Test

The results of the heteroscedasticity test using the Glejser (Glacier) test can be seen in the following table:

Table 5. Heteroscedasticity Test

Coefficientsa

Model		Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
1	(Constant)	2.812	1.463		1.922	.068
	ESG	-.098	1.764	-.012	-.055	.956
	RR	1.070	.566	.406	1.890	.073

a. Dependent Variable: ABRESID

Source: Processed Secondary Data, (2025)

Based on the results shown in Table 5, none of the independent variables have a significant effect on the absolute residuals, indicating that the regression model does not exhibit symptoms of heteroscedasticity. This conclusion is supported by the test outcomes, where the absolute residual value is 0.05, and the significance levels for the ESG variable (0.956 > 0.05) and the RR variable (0.073 > 0.05) both exceed the 0.05 threshold. Therefore, the regression model employed in this study can be considered free from heteroscedasticity issues.

Autocorrelation Test

Table 6. Autocorrelation Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.230a	.053	-.037	3.48575	1.083

a. Predictors: (Constant), RR, ESG

b. Dependent Variable: SIZE

Source: Processed Secondary Data, (2025)

Based on Table 6, it shows that the Durbin-Watson value in this study is 1.083. Based on the significance value of 0.05, for the number of data as many as 24 and the exogenous variable (k = 2), dU = 1.5464. The Durbin-Watson value of 1.083 is smaller than the value of dU = 1.5464 and smaller than the value of 4 – dU = 2.4536. When viewed from the decision-making, the results are not included in the provisions of dU < dw < 4 – dU, so it can be concluded that there is an autocorrelation in this study model.

Autocorrelation is a violation of the classical regression assumption which requires that an error (residual) should not be correlated with each other. If left uncorrected, autocorrelation can cause the estimation of regression coefficients to be inefficient, although it remains unbiased. Therefore, efforts to correct the model are needed to overcome the problem of autocorrelations. One of the methods that can be used to overcome autocorrelation is the Cochrane-Orcutt. This method is one of the alternatives that can be applied to regression models that experience autocorrelation problems (Nurfitri Imro'ah, 2020).

Table 7. Uji Cochrane-Orcutt

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.161a	.026	-.071	3.07090	1.686

a. Predictors: (Constant), LAG_X2, LAG_X1

b. Dependent Variable: LAG_Y1

Source: Processed Secondary Data, (2025)

Based on Table 7, it can be seen that the Durbin-Watson value after correction with the Cochrane-Orcutt test is 1.686. Based on the significance value of 0.05, for the number of data as many as 24 and the exogenous variable (k = 2), dU = 1.5464. The Durbin-Watson value of 1.686 is greater than the value of dU = 1.5464 and smaller than the value of 4 – dU = 2.4536. When viewed from the decision-making, the result meets the provisions of dU < dw < 4 – dU, so it can be concluded that there is no autocorrelation in this study model.

Analysis of the Multiple Linear Regression

The results of multiple linear regression analysis can be seen in the following table:

Table 8. Analysis of the Multiple Linear Regression

Coefficients

Model		Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
1	(Constant)	21.728	3.987		5.450	.000
	ESG	-3.380	4.807	-.161	-.703	.490
	RR	.775	1.543	.115	.502	.621

a. Dependent Variable: SIZE

Source: Processed Secondary Data, (2025)

Based on the table above, the regression results in the following equation:

$$SIZE = 21.728 + -3.380ESG + 0.775RR + e$$

From the regression equation, it can be interpreted that the value of the constant is 21.728, indicating that if the independent variables (ESG disclosure and retention ratio) are assumed to be equal to zero, then the size of the company will increase by 21.728. The coefficient value of ESG disclosure is -3.380, indicating that every 1 increase in ESG disclosure, then the size of the company will decrease by 3.380. The coefficient value of the retention ratio is 0.775, meaning that every 1 increase in the retention ratio, then the size of the company will increase by 0.775.

Hypothesis Test

This study uses several hypothesis tests, including the t-test, the model feasibility test (F-test), and the coefficient of determination (R^2) analysis. All tests were conducted using SPSS software. The results of this hypothesis test are as follows:

T Test

The results of the T test can be seen in the table below:

Table 9. T Test

Coefficientsa

Model		Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
1	(Constant)	21.728	3.987		5.450	.000
	ESG	-3.380	4.807	-.161	-.703	.490
	RR	.775	1.543	.115	.502	.621

a. Dependent Variable: SIZE

Source: Processed Secondary Data, (2025)

The t-test results indicate that the t-value for the ESG disclosure variable is -0.703, which is less than the critical t-value (–0.703 < 1.72074), with a significance level of 0.490. Since the significance value exceeds 0.05 (0.490 > 0.05), it can be concluded that ESG disclosure does not have a significant effect on company size. Accordingly, the first hypothesis (H1) is rejected.

For the retention ratio variable, the t-value is 0.502, which is also lower than the critical t-value (0.502 < 1.72074), with a significance level of 0.621. As this value is greater than 0.05 (0.621 > 0.05), it is concluded that the retention ratio does not significantly influence company size. Thus, the second hypothesis (H2) is also rejected.

Model Feasibility Test (F Test)

The results of the model feasibility test (F-test) can be seen in the following table:

Table 10. Model Feasibility Test (F Test)

ANOVA

Model	Type	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.280	2	7.140	.588	.565b
	Residual	255.160	21	12.150		
	Total	269.440	23			

a. Dependent Variable: SIZE

b. Predictors: (Constant), RR, ESG

Source: Processed Secondary Data, (2025)

Based on Table 10, the results of the model feasibility test (F-test) show that the significance value is 0.565, while the fcalculated is 0.588. Thus, the significance value of F > 0.05 is 0.565 > 0.05 and the value of fcalculated < ftable, namely 0.588 < 3.47. These results indicate that overall, independent variables have no significant effect on the dependent variables in this regression model.

Multiple Determination Analysis (R^2)

The results of the multiple determination analysis (R^2) can be seen in the following table:

Table 11. Multiple Determination Analysis (R^2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.230a	.053	-.037	3.48575

a. Predictors: (Constant), RR, ESG

b. Dependent Variable: SIZE

Source: Processed Secondary Data, (2025)

According to the results presented in Table 11, the value of R^2 obtained is 0.053 or 5.3%. These results indicate that the combination of ESG disclosure (X1) and Retention Ratio (X2) together are only able to explain the 5.3% variation in Company Size (Y). Most of the others, about 94.7%, were influenced or explained by other variables not included in this study.

5. Kesimpulan

Penyisihan Penghapusan Aktiva Produktif (PPAP) memiliki pengaruh yang nyata terhadap profitabilitas bank umum. PPAP sebagai instrumen pencadangan kerugian kredit terbukti menjadi faktor yang berperan dalam menentukan kinerja keuangan bank. Ketika kualitas aktiva produktif menurun dan kebutuhan pencadangan meningkat, kemampuan bank untuk menghasilkan laba mengalami tekanan. Hal ini menunjukkan bahwa peningkatan PPAP mencerminkan meningkatnya risiko kredit yang harus diantisipasi dengan mengalokasikan sebagian pendapatan sebagai cadangan kerugian, sehingga berdampak langsung pada penurunan profitabilitas.

Selain itu, penelitian ini menegaskan bahwa manajemen risiko kredit yang efektif merupakan faktor penting dalam menjaga stabilitas profitabilitas bank. Bank yang mampu menjaga kualitas portofolio kreditnya dan meminimalkan tingkat kredit bermasalah akan menghadapi kebutuhan PPAP yang lebih rendah dan lebih terkendali. Sebaliknya, bank yang harus membentuk PPAP dalam jumlah besar cenderung mengalami penurunan kinerja keuangan, baik dari sisi efisiensi maupun kemampuan menghasilkan laba bagi pemegang saham.

Dengan demikian, hasil penelitian ini menekankan pentingnya strategi pengelolaan risiko yang komprehensif, termasuk evaluasi kelayakan kredit yang ketat, pengawasan terhadap debitur, serta penerapan prinsip kehati-hatian dalam penyaluran kredit. Efektivitas pengelolaan risiko kredit tidak hanya berpengaruh terhadap kecukupan pencadangan tetapi juga menjadi kunci dalam menjaga profitabilitas bank umum secara berkelanjutan. Penelitian ini menggarisbawahi bahwa PPAP merupakan elemen penting dalam struktur kesehatan perbankan dan memiliki peran signifikan dalam mendukung stabilitas sistem keuangan.

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