ABSTRACT

This study aims to analyze the effect of CEO power on Environmental, Social, and Governance (ESG) performance among companies listed on the LQ45 index of the Indonesia Stock Exchange for the period 2021–2024, as well as to examine the moderating role of firm visibility in this relationship. By integrating the upper echelons theory and legitimacy theory, this study seeks to explain how CEO power characteristics and external pressures influence corporate ESG performance in Indonesia.

The study employs a quantitative approach using secondary data obtained from the Bloomberg Terminal and the Indonesia Stock Exchange. The sample was selected via purposive sampling and yielded 132 observations. ESG performance is measured using the overall ESG score from Bloomberg. CEO power is measured through three dimensions, which are ownership power based on stock ownership, expert power based on tenure, and prestige power based on the CEO's educational level. Firm visibility is proxied using firm size based on total assets. Data were analyzed using IBM SPSS Statistics 25 via multiple linear regression and Moderated Regression Analysis (MRA), estimated using the Robust Standard Error approach.

The results indicate that CEO ownership power has a positive and significant effect on ESG performance. Conversely, CEO expert power has a negative and significant effect, while CEO prestige power has a negative effect on ESG performance, though not significant. The moderation test using MRA reveals that firm visibility negatively moderates the effect of CEO ownership power on ESG performance. However, firm visibility positively moderates the effects of CEO expert power and CEO prestige power on ESG performance. These findings indicate that high firm visibility encourages CEOs with extensive experience and high educational attainment to optimize their strategic capabilities in enhancing ESG performance to meet stakeholder expectations while maintaining the company's legitimacy.

Keywords: *CEO Power, ESG Performance, Firm Visibility, Upper Echelons Theory, Legitimacy Theory, LQ45 Index*