

**THE IMPACT OF DIGITAL TRANSFORMATION ON FIRMS' VALUE:
EXAMINING THE ROLE OF ESG PERFORMANCE IN THE INDONESIAN FOOD
VALUE CHAIN INDUSTRY WITHIN NON-CYCLICAL SECTOR IN INDONESIA
FROM 2019 – 2024**

THESIS



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FACULTY OF BUSINESS AND ECONOMICS

UNIVERSITAS ATMA JAYA YOGYAKARTA

2026

APPROVAL PAGE

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June 17th, 2026

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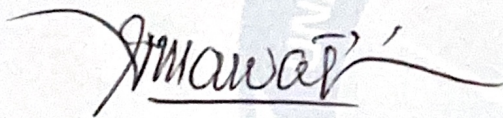
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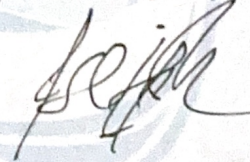


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AUTHENTICITY ACKNOWLEDGEMENT

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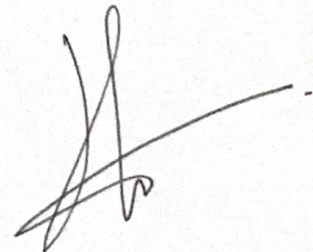
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Performance In The Indonesian Food Value Chain Industry Within Non-Cyclical Sector
In Indonesia From 2019 = 2024**

has been prepared by me as part of the requirements for completing my bachelor's degree. The ideas, analysis, and discussions presented in this thesis are the result of my own work. All sources of information, including theories, data, and other materials obtained from books, journals, and other references, have been properly acknowledged and cited in the text and listed in the bibliography.

I affirm that this thesis is an original academic work and has not been submitted for any other degree or academic qualification. Any contributions from other authors have been clearly indicated through appropriate citations.

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Yogyakarta, June 17th 2026

Helena Gracia Anindya Putri

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ABSTRACT

Digital transformation has become an increasingly important strategy for firms seeking to enhance competitiveness and create long-term value. At the same time, Environmental, Social, and Governance (ESG) performance has gained significant attention from investors and stakeholders as an indicator of corporate sustainability. This study aims to examine the effect of digital transformation on firm value, the effect of digital transformation on ESG performance, the effect of ESG performance on firm value, and the mediating role of ESG performance in the relationship between digital transformation and firm value.

This study employs a quantitative research approach using panel data regression analysis. The sample consists of 51 food value chain companies, including Food Producers and Fisheries, Food and Beverage manufacturers, and Food Retailers listed on the Indonesia Stock Exchange during the period 2019–2024, resulting in 306 firm-year observations. Digital transformation is measured using a keyword-based disclosure index, ESG performance is measured using ESG disclosure scores, and firm value is measured using Tobin's Q. The study also includes firm size and leverage as control variables. Model selection was conducted using the Chow Test, Hausman Test, and Lagrange Multiplier Test.

The results show that digital transformation has a significant negative effect on firm value. However, digital transformation does not have a significant effect on ESG performance.

Furthermore, ESG performance does not significantly affect firm value. The mediation analysis based on the Baron and Kenny approach indicates that ESG performance does not mediate the relationship between digital transformation and firm value. These findings suggest that while digital transformation significantly influences firm value, the impact may reflect the short-term costs and adjustment challenges associated with digital investments. In addition, ESG performance has not yet become a significant determinant of firm value within the Indonesian food value chain sector.

This study contributes to the literature on digital transformation, ESG performance, and firm value by providing empirical evidence from the Indonesian food value chain industry. The findings also offer practical implications for managers regarding the implementation of digital transformation and sustainability initiatives in emerging markets.

Keywords: Digital Transformation, ESG Performance, Firm Value, Tobin's Q, Food Value Chain, Panel Data Regression, Non-Cyclical.

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