

**THE EFFECT OF OWNERSHIP STRUCTURE AND PROFITABILITY ON
STOCK PRICES IN IDX ESG LEADERS****Denys Surya Saputra¹⁾**¹ Management, Faculty of Economy and Business, Universitas PGRI Madiun
email: denys_2103102034@mhs.unipma.ac.id**Abstrak**

Penelitian ini bertujuan untuk mengkaji pengaruh kepemilikan institusional, kepemilikan manajerial, serta tingkat profitabilitas terhadap harga saham perusahaan yang termasuk dalam indeks IDX ESG Leaders di Indonesia selama periode 2020–2024. Penelitian ini menggunakan metode kuantitatif dengan analisis regresi linier berganda. Sampel penelitian mencakup 14 perusahaan yang secara konsisten masuk dalam indeks IDX ESG Leaders, menghasilkan total 70 observasi selama periode lima tahun. Variabel independen yang dianalisis mencakup kepemilikan institusional, kepemilikan manajerial, serta profitabilitas yang diprosikan dengan Return on Equity (ROE). Adapun variabel dependen adalah harga saham, yang diukur berdasarkan nilai penutupan pada akhir tahun. Uji parsial menunjukkan bahwa kepemilikan institusional dan kepemilikan manajerial memiliki pengaruh negatif serta signifikan terhadap harga saham, sementara profitabilitas tidak memberikan pengaruh yang signifikan. Namun, ketika diuji secara simultan, ketiga variabel tersebut terbukti berpengaruh signifikan terhadap harga saham. Nilai koefisien determinasi (R^2) sebesar 15,9% mengindikasikan bahwa model hanya mampu menjelaskan variasi harga saham dalam porsi terbatas, sedangkan 84,1% sisanya dipengaruhi oleh faktor eksternal lain, seperti kondisi makroekonomi maupun sentimen pasar. Temuan ini memberikan implikasi penting bagi investor, manajemen, dan regulator dalam merumuskan kebijakan serta pengambilan keputusan investasi yang berkelanjutan.

Kata Kunci: Kepemilikan Institusional, Kepemilikan Manajerial, Profitabilitas, Harga Saham, ESG.

Abstract

This study aims to examine the effect of institutional ownership, managerial ownership, and profitability on stock prices of companies listed in the IDX ESG Leaders Index in Indonesia during the 2020–2024 period. The research employs a quantitative method using multiple linear regression analysis. The sample consists of 14 companies that consistently remain in the IDX ESG Leaders Index, yielding a total of 70 observations over five years. The independent variables analyzed include institutional ownership, managerial ownership, and profitability measured by Return on Equity (ROE), while the dependent variable is stock price, measured by the year-end closing price. The partial test results indicate that institutional ownership and managerial

ownership have a negative and significant impact on stock prices, whereas profitability shows no significant effect. However, when tested simultaneously, all three variables are found to have a significant influence on stock prices. The coefficient of determination (R^2) of 15.9% suggests that the model explains stock price variations only to a limited extent, with the remaining 84.1% influenced by external factors such as macroeconomic conditions and market sentiment. These findings provide important implications for investors, management, and regulators in formulating policies and making sustainable investment decisions.

Keywords: Institutional Ownership, Managerial Ownership, Profitability, Stock Price, ESG.

A. INTRODUCTION

The contemporary industrial revolution 4.0 period is characterized by very rapid economic growth, resulting in increasingly fierce corporate competitiveness (Aprilia & Riharjo, 2022) . In this context, the capital market plays a crucial role as a means of raising long-term funds through various financial instruments such as securities, commercial banks, and other financial intermediary institutions (Zakaria et al., 2024) . Investment refers to the allocation of a certain amount of funds or resources at present with the expectation of generating economic returns in the future (Yudistira & Adiputra, 2020) . One of the most widely used investment instruments is stocks, which serve as evidence of ownership in a company structured as a limited liability entity (Zakaria et al., 2024) . Share prices themselves are influenced by various factors that reflect the company's financial condition and market sentiment (Handayani et al., 2021) .

Shares function as a representation of capital participation, serving as securities possessed by individuals or entities that indicate their ownership stake within a company's structure. Aprilia & Riharjo (2022) . Good company performance, particularly in terms of the ability to pay short-term obligations, can increase investor confidence in investing, thereby driving up share prices in the capital market (Jannah, 2021) . In practice, share values are highly dynamic. Market ratios are used as a tool to compare company share prices and help determine the current fair value of shares and their potential in the future (Ginjar et al., 2023) . However, share prices can change at any

time, even in a matter of seconds (Aprilia & Riharjo, 2022) . This condition makes the analysis of the determinants of share prices an important focus of study.

Recent developments indicate increasing attention to Environmental, Social, and Governance (ESG) aspects in investment decision-making. Several global studies have shown that high ESG scores do not always correlate with increased stock returns and can even trigger market volatility. In contrast, research in Indonesia has shown that ESG disclosure can draw investor attention, yet its effect on stock performance is not always significant, as it is frequently shaped by external factors such as macroeconomic conditions and ownership structures. This highlights the need for further research by incorporating additional variables, such as corporate reputation, which may serve as a mediating factor between ESG, financial performance, and stock prices.

Building on this background, the present study seeks to examine the effects of institutional ownership, managerial ownership, and profitability on the stock prices of companies listed in the IDX ESG Leaders Index, both individually and collectively. The study is expected to offer theoretical contributions by enriching financial literature, particularly in relation to agency theory within the context of sustainable firms, as well as practical implications for investors, corporate management, and regulatory bodies such as the Financial Services Authority (OJK) and the Indonesia Stock Exchange (IDX) in supporting decision-making, enhancing governance, and developing policies on transparency and sustainability.

B. METHOD

This study applies a quantitative approach using secondary data obtained from annual reports. The data were collected through purposive sampling from energy sector companies listed on the Indonesia Stock Exchange (IDX) for the 2020–2024 period. The analysis techniques employed include multiple linear regression, classical assumption tests, hypothesis testing, and moderated regression analysis (MRA).

Table 1 Sample Determination

No.	INFORMATION	AMOUNT
1.	Companies listed in the IDX ESG Leaders Index	30
2.	Companies that were not consistently listed in the IDX ESG Leaders index during the 2020-2024 period	(12)
3.	Companies that do not publish annual reports <i>and</i> complete financial reports during the period.	(4)
4.	Final sample total (14 x 5 years)	70

Source : www.idx.co.id which is processed

Operational Definition of Variables

Research on formation indicators uses operationally defined variables. The table below provides an operational description of the research variables:

Table 2 Research Instruments

No.	Variables	Indicator	Scale
1.	Stock Price (Y)	Stock Price = <i>Close Price</i> Source: Prillia Dwi et al., (2022)	Ratio
2.	Institutional Ownership (X1)	$KI = \frac{\text{jumlah saham institusional}}{\text{jumlah saham beredar}} \times 100\%$ Source: Mahira, (2023)	Ratio
3.	Managerial Ownership (X2)	$KM = \frac{\text{jumlah saham manajerial}}{\text{jumlah saham beredar}} \times 100\%$ Source: Carolin et al., (2022)	Ratio
4.	Profitability (X3)	$ROE = \frac{\text{Laba Bersih}}{\text{Modal Saham}}$ Source: Hamidah et al, (2022)	Ratio

C. RESULTS AND DISCUSSIONS

Table 3 1of Descriptive Statistical Tests

Descriptive Statistics

	N	Minimum	Maximum	Mean	Standard Deviation
Institutional Ownership	70	.01	.70	.4885	.19925
Managerial Ownership	70	.00	.72	.0703	.18263
Return on Equity	70	.01	1.40	.1359	.17026
Harga Saham	70	167	9675	2229.86	2460.286
Valid N (listwise)	70				

Referring to Table 4.1, descriptive statistical analysis was carried out on 70 companies listed in the IDX ESG Leaders index during the 2020–2024 period. The institutional ownership variable, representing the percentage of shares held by institutions such as investment firms, pension funds, and banks, recorded a minimum of 1% and a maximum of 70%. The average institutional ownership stood at 48.85% with a standard deviation of 0.19925. These results suggest that institutional investors dominate shareholding in the companies within this index, although the level of ownership varies considerably across firms.

Table 4 2^{R2} Determination Coefficient Test

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.398 ^a	.159	.121	2307.276

a. Predictors: (Constant), Return on Equity, Managerial Ownership, Institutional Ownership

b. Dependent Variable: Stock Price

Source: Processed Secondary Data, (2025)

According to the coefficient of determination test presented in Table 4.7, the R² value of 15.9% shows that the regression model can account for only a limited share of the variation in stock prices. The remaining 84.1% is explained by factors beyond the model, including macroeconomic conditions, industry dynamics, non-financial aspects, and market sentiment. Although relatively low, this R² value is still considered relevant in socio-empirical research, because in the financial field, the complexity of factors often makes R² values between 0.10 and 0.30 still acceptable, especially in exploratory research.

Table 5 3of the t-test (partial)

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	5272.078	1015.137		5.193	.000
	KI	-5645.105	1794.404	-.457	-3.146	.002
	KM	-6062.666	1955.196	-.450	-3.101	.003
	ROE	1043.621	1663.087	.072	.628	.532

Referring to Table 4.8, the results of the t-test (df = 66, t-table = 1.996) show that institutional ownership obtained a t-value of -3.146 with a significance level of 0.002, indicating a negative and significant effect on stock prices. Likewise, managerial ownership recorded a t-value of -3.101 with a significance level of 0.003, also demonstrating a negative and significant impact, suggesting that the market reacted unfavorably to the dominance of both management and institutional shareholders. In contrast, the ROE variable produced a t-value of 0.628 with a significance level of 0.532 (>0.05), meaning it had no significant effect on stock prices, and thus the hypothesis was not supported. These results imply that, within IDX ESG Leaders companies, investors tend to prioritize governance and sustainability considerations over financial performance alone.

Table 6 4of the f-test (simultaneous)

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	66305263.677	3	22101754.559	4.152	.009 ^b
Residual	351352400.895	66	5323521.226		
Total	417657664.571	69			

a. Dependent Variable: Stock Price

b. Predictors: (Constant), Return on Equity, Managerial Ownership, Institutional Ownership

Based on the F-test results shown in Table 4.9, the f-table value was 3.14 (df1 = 2; df2 = 66; $\alpha = 0.05$). The calculated f-value of 4.152 with a significance level of 0.009 (<0.05) indicates that the calculated f-value exceeded the f-table, thereby supporting hypothesis H4. This finding demonstrates that institutional ownership, managerial ownership, and ROE collectively had a significant impact on the stock prices of companies listed in the IDX ESG Leaders index during the 2020–2024 period.

D. CONCLUSIONS

The research conducted concludes that managerial ownership, institutional ownership, and profitability influence stock prices, although the effects are not always consistent across companies. This confirms that internal company factors cannot be separated from external factors such as economic policies, market conditions, and global dynamics. This research is constrained by the relatively short observation period and the limited number of variables, which prevents it from offering a complete overview. Hence, future studies are advised to extend the observation timeframe, incorporate a wider range of external variables, and broaden the research scope to achieve more comprehensive findings.

E. SUGGESTIONS

This study acknowledges several limitations; therefore, it is suggested that future research extend the observation period and incorporate additional relevant variables, both internal and external to the firm, in order to achieve more comprehensive outcomes. Furthermore, using research subjects from different sectors or industries is also recommended to provide broader comparisons and enrich the research findings.

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