

ABSTRACT

Maulana, Daffa Ega. (2024). *“Analysis The Impact of Cost Leadership and ESG on Financial Distress (Study of Listed Companies on Indonesia Stock Exchange 2019-2023 periods)”*. Thesis. Master of Management Department. Faculty of Economic and Business. Universitas Diponegoro.

Keywords: *Cost Leadership, ESG, Financial Distress, Return on Assets, Leverage, Size Firm.*

The Covid-19 has affected many companies globally, and it caused the global economy collapsed. The relevant impacts are decline in share price, crisis in company cash, reduce profit, and financial distress. Financial distress also affected company characteristics, macroeconomy, and company internal structure.

This study uses secondary data and is quantitative in nature. The study's population consists of 390 companies that were listed between 2019 and 2023 on the Indonesia Stock Exchange. This study uses partial least squares (PLS) as its analytical method.

The results show that cost leadership is influencing ESG and financial distress. So, the company with better cost-efficiency strategies will more provide ESG practices, and improving company's competitive advantage. Implementing cost leadership strategy also improving company's assets turnover, so company has productive assets to generate on its profits, and impact on less financial distress risk.

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