ABSTRACT
This study investigates the relationship between board characteristics and environmental social governance disclosure (ESGD) practices. Also, it examines whether such the disclosure influence corporate performance. Seventy-three public listed companies that have ESGD score in 2015 were used as sample. Multiple regression analysis was applied to test whether size of board of commissioners and board of directors have a significant effect on ESGD. The results show that (1) the size of board commissioners has a negative effect on corporate performance (2) the larger size of boards of directors the lower of ESGD. However, in terms of the relationship between ESGD and corporate performance, this study provide evidence that there is no relationship between these variables.

Keywords: Environmental social governance, Disclosure, boards, corporate performance, Indonesia

1. INTRODUCTION

There is a paradoxical situation in Indonesia regarding corporate social responsibility (CSR) practices and disclosures. On the practice side, various provisions that encourage various parties and corporate entities to care and implement CSR have responded CSR. There are approximately 12 regulations governing CSR practices. However, the results of the study indicate that there are still many things that need to be improved, especially related to social issues (see Sulaiman et al., 2014), concepts and implementation (see Waagstein, 2011), poor implementation of CSR (see Retnaningsih, 2015) CSR practices are still philanthropic (Prayogo, 2013), even political influence (see Rosser & Edwin, 2010). On the disclosure side, the results of these studies indicate that social performance has no effect on company performance (Fauzi et al., 2007). These results indicate that investors have not considered CSR as a important factors in decision making yet. This finding also implies there is a lack of community participation in CSR implementation such as Sulaiman et al. (2014) findings.

The different results are given by Ratmono et al. (2014), which found that CSR disclosure may reduce earnings management. These findings indicate that there is an improvement of the company's perspective on the importance of CSR information as constructing a responsible corporate profile and behavior. In addition, from the institutional point of view, providing extensive CSR information will reduce information asymmetry, which means increased corporate transparency. The latest issue related to corporate transparency is environmental social and governance disclosures (ESGD). Although this issue has emerged a decade ago, but until 2016, the Indonesia Stock Exchange (IDX) has not offered written guidelines for ESG reporting, ESG-related training, and has not required ESG reporting as a listing rule (SSEI, 2016). Eventhough, according to the United Nations (UN)
Sustainable Stock Exchange (SSE) initiative, by late 2030, all companies are expected to report the impact of social and environmental practices (SSE, 2015).

The development of voluntary disclosure has led to new measurement ideas. However, CSR disclosure remains the focus of researchers because of the growing variety of disclosures. The development of CSR disclosure initiated from CSR in a stand-alone annual report, sustainability reporting (SR), integrated reporting (IR) and ESGD is the latest. ESGD leads to a new measurement approach related to corporate transparency. The new measure for corporate transparency that has been being concern is the ESGD score. According to Li et al. (2018) ESGD Score is a comprehensive measure for ESGD. The score has a social, environmental and governance component in a single number, it is different from previous measurements that often focus on one component only. Al-Tuwaijiri et al. (2004) and Said et al. (2013), for example, focusing on environmental disclosure, Belkaoui & Karpik (1989) emphasizes the disclosure of social programs and Light et al. (2008) use GRI Index but only focus on social component. Disclosure Index with social and environmental components has also been widely used (see Ho & Taylor, 2007; Branco & Rodrigues, 2008a, 2008b; Said et al., 2009), but rare indices that include governance component in disclosure indices except Clarkson et al. (2008).

This difference in measurement has the potential to cause the relationship pattern and the results of the current study are irrelevant. To ensure this, this study aims to re-examine the pattern of relationships between the causal factors and CSRD represented ESGD score and also its consequences. The latest research reveals that despite increasing attention to the practice of ESGD, the question of whether ESG information can create value remains unexplored (Li et al., 2018). This leads to the consequence model that will provide information how investors respond to transparency by companies, as well as provide specific evidence in the context of developing countries, namely Indonesia. This context is different from the research of Li et al. (2018) and Fatemi et al. (2017), which uses sample companies in developed countries, namely the UK and US.

As a mention before that existing ESG studies mostly focus on the consequences of ESG. Some variables consequences were used by researchers, for example, Tobin's Q by Li et al. (2018) and Fatemi et al. (2017) sovereign borrowing costs by Crifo et al. (2017), CAPM by Jones & Frost (2017), asymmetry of market information (spread) by Siew et al. (2016), ROA by Giannarakis et al. (2016), and market adjusted returns (Faroq, 2015). There is still very limited research evidence on the underlying causes of ESGD (Li et al., 2018). Therefore, this study analyzes the antecedents and consequences of ESG disclosure. By analyzing the antecedents, it can provide information, what factors should be encouraged and what factors should be eliminated to improve transparency. The consequence model can provide evidence how investors and companies behave towards information transparency.

A factor that has a control function on corporate management is corporate governance (CG), which has a very complex function. Following the CG definition of the World Bank, CG should be able to ensure that the company obtains resources and uses them efficiently for shareholder welfare simultaneously meeting the interests of stakeholders (Maassen, 2002). The CG component representing the interests of the shareholders is the board of commissioners, and will be the antecedent variable observed in this study. Previous research, Giannarakis et al. (2016) connects the board of commissioners proxied by board size (BS) to the performance of the company proxied by ROA. In their study, BS was treated as a control variable, but it found BS had no effect on ROA.

In addition to the board of commissioners, the board of directors will also be observed as an antecedent variable, since the director is a key actor of corporate transparency. Li et al. (2018) has tested power CEO as a moderating variable in influencing ESGD relationships with firm value. Their results show that CEO power increased the influence of ESGD on corporate value. However, there is no evidence, whether the CEO has an effect on ESGD. That is the reason to associate board characteristics and ESGD must be conducted. The results of this study can provide evidence about the antecedents of ESGD. The antecedent model is expected to answer Li et al. (2018) questions, on drivers/causes of ESG disclosure and provides evidence of measurement sensitivity to previous research results.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Board Characteristics and ESGD

The board of commissioners and the board of directors are key components of CG (Said et al., 2009), because these two organs embed in the company, which means, they have direct access to the
company. In agency theory perspective, the board of commissioners as a representation of the shareholder interest; called principal, have to oversee what the board of directors; as an agent; manage business properly. Board size is total members of the board either executive (called board of directors) or non-executive directors (board of commissioners). Board size is one of the characteristics of the board, which have become the focus of researchers. Zaheer (2013) contends that large board size allows it to dominate the company’s management, in this term; board can execute its role and function effectively. Furthermore, Laksmamana (2008) states that large board brings expertise diversity in financial and management terms. These diversity leads to variation ideas and activities, which drive to disclose more. Previous literature supports the phenomenon that the higher disclosure level is related to larger board size and the evidence shows positive relationship between board size and level of firm’s disclosure (Barako et al., 2006). Zaheer (2013) also found positive relationship between size of board and corporate governance disclosure. Similar with Zaheer (2013), Yusoff et al. (2016) and Jizi et al. (2014), found a positive relationship between board size and CSR disclosure. Even, Said et al. (2009) hypothesize negative relationship, but they found positive results.

The other perspective, however, shows negative relationship between board size and disclosure. Said et al. (2009) identifies from previous studies that board size relate to coordination and communication problems and management control capabilities. Moreover, large boards will increase agency conflicts between managers and shareholders (Raheja, 2003; Eisenberg et al., 1998; Lipton and Lorsh, 1992), thus bring in less effective decisions and allowing the CEO to control the board of commissioners (Jensen, 1993). These problems lead to inability of the board of commissioners to carry out their roles effectively, which is encourages transparency as mandated by the OECD (2014). Research with models on principles of cohesion show the benefits of small board (Brown and Mahoney, 1992; Bantel and Jackson, 1989). Cohesiveness in viewpoints of small board can intensify monitoring capabilities. Goodstein et al. (1994) proposed that board size negatively affects board members in strategic decision making and found negative association between board size and disclosure. Small board also supported by the Combined Code on Corporate Governance (2003) and the Higgs Report (Higgs, 2003).

Conceptual framework and research evidence show two main streams in elucidating the relationships between board size and disclosure. Indeed, it need more observation to clarify this association, therefore, this paper takes no sign in hypotheses, as follows:

H1: There is a relationship between board characteristics and ESGD

2.2 Board characteristics and corporate performance

In HLFC (2000) definition, the function of CG is to promote the improvement of business prosperity and accountability with the primary objective of realizing long-term shareholder value (Mansor et al., 2013). In line with that, agency theory perspective posits board of commissioners is as a controller to monitor management operating the business properly. Previous studies on board size have provided inconclusive framework. Similarly, study of the relationship between board size and disclosure, research of the relationship between board size and corporate performance have produced mixed results (Blibech & Berrales, 2018).

On the one side, large boards provide resource and expertise or knowledge to contribute to corporate performance (Linck et al., 2008, Dalton et al., 1999, and Pearce and Zahra 1992). Moreover, Carter et al. (2010) and Haleblian and Finkelstein (1993) suggest that large board has more problem solving capabilities. These conditions should make the job easier and so allowing achieving predetermined target. Garcia-Olalla and Garcia-Ramos (2010) emphasized that board size increases corporate performance. Similarly, Grove et al. (2011) found positive relationship between board size and corporate performance.

On the other side, small boards make controlling activities more effective, diminishing agency conflict, easier coordination, accelerating decision making, and hampering dysfunctional behavior of directors (Adams and Mehran, 2003, Ginglinger, 2002). Realizing the objective needs a solid team in board of commissioners. Large board emerge coordination, communication and decision-making problems, then board of commissioners cannot work in the best way, that obstructing in achieving good corporate performance. Thus, board size negatively relate to company’s performance as Yermack (1996) and Eisenberg et al. (1998) findings. There is an opposite stream on this association, so this paper do not determine sign on the hypotheses, as follows:
H2: There is a relationship between board characteristics and corporate performance

2.3 ESGD and corporate performance

Stakeholder power is one of the three dimensions (stakeholder power, strategic posture and economic performance) developed by Ullmann (1985) based on the Freeman concept (1983). Stakeholder power in influencing corporate management is considered as a function of the degree of control over the resources required by a company. The more important resources derived from the stakeholders, the greater stakeholder demand will be met. In addition, the stakeholder approach discusses the role of CSR information in influencing parties outside the company, such as increased access to capital (Roberts, 1992), signals improvement of social and environmental behavior (Branco & Rodrigues, 2008) and enhancement of corporate reputation (Branco & Rodrigues, 2008; Bayoud, Kavanagh, & Slaughter, 2012).

The business policy and corporate planning model, and social responsibility model are two models of Freeman (1983) stakeholder concept development. ESGD can be a business policy that is planned, developed and evaluated in a corporate strategic decision and at the same time embodies the corporate social responsibility. The first model is intended for stakeholder groups that are expected always to support the company. Freeman called this group as non-adversarial. They include customers, owners, and suppliers and public that always support corporate.

The second model is devoted to a group called adversarial, i.e. groups with opposition positions, such as regulator regulators or groups with a particular interest in social issues. Strategy is arranged to achieve corporate performance objectives. If ESGD becomes a corporate strategy, it is expected that stakeholders will be more involved to the company. Therefore, the more transparent the ESGD will produce the better corporate performance aligned with Patterson (2013). Li et al (2018) dan El Ghoul et al. (2016) found positive relationship between ESGD and Tobin’s Q. Third hypothesis based stakeholder theory is as follows:

H3: There is a positive association between ESG and corporate performance

3. METHODS

There are 75 companies that having ESGD score in the 2015 fiscal year sourced from Bloomberg database. Two companies do not have complete data, so the final samples were 73 companies. The data consisted of 15 manufacturing companies, and the rest (58) were non-manufacturing companies. Although, ESGD score have been available since 2009, however, the data don’t have been consistent yet in disclosure. That is why, this study use the 2015.

Antecedent and consequence models was examined in this study. Both models use causality approach with multiple regression in testing. Antecedent model posits ESG as dependent variable, meanwhile, consequence model places corporate performance as dependent variable, that is was represented by Tobin’s Q and return on equity (ROE). Tobin’s Q used two years observation to present short and long term effects. Following equations show the regression model to be tested to answer two hyphoteses.

$$ESG = \alpha + \beta_1BS + \beta_2DS + \beta_3TYPE + \beta_4DTA + \beta_5\ln TA + \beta_6\ln PPE + \beta_7ROA + \varepsilon$$

$$\ln ROE_1 = \alpha + \beta_1ESG + \beta_2BS + \beta_3DS + \beta_4TYPE + \beta_5DTA + \beta_6\ln TA + \beta_7\ln PPE + \varepsilon$$

$$Q, Q1 = \alpha + \beta_1ESG + \beta_2BS + \beta_3DS + \beta_4TYPE + \beta_5DTA + \beta_6\ln TA + \beta_7PPE + \varepsilon$$

All variable included ESG, board of commissioner (BS), board of director (DS), corporate performance (Tobin’s Q and ROE), firm size (LnTA), leverage (DTA), plant poperty equipment (PPE). ESGD is disclosure related to environmental, social and governance, representing transparancy, risk and opportunity of corporates. ESGD was measured by ESGD Bloomberg score. Range score is between one to one hundred, the number indicates the level of transparance; higher number higher transparance. Score includes seven indicators, those are energy and emission, waste, independent commisioners/directors, the number of women on board of commisioner, accident, and specifis sector.
Board of commissioner and director (DS) was measured by board size (BS) and board of directors size (DS), y.i. the number of commissioner and director members. Corporate financial performance is defined financial performance earned from how market participants perceive corporate profitability based on past, current and future risk and stock, reflected on stock price in the process of supply and demand. This definition refers to Kim & Statman (2012) dan Orlitzky et al. (2003). CFP was approached by two measures, y.i. Tobin’s Q and ROE. Tobin’s Q was calculated by the market value of total equity plus debt divided by total assets, following Ming & Eam (2016), Conheady et al., (2014), Christensen et al. (2013) dan Renders et al. (2010). This study uses five control variables namely firm size, leverage, profitability, firm type, and LnPPE as previous research.

4. FINDINGS AND ARGUMENT

4.1. Descriptive Statistics and Correlations

Table 1 displays the descriptive statistics that shows almost the average of all variables are low, except LnPPE and LnTA. Corporate performance represented by Tobin’s Q (Q) and LnROE is also low. For Tobin’s Q, year t (Q) and t + 1 (Q1) almost have the similar minimum, maximum and average values, or relatively unchanged. The ESG variable with an average of 19.49 and a maximum of 51.65 is relatively high for Indonesia, because IDX has not required ESG disclosure and no training has been provided to the company yet. Moreover, the results of a global survey by CFA Institute (2017) shows 27% of companies studied did not use ESG in consideration of investment analysis. Board characteristics (i.e. board size (BS)) and member of directors (DS)) have a fairly high average, that is 6.10 and 6.84. Profitability (ROA) and leverage (DTA) has the farthest range with average is also quite low.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Standard Deviations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q</td>
<td>0.61</td>
<td>18.64</td>
<td>2.34</td>
<td>3.14</td>
</tr>
<tr>
<td>Q1</td>
<td>0.55</td>
<td>18.40</td>
<td>2.22</td>
<td>2.77</td>
</tr>
<tr>
<td>LnROE</td>
<td>-1.55</td>
<td>5.64</td>
<td>2.34</td>
<td>1.25</td>
</tr>
<tr>
<td>ESG</td>
<td>6.14</td>
<td>51.65</td>
<td>19.49</td>
<td>12.20</td>
</tr>
<tr>
<td>BS</td>
<td>3</td>
<td>12</td>
<td>6.10</td>
<td>1.84</td>
</tr>
<tr>
<td>DS</td>
<td>2</td>
<td>11</td>
<td>6.84</td>
<td>2.17</td>
</tr>
<tr>
<td>DTA</td>
<td>0.00</td>
<td>79.14</td>
<td>21.71</td>
<td>18.40</td>
</tr>
<tr>
<td>LnTA</td>
<td>1.78</td>
<td>2.62</td>
<td>2.27</td>
<td>0.19</td>
</tr>
<tr>
<td>LnPPE</td>
<td>0.91</td>
<td>12.36</td>
<td>8.51</td>
<td>1.75</td>
</tr>
<tr>
<td>ROA</td>
<td>-17.09</td>
<td>48.78</td>
<td>5.50</td>
<td>10.07</td>
</tr>
<tr>
<td>TYPE</td>
<td>0.00</td>
<td>1.00</td>
<td>0.21</td>
<td>0.41</td>
</tr>
</tbody>
</table>

Table 2 provides the result of correlation analysis, indicating the consistency of results by regression analysis, where the board size (BS) is negatively correlated significantly with Q, Q1 and LnROE. Director members (DS) are negatively correlated with LnROE. Leverage (DTA) is negatively correlated with Q and Q1, LnTA and LnPPE are positively correlated with LnROE and TYPE positively correlated with Q and Q1. Furthermore, the correlations among independent variables show a relationship that is not significant or significant with a low coefficient. These results indicate that the classical assumptions of multicollinearity are fulfilled.
4.2. The relationship between board characteristics and ESGD

The regression results in Table 4 show that the number of boards of directors (DS) influence ESG negatively significant with the coefficient value of -1.385 significance level 0.1. This result indicates that the large members of the board of directors (DS) inhibit disclosure in a transparent manner. The number of functions and different interests of each function alleged to be the cause of this negative relationship. Meanwhile, board size (BS) has no significant effect on ESG with coefficient value 0.309 at significance level more than 0.1 (0.726). These results indicate that the role of board size of commissioners in driving the ESGD has not been as expected yet. Thus, the first hypothesis is partial supported.

These results are different from Yusoff et al. (2016) and Jizi et al. (2014) findings, who found a positive relationship between board size and CSR disclosure, which means that the more members of the board of commissioners there is a tendency for higher disclosure and it can be interpreted as increasingly transparent. The difference in these results may be due to differences in sample, country and measurement. Yusoff et al used non-financial companies while this study uses financial and non-financial companies that have ESGD scores. Yusoff et al. used the object of firms in Malaysia, while this research is company specific in Indonesia. Although Malaysia and Indonesia are in one clump, Malaysia is included in the category of developed countries, while Indonesia is still in a group of developing countries. In terms of measurement, Yusoff et al. used the measurement index with four dimensions of disclosure type, while the study used a single measure containing seven indicator themes. Jizi et al. (2014) also used different samples and measurements. They used US commercial banks and measure CSR disclosures by ranking out four categories of CSR.

4.3. The relationship between board characteristics and corporate performance

In Table 3, the interesting finding of this study is shown by the negative relationship between board size of commissioners and corporate performance; consistent for Tobin's Q (t and t + 1) as well as LnROE; as shown in Table 4 respectively by the BS-0.520 coefficients for Q, -0.466 for Q1 and -0.249 for Ln ROE. The result support second hypotheses. The finding indicate that the larger board size will exacerbate corporate performance. This result supports negative stream as the findings of Yermack (1996) and Eisenberg et al. (1998). Another possible explanation is that the large number of boards of commissioners will increase the amount of money allocated to provide them with a significant amount of salary, benefits and compensation. This is apparently disliked by market participants so that market performance (Tobin's Q) decrease. It seems like hypothesized,
coordination and communication problems leads to bad decision making so accounting performance (LnROE) declines. Lipton and Lorsch (1992 and Jensen (1993) argument that larger boards are lesser effective.

Table 3 Multiple Regression

<table>
<thead>
<tr>
<th></th>
<th>ESG</th>
<th>Tobin’s Q (Q)</th>
<th>Tobin’s Q_{t+1} (Q1)</th>
<th>LnROE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG</td>
<td>0.000</td>
<td>0.002</td>
<td>0.012</td>
<td></td>
</tr>
<tr>
<td>BS</td>
<td>-0.520**</td>
<td>-0.466**</td>
<td>-0.249**</td>
<td></td>
</tr>
<tr>
<td>DS</td>
<td>-0.283</td>
<td>-0.219</td>
<td>-0.036</td>
<td></td>
</tr>
<tr>
<td>DTA</td>
<td>-0.051**</td>
<td>-0.045**</td>
<td>-0.011</td>
<td></td>
</tr>
<tr>
<td>LnTA</td>
<td>0.805</td>
<td>-0.566</td>
<td>0.851</td>
<td></td>
</tr>
<tr>
<td>LnPPE</td>
<td>0.102</td>
<td>0.325</td>
<td>0.237**</td>
<td></td>
</tr>
<tr>
<td>ROA</td>
<td>0.309</td>
<td>-0.520**</td>
<td>-0.466**</td>
<td></td>
</tr>
<tr>
<td>TYPE</td>
<td>3,733</td>
<td>2,349**</td>
<td>1,967**</td>
<td>0.188</td>
</tr>
<tr>
<td>Adjusted R</td>
<td>0.085</td>
<td>0.148</td>
<td>0.141</td>
<td>0.097</td>
</tr>
<tr>
<td>F-statistic</td>
<td>1,955</td>
<td>2,781</td>
<td>2,683</td>
<td>1,888</td>
</tr>
<tr>
<td>p-value</td>
<td>0.014**</td>
<td>0.017</td>
<td>0.091*</td>
<td></td>
</tr>
<tr>
<td>DW</td>
<td>2,248</td>
<td>1,929</td>
<td>1,919</td>
<td>2,245</td>
</tr>
<tr>
<td>n</td>
<td>73</td>
<td>73</td>
<td>73</td>
<td>73</td>
</tr>
</tbody>
</table>

4.4 The relationship between ESGD and corporate performance

Three models linking ESGD to corporate performance are shown in Table 3. The Table shows that ESGD does not affect corporate performance, whether measured by market performance (Tobin's Q), for the same year (t) or one year (t + 1), as well as accounting performance (LnROE), this means the third hypothesis is also not supported. These results indicate that ESGD has not been a factor considered in decision-making by key stakeholders of investors. This evidence differs from the findings of Li et al (2018) and El Ghoul et al. (2016) who found a significant positive relationship between ESG and Tobin's Q and also Fatemi et al's findings. (2017), who found a significant negative relationship between ESG and Tobin's Q.

4.5 Control variables, ESG and corporate performance

Control variables LnPPE affects ESG and also influences corporate performance (as measured by LnROE) positively significant. These results indicate that the higher the tangible asset (LnPPE) the larger the ESG disclosure and the higher the Ln ROE. This means the transparency function as the main objective of ESG disclosure has not been realized because the area of disclosure is more determined by tangible assets than on social, environmental and corporate governance factors. This occurs also to corporate performance, which is influenced by the size of tangible assets too. This result is somewhat disappoint because, governance, social and environmental components are expected to be the decisive factor in the realization of corporate sustainability.

Other analysis results show that leverage (DTA) has negative effect with coefficient of -0.051 to Q and Q1 with coefficient of -0.045, in line with findings of Fatemi et al. (2017) but different from the findings of Li et al. (2017) found no association between leverage and Tobin's Q. The firm type (TYPE) was also found to positively affect Q and Q1 with coefficients of 2,349 and 1,967, respectively. However, the results show that DTA and TYPE have no effect on accounting performance (LnROE). LnROE is positively influenced by LnPPE.

4.6 Additional Analysis

Additional analysis is performed to test the consistency of the relationship of board characteristics on corporate performance by including ROA accounting performance variable as independent variable. This analysis was done because ESG was found not to have an effect on
company performance. This raises the notion that market participants in Indonesia may not be particularly interested in non-financial information in the investment decision-making process. In other words, investors rely more on financial information than non-financial information.

The analysis results appear in Table 4, which shows that board size no longer affects firm performance after ROA is included in the regression equation. Leverage (DTA) has significant positive effect (with coefficient 0.029), LnPPE has significant negative effect (with coefficient -0.378), ROA has positive significant effect (with coefficient 0.279) to corporate performance as measured by Tobin's Q.

The results of this analysis also affect the better model with the greater the F-statistic value, from the original 2.781 to 22.826, and the adjusted R square value from the original 0.148 to 0.708. These results support the notion that investors in the Indonesian capital market are statistically proven that they rely on financial information rather than non-financial information in decision making. This result is in contrast to the CFA Institute (2017) survey results, which indicate that 66% of respondents stated that ESG disclosure was done due to investor demand.

Table 4 Additional Test

<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>Tobin’s Q, (Q)</th>
<th>coefficient</th>
<th>t</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td></td>
<td>0.342</td>
<td>0.131</td>
<td>0.896</td>
</tr>
<tr>
<td>ESG</td>
<td></td>
<td>0.002</td>
<td>0.136</td>
<td>0.892</td>
</tr>
<tr>
<td>BS</td>
<td></td>
<td>-0.045</td>
<td>-0.351</td>
<td>0.727</td>
</tr>
<tr>
<td>DS</td>
<td></td>
<td>-0.083</td>
<td>-0.767</td>
<td>0.446</td>
</tr>
<tr>
<td>DTA</td>
<td></td>
<td>0.029</td>
<td>2.144</td>
<td>0.036 **</td>
</tr>
<tr>
<td>LnTA</td>
<td></td>
<td>1.636</td>
<td>1.134</td>
<td>0.261</td>
</tr>
<tr>
<td>LnPPE</td>
<td></td>
<td>-0.378</td>
<td>-2.340</td>
<td>0.022 **</td>
</tr>
<tr>
<td>ROA</td>
<td></td>
<td>0.279</td>
<td>11.215</td>
<td>0.000 ***</td>
</tr>
<tr>
<td>TYPE</td>
<td></td>
<td>0.797</td>
<td>1.489</td>
<td>0.141</td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td></td>
<td>0.708</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-statistic</td>
<td></td>
<td>22.826</td>
<td></td>
<td></td>
</tr>
<tr>
<td>p-value</td>
<td></td>
<td>0.000</td>
<td>***</td>
<td></td>
</tr>
<tr>
<td>DW</td>
<td></td>
<td>2.233</td>
<td></td>
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</tr>
<tr>
<td>n</td>
<td></td>
<td>73</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. CONCLUSIONS AND FUTURE RESEARCH

The results showed that the board characteristics represented by the number of members of the board of directors (DS) had a significant negative impact on ESG disclosure, but did not affect the corporate performance (Tobin's Q and LnROE). While the board size does not affect the disclosure of ESG, but negatively affect corporate performance. However, these results are inconsistent based on additional analysis, when the profitability variable (ROA) is included as an independent variable in the model changing the board size results to have no significant effect on corporate performance (Tobin's Q). Therefore, continued research should continue to be carried out by considering factors other than those contained in the model. Exploring corporate governance components other than board characteristics and those not an indicator of ESG can also be an upcoming research opportunity. Transparency measures other than the Bloomberg ESGD Score can also be an upcoming research challenge, for example by using Thomson Reuters ESG Score using the appropriate context.
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