Sector-Specific Analysis of Environmental, Social and Governance Performance Trends using Glassdoor Ratings in Malaysia

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ABSTRACT

Environmental, social and governance (ESG) performance has become a key determinant of corporate sustainability and reputation. This study examined sector-specific ESG trends among Malaysian listed companies using Glassdoor ratings, offering a novel approach to understanding employee perceptions of ESG practices. The study employed a cross-sectional analysis of 93 Malaysian listed firms for the financial year 2023. ESG scores were obtained from the Refinitiv Eikon dataset, while employee perceptions were measured using Glassdoor ratings. Multiple regression analysis was conducted across nine industry sectors to evaluate the influence of firm size, total assets, and market capitalization on ESG performance. Findings revealed that the consumer services sector demonstrated a significant positive relationship between ESG performance and market capitalization, indicating that larger firms tend to have stronger ESG commitments. The result highlighted the role of sectoral differences in ESG adoption and emphasized the importance of employee perspectives in evaluating corporate sustainability efforts. Future research should explore longitudinal data and incorporate qualitative methods to gain deeper insights into the evolving impact of ESG initiatives on workplace culture and employee engagement.

Keywords: ESG, Glassdoor Ratings, Sector, Sustainability, Perception.

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INTRODUCTION

In recent years, environmental, social and governance (ESG) performance has emerged as a critical determinant of corporate reputation (Chen et al., 2025), investment appeal (Bort et al., 2025; Gimpl, 2025) and long-term resilience among Malaysian public listed companies (PLCs) (Grassa et al., 2024; Ying et al., 2025; Le, 2024). Regulatory frameworks such as the Malaysian Code on Corporate Governance (MCCG) and the Corporate Governance Monitor 2024 further reinforced the integration of ESG principles, emphasizing transparency, accountability, and the cultivation of ethical corporate culture to enhance compliance and performance (CG Monitor, 2024; Abdalla et al., 2024). While ESG disclosures have traditionally emphasized financial and operational metrics, growing attention is being given to employee perceptions as a vital, yet underexplored, dimension of ESG evaluation.

In recent years, ESG factors have gained increasing importance in shaping corporate strategies and stakeholder perceptions globally, including in Malaysia (Pun et al., 2024). However, the actual implementation and internal perception of ESG initiatives within Malaysian companies remain underexplored, particularly from the perspective of employees. While several online employment platforms such as JobStreet, MyFutureJobs, LinkedIn and Indeed are widely used for recruitment and job-seeking purposes, platforms like Glassdoor provide a distinctive lens allowing employees to anonymously share reviews that reflect their experiences with workplace culture (Pun et al., 2024), governance practices and sustainability efforts (Pun et al., 2024; Kock et al., 2025). These employee-generated reviews offer a potentially rich source of data for evaluating how ESG policies are perceived and practiced within organizations.

Despite Malaysia’s diverse economic landscape, ESG performance often varies across sectors due to industry-specific challenges, regulatory frameworks, and cultural expectations (Afifa et al., 2024; Hoang et al., 2024; Handoyo et al., 2024; Ali et al., 2024). However, there is a lack of in-depth, empirical investigation into how these sectoral variations are reflected in employee perceptions, particularly through digital feedback platforms. This gap highlights the need to critically assess ESG-related sentiments in the Malaysian workplace context to better understand the internal dynamics influencing corporate sustainability practices.

Using Glassdoor review from 2023, on 93 Malaysian PLCs were scrutinsed and examined to meet the research objective. This research mainly sought to bridge the gap between employee perceptions and ESG performance by leveraging Glassdoor ratings. The study covered the nine main sectors indicated by Industry sector division. By focusing on industry-specific trends, this study aimed to identify the strengths and weaknesses of Malaysian sectors in implementing ESG principles. The findings provide a deeper understanding of how ESG practices are viewed within organizations but also offer actionable insights for policymakers, business leaders and stakeholders aiming to improve Malaysia's ESG performance on a global scale. Despite this influential role, there remains a scarcity of research exploring the relationship between employee perception within the multiple sectors and the wider trends in ESG performance (Mandas et al., 2023; Zhang et al., 2024; Chen et al., 2024). The following section provides a critical review of past literature. The collection of data and the methodology used are explained in the subsequent section, which is followed by a discussion of the findings.

LITERATURE REVIEW

The integration of ESG principles has become integral to corporate strategy globally, including in Malaysia, where adoption is driven by frameworks such as the MCCG and the United Nations Sustainable Development Goals (SDGs). ESG practices are associated with enhanced financial performance (Mandas et al., 2023; Zhang et al., 2024; Kock et al., 2025) and increased investor appeal (Mohd Daud et al., 2024). However, the effectiveness of ESG implementation is often the main barrier on internal organizational factors, particularly employee perceptions of corporate culture, leadership and governance, an element that remain underexplored in the current literature.

Prior research has established that ESG performance is a critical indicator of corporate sustainability and resilience (Atkins et al., 2023; Wang et al., 2024). Studies have shown that companies with robust ESG frameworks are better positioned to manage risks (Wang et al., 2021; Chen et al., 2023), attract investment (Aich et al., 2021), and improve long-term performance (Abdalla et al., 2024). In Malaysia, the adoption of ESG practices has been further encouraged by growing investor demand for sustainable and responsible investment opportunities and regulatory requirements for enhanced transparency and disclosure. Despite this progress, there is limited empirical evidence linking ESG performance with employee sentiment, an area that is crucial for understanding the social and governance dimensions of ESG (Atkins et al., 2023; Wang et al., 2024).

Meanwhile, ESG performance is shaped by sector-specific factors, with environmental concerns more prominent in resource-intensive industries and social and governance dimensions emphasized in sectors like finance and technology (Ali et al., 2024). In Malaysia, the financial sector plays a central role in advancing ESG, both through internal adoption and by directing sustainable investment. However, existing research remains largely focused on aggregate ESG metrics, offering limited insight into sector-specific dynamics and internal organizational influences (Fometescu et al., 2024). This underscores a critical gap in understanding how internal factors shape ESG outcomes within multiple sectors.

Glassdoor Ratings Indicator

Existing literature on ESG performance often relies on external metrics, such as regulatory disclosures and third-party ESG ratings, while overlooking the internal perspectives of employees. This creates a significant gap in understanding the social and governance dimensions of ESG performance. Furthermore, sector-specific insights into ESG trends in Malaysia are scarce, limiting the ability of policymakers and businesses to tailor strategies for different industries. Glassdoor data, with its rich repository of employee reviews, offers an innovative approach to addressing these gaps by providing a more nuanced and employee-centered evaluation of ESG practices (Pun et al., 2024).

Existing ESG research predominantly emphasizes external indicators such as regulatory disclosures and third-party ratings while neglecting employee perspectives, thereby limiting insight into the social and governance dimensions of ESG performance. Leveraging platforms like Glassdoor, which offer employee-generated data, presents a novel methodological avenue for capturing internal, employee-centered assessments of ESG practices (Pun et al., 2024). Recent studies highlight the growing relevance of internal stakeholder perceptions in shaping corporate sustainability outcomes (Luo et al., 2016; Antolín-López & Ortiz-De-Mandojana, 2023). Due to this perspective, the present study investigated the relationship between employee perception, proxied by Glassdoor Ratings (GDR) and corporate ESG performance. ESG performance was measured using both an aggregate score (ESG_PCT) and its three dimensions: Environmental (E_PCT), Social (S_PCT) and Governance (G_PCT), following established literature (Bakalopoulos et al., 2024). As illustrated in the conceptual framework (see Figure 1), GDR was hypothesized to influence ESG outcomes by capturing internal organizational values, culture and employee engagement. For the sector-specific analysis (Sector), was indicated by the dummy categories (Qasem et al., 2023; Md Zaini et al., 2020). Variable definitions and measurement details are presented in Table 4, with Table 1 offering a comparative overview of ESG practices and related organizational outcomes.

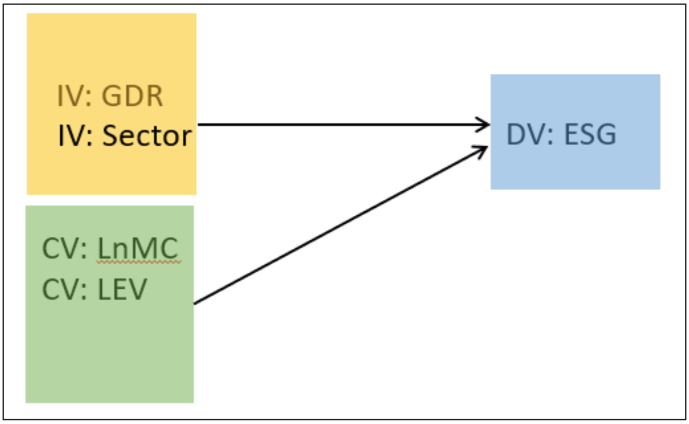

Figure 1: Research Framework of the Study
Notes: Author's own work

Figure 2a presents a bibliometric network visualization generated from CSV data using VOSviewer (based on 610 documentations from Scopus indexed), illustrating clusters of co-occurring terms that highlight prevailing themes within the research field. Bibliometric analysis serves as a robust method for mapping the intellectual structure of a domain (Pessin et al., 2022; Farooq, 2024). In this study, it was employed to identify and analyze key thematic intersections related to employee perception, organizational culture, ESG performance and workplace dynamics. As such, Figure 2b displays a VOSviewer map based on RIS-format data, revealing core clusters centered around "*employee satisfaction*," "*organizational culture*" and "*corporate governance*." These themes are closely linked to concepts such as ESG, corporate culture and job satisfaction, underscoring their centrality in organizational research related to platforms like Glassdoor.

ESG and Employee Perception

Employee perception plays a vital role in organizational sustainability and success. As ESG factors gain prominence, companies are increasingly implementing ESG strategies not only for regulatory compliance but also to enhance internal workplace conditions (Zheng et al., 2024).

Table 1: ESG Practice, Feedback, Organizational Practice, Payoffs and Main Issues

ESG Performances	Feedback @ Glassdoor Reviews	Organizational Practice	Payoffs	Sources	Main Issues
Implementation of ESG initiatives and policies.	Employees provide feedback on company practices via Glassdoor.	Employees feedback Adjust ESG strategies and practices.	Enhance employee's satisfaction.	https://www.esgmalaysia.org/resources.	Effectiveness of the ESG practices and performances.
Greenwashing: Superficial or misleading presentation of ESG efforts to create a positive image.	Employees express scepticism or criticism based on company's ESG practices (in reviews, comments).	Company action or token gestures (mitigate the risk).	Decreased employees trust, tarnished reputation. Low investors trust confident.	https://www.miti.gov.my/index.php/pages/view/9849?mid=1282.	Employees loyalty and commitments.
Lack of transparency in reporting.	Employees express frustration or distrust in reviews due the lack of transparency in ESG reporting.	Company faces scrutiny and reputation damages due dishonest information.	Loss of investor trust. Regulatory scrutiny.	https://www.sc.com.my/api/documents/download.ashx?id=2b6971e0-2a8a-40cc-80d1-ff8c67d73543.	Accountability and transparency in the reporting.
Genuine commitment to ESG.	Employees provide feedback on company's commitment on ESG for meaningful impact.	Fosters trust and engagement among employees through ESG values.	Enhance employee's morale. Strengthen stakeholder culture. Improved stakeholder's relationships.	https://www.theguardian.com.	Glassdoor platform and associations to the ESG metrics.

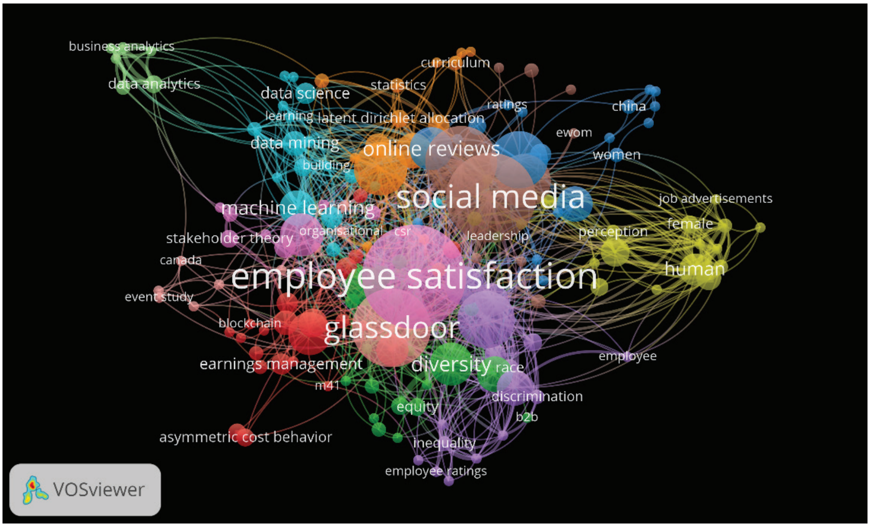

Figure 2a: VOSviewer using Bibliometric Analysis via CSV Format

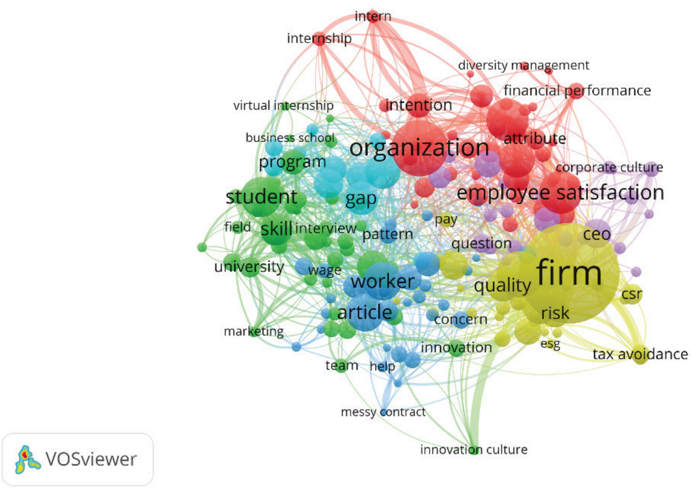

Figure 2b: VOSviewer using Bibliometric Analysis via RIS Format

Positive employee perceptions often reflect a firm's commitment to ethical practices, social responsibility, and sustainable operations (Alves et al., 2025; Crifo & Rebérioux, 2024). Empirical studies have indicated that strong ESG performance is associated with higher levels of employee engagement and morale (Edmans, 2011; Eccles et al., 2014), as effective ESG frameworks promote inclusivity, purpose and organizational stability. However, despite growing interest in ESG, sector-specific analyses in the context of Malaysian PLCs remain limited (Ahmad et al., 2024; Le, 2024; Afifa et al., 2024).

Stakeholder Theory Argument

The Stakeholder Theory (Freeman, 1999; Freeman & Phillips, 2002) posits that firms should generate value for all stakeholders, not solely shareholders, thereby positioning employees as central to organizational success. Companies that actively invest in ESG initiatives signal a commitment to employee well-being, which positively influences employee perceptions. Eccles et al. (2014) highlight that corporate social responsibility efforts closely aligned with ESG principles foster a stronger sense of purpose, enhancing employee engagement and job satisfaction. Similarly, Mandas et al. (2023) contend that employee-focused ESG policies contribute to higher retention rates and lower turnover-related costs.

The FTSE Russell ESG Ratings Methodology provides a structured framework for assessing corporate performance across ESG dimensions, offering investors critical insights into sustainability practices and risk management. As one of the leading global index providers, FTSE Russell assigns ESG ratings to PLCs, enabling transparent evaluation of ethical and responsible business conduct (Sulaiman et al., 2024). As shown in Table 2, ESG ratings ranging from * (lower ESG performance) to **** (highest ESG rating) highlight the varying degrees of ESG integration among Malaysian PLCs.

Table 2: Snapshot Malaysian PLCs

Stock Code	Company Name	Sector	ESG Grading Band
7167	Able Global Berhad	Consumer Products & Services	*
7191	Adventa Bhd	Health Care	**
6599	Aeon Co. (M) Bhd	Consumer Products & Services	*
5139	Aeon Credit Service (M) Bhd	Financial Services	****
7078	Ahmad Zaki Resources Bhd	Construction	**
2488	Alliance Bank Malaysia Berhad	Financial Services	***

Stock Code	Company Name	Sector	ESG Grading Band
5293	AME Elite Consortium Berhad	Construction	**
1015	AMMB Holdings Bhd	Financial Services	***
4758	Ancom Nylex Berhad	Industrial Products & Services	**
6556	Ann Joo Resources Bhd	Industrial Products & Services	**
6399	Astro Malaysia Holdings Berhad	Telecommunications & Media	****

Notes: Snapshot ESG Ratings of PLCs assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology.

This study examined how ESG performance influenced employee perception, using Glassdoor as a proxy for internal stakeholder sentiment. Emerging research highlights a strong correlation between a company's ESG practices and employee perception (Tan et al., 2025; Gangi et al., 2024; Czichos et al., 2025). For example, Korankye et al. (2024) found that corporate ESG behaviors significantly enhanced employee satisfaction by fostering a sense of purpose and aligning organizational values with those of employees. Furthermore, evidence from a study combining FTSE Russell ESG Ratings and Glassdoor data (2011–2018) suggests that firms with high ESG scores and positive employee perceptions demonstrated greater firm value (Swedroe & Adams, 2022). Based on these arguments and to achieve the first objective of the study, the first hypothesis (H1) was stated as follows:

H1: Companies with higher ESG performance will exhibit higher employee perception, as reflected in Glassdoor ratings.

The Social component of ESG directly pertains to the interpersonal and cultural aspects of the workplace, which are immediate determinants of employee experience. Policies that promote diversity, equity, and inclusion, along with those that safeguard employee rights and well-being, create an environment where employees feel valued and respected (Krause, 2022). This sense of value and respect is a critical driver of job satisfaction. In contrast, while environmental and governance initiatives contribute to the overall health and ethical standing of an organization, their effects on employee perception are often indirect (Lee & Suh, 2022; Cheah & Lim, 2024).

To enhance employee perception, organizations should prioritize the social dimension of ESG which directly shapes the workplace experience (Wilcox & Koontz, 2022). While environmental and governance efforts are important, their influence on employee perception tends to be more indirect. Emphasizing social initiatives can foster a more inclusive and supportive work environment, resulting in higher employee morale (Kandpal et al., 2024), increased retention (Lee et al., 2023) and improved organizational performance (Álvarez-Perez & Fuentes-Bracamontes, 2024). Moreover, the social pillar of ESG is argued to have the most immediate impact on employee sentiment. Supporting this, IBM research found that 67% of respondents preferred to work for environmentally sustainable companies (Banerjee et al., 2023), while nearly one-third of job changers accepted lower pay to join socially responsible or sustainable firms (Székely & Knirsch, 2005; Carroll & Shabana, 2010). These findings highlight that social and environmental values significantly influence employee satisfaction and employment decisions. Therefore, a second hypothesis (H2) can be formulated:

H2: The Social component of ESG has a stronger impact on employee perception than the Environmental and Governance components.
Methodology

Data Collection

This study conducted a sector-specific analysis of 93 Malaysian PLCs listed on Bursa Malaysia for the financial year ended 2023, using ESG scores as the dependent variable and Glassdoor ratings and sector classifications as key independent variables. Glassdoor data was manually collected. The largest representation was from the Industrials sector with 28 firms, followed by Consumer Staples (20) and Telecommunications (4). Details are summarized in Table 3.

Table 3: Sector Specific Analysis

Sector	FYE2023
BM-Basic Materials	9
CD-Consumer Discretionary	7
CS-Consumer Staples	20
EN-Energy	8
HC-Health Care	5

Sector	FYE2023
I-Industrials	28
T-Technology	6
TC-Telecommunications	4
U-Utilities	6
Total	93

Instruments and Measurement

This study utilized manually collected data and secondary data observations on Malaysian PLCs, in alignment with previous literature (Qasem et al., 2023; Md Zaini et al., 2020). The steps for data collection were:

1. The research team established a data collection group and assigned tasks accordingly.

2. Each member manually collected Glassdoor ratings from the Glassdoor website for the selected sample of Malaysian listed companies.

3. Using the Refinitiv Eikon dataset, the researchers extracted companies' ESG Scores as a measure of ESG performance.

4. Additionally, the study gathered individual scores for the ESG pillars, expressed as percentages.

5. As control variables, the researchers manually collected both financial and non-financial data for each selected sample.

Respondent Demographic Profile

The final sample was determined through a rigorous screening process, ensuring ethical compliance by removing duplicates, excluding PLCs with incomplete data, resolving inconsistencies in Glassdoor ratings and verifying active listings on Bursa Malaysia's website.

Empirical Model

This study examined the association between sector-specific analysis of ESG trends and corporate image represented by Glassdoor Ratings by estimating the following regression model:

$$ESG\_PCT = a0+ß1GDR+ß2dummySector+ß3LnMC+ß4LEV+i\varepsilon \quad (1)$$

$$E\_PCT = a0+\beta 1GDR+\beta 2dummySector+\beta 3LnMC+\beta 4LEV+i\varepsilon \quad (2)$$

$$S\_PCT = a0+\beta 1GDR+\beta 2dummySector+\beta 3LnMC+\beta 4LEV+i\varepsilon \quad (3)$$

$$G\_PCT = a0+\beta 1GDR+\beta 2dummySector+\beta 3LnMC+\beta 4LEV+i\varepsilon \quad (4)$$

where this study examined ESG trends using both aggregate (ESG_PCT) and component scores (E_PCT, S_PCT, G_PCT) with Glassdoor Ratings (GDR) and Sector as key variables. To ensure analytical robustness, firm-specific financial controls were included, following prior research (Hovakimian et al., 2001; Bonga & Sithole, 2019; Utama, 2012).

Table 4: Operational Definition of the Study

No.	Acronym	Definitional	Description	Source
DV	ESG_PCT	ESG in percentage	Refinitiv ESG Score is an overall company score based on the self-reported information in the environmental, social and corporate governance pillars.	Antolín-López, & Ortiz-De-Mandojana, 2023
	E_PCT	Environmental pillar in percentage	The environmental pillar measures a company's impact on living and non-living natural systems, including the air, land and water, as well as complete ecosystems.	Bakalopoulos et al. 2024
	S_PCT	Social pillar in percentage	The social pillar measures a company's capacity to generate trust and loyalty with its workforce, customers and society, through its use of best management practices.	Bakalopoulos et al. 2024

No.	Acronym	Definitional	Description	Source
	G_PCT	Governance pillar in percentage	The corporate governance pillar measures a company's systems and processes, which ensure that its board members and executives act in the best interests of its long term shareholders.	Bakalopoulos et al. 2024
IV	GDR	Glassdoor Ratings	A score ranging from 1 to 5, indicating general employee perception.	Luo et al. 2016
	Sector	Industrial Classification	For the sector-specific analysis, it indicates by the dummy 1 if Consumer Discretionary, Consumer Staples and 0 if otherwise.	Qasem et al., 2023; Md Zaini et al., 2020
CV	LnMC	Log Market Capitalization	Market capitalization (market cap) refers to the total value of a company's outstanding shares of stock traded on Bursa Malaysia. It is calculated using the formula: Market Capitalization = Share Price × Total Outstanding Shares	Bonga & Sithole, 2019
	LnTA	Log Total Assets	Represents the total assets of a company.	Bonga & Sithole, 2019; Utama 2012
	LEV	Leverage	This is the ratio of Total Debt as of the end of the fiscal period to Total Equity for the same period and is expressed as percentage.	Hovakimian, et al. 2001

Notes: DV represents the dependent variable, IV represents the independent variables and the CV represents control variables.

RESULTS AND DISCUSSION

Findings of the Study

Table 5 presents the descriptive statistics for this study. The dependent variables included ESG_PCT, E_PCT, S_PCT, and G_PCT. The minimum and maximum values for ESG_PCT were 2.57% and 81.32%, respectively, with an average value of 43.49%. Meanwhile, the minimum values for E_PCT, S_PCT, and G_PCT were 2.26%, 2.31%, and 1.91%, respectively. The maximum values for these variables were 36.03%, 47.33%, and 47.84%, respectively. On average, the mean values for the variables ranged between 36.03% and 47.84%.

Table 5 also presents the descriptive statistics for GDR and GDR_F. The mean value for GDR was 3.47. The range for GDR ranged between 0.00 and 5.00. For the independent variables the findings indicated that the majority of the data collected included 93 Malaysian PLCs for the financial year ending 2023 that participated in the Glassdoor ratings survey. Furthermore, the results for GDR revealed a significant impact, as the mean score of 3.47 out of 5.00 suggested that most respondents provided positive feedback on the Glassdoor platform regarding their workplace experiences. For the Sector, mean values were 0.29 respectively.

Regarding the control variables, the study reported that MC (measured in Ringgit Malaysia), were transformed using the natural logarithm (Ln). The average market capitalization in the sample was RM5,818,563,552.29. For analytical purposes, these variables were converted into LnMC, with mean values of 24.79. Additionally, the maximum LEV value recorded in this study was 10.54. Furthermore, all figures metthe normality assumptions for skewness and kurtosis, remaining within the acceptable range of -5 to +5.

In addition, the researchers conducted a correlation analysis using Pearson Correlation Coefficients. As presented in Table 6, all variables exhibited strong correlations, except for Sector and LEV. The weakest correlation was observed between ESG_PCT and Sector, with a coefficient of 0.19, while the strongest correlation is between GDR and LEV, with a coefficient of 0.62**. Furthermore, all variables demonstrated positive and strong relationships, with no indication of multicollinearity. According to Gujarati (2001), multicollinearity is a concern when the correlation exceeds 0.80, which was not the case in this study.

Analysis of the Study

Table 7 presents the results of the multiple regression analysis. The researchers categorized the dependent variables into four models: Model 1 (ESG_PCT), Model 2 (E_PCT), Model 3 (S_PCT), and Model 4 (G_PCT). In the main model, the adjusted R-square value of 0.23 indicated that approximately 23% of the variation in ESG performance was explained by the independent variables. Although GDR exhibited a positive but statistically insignificant effect on overall ESG performance ($\beta = 0.00$, $p = 0.35$), this suggested that employee perception did not significantly influence

ESG scores. Among the models, firm size (LnMC) is the only variables with a strong positive relationship with ESG_PCT ($\beta = 5.27$, $p < 0.01$), E_PCT ($\beta = 5.23$, $p < 0.01$) and S_PCT ($\beta = 6.28$, $p < 0.01$), implying that larger firms tended to achieve better ESG performance, likely due to their greater resources for sustainability initiatives. Meanwhile, leverage (LEV) did not exhibit significant effects across all models.

We conducted a sensitivity analysis, as presented in Table 8, examining the impact of GDR on ESG performance and its three dimensions using two models: the full sample (Model 0) and a sector-specific subsample (Model 1). Furthermore, the results indicated that GDR had a statistically significant and positive influence on ESG performance (ESG_PCT) in the sector-specific model ($\beta = 0.03$, $p < 0.01$), whereas it remained insignificant in the full-sample model ($\beta = 0.00$, $p < 0.01$). This suggested that employee satisfaction, as captured by Glassdoor Ratings, becane a more influential factor when examined within specific industry contexts, supporting the hypothesis that ESG performance was sensitive to sectoral dynamics. Meanwhile, for each sub-sample, for the E_PCT, GDR was significant only in the sector-specific model ($\beta = 0.02$, *t-value* = 2.06, $p = 0.05$), indicating a positive relationship between employee sentiment and environmental initiatives at the sector level. To compare, in the S_PCT, GDR also showed a significant positive association in the sector-based analysis ($\beta = 0.03$, *t-value* = 2.20, $p = 0.03$), suggesting that employee-related perceptions are especially aligned with social aspects of ESG.

However, in contrast, for the G_PCT, GDR remained statistically insignificant in both models, implying that governance practices may be less influenced by employee sentiment. We also found that for the control variables, Firm size consistently showed a strong, positive, and statistically significant effect on ESG, E_PCT, and S_PCT in the full-sample models, reinforcing the notion that larger firms tended to have higher ESG scores, likely due to greater resource availability and regulatory pressures.

Table 5: Descriptive Analysis of the Study

Items	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
ESG_PCT	2.57	81.32	43.49	20.12	- 0.26	- 0.62
E_PCT	2.26	82.43	36.03	20.04	0.14	- 0.74
S_PCT	2.31	87.14	47.33	23.08	- 0.13	- 1.06
G_PCT	1.91	93.26	47.84	24.81	- 0.32	- 1.00
GDR	0.00	5.00	3.47	0.73	- 1.56	5.65
Sector	0.00	1.00	0.29	1.15	7.08	60.04
MC	49,170,591.79	58,104,811,984.84	5,818,563,552.29	12,443,308,608.35	2.88	8.00
LnMC	17.71	24.79	20.89	1.70	0.76	- 0.27
LEV	0.00	10.54	0.61	1.16	7.08	60.05

Table 6: Correlation Analysis for the Study

VIF	No	Variables	1	2	3	4	5	6	7	8
1.09	1	ESG_PCT	1.00							
1.77	2	E_PCT	0.59**	1.00						
1.89	3	S_PCT	0.52**	0.35**	1.00					
1.15	4	G_PCT	0.49**	0.29**	0.07	1.00				
1.16	5	GDR	0.29**	0.18	0.11	0.20*	1.00	0.02		
1.14	6	Sector	-0.19	-0.06	-0.19	-0.23*	0.02	1.00		
1.43	7	LnMC	0.52**	0.38**	0.30**	0.31**	0.31**	-0.04	1.00	
1.06	8	LEV	0.08	0.01	-0.18	0.04	0.62**	0.13	0.06	1.00

Notes: **. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).

Table 7: Multiple Regression Analysis

Items	**ESG_PCT Model 1**		**E_PCT Model 2**		**S_PCT Model 3**		**G_PCT Model 4**	
Variables	**Coefficient (β)**	**t-value**	**Coefficient (β)**	**t-value**	**Coefficient (β)**	**t-value**	**Coefficient (β)**	**t-value**
Intercept	-79.52	-3.33 [0.00]	-70.98	-2.78 [0.00]	-82.65	-2.92 [0.00]	-20.78	-0.60 [0.54]
GDR	0.00	0.92 [0.35]	0.00	0.21 [0.82]	0.00	0.62 [0.53]	0.00	0.60 [0.55]
Sector	-7.04	-1.78 [0.07] *	-5.95	-1.40 [0.16]	-8.24	-1.76 [0.08] *	-8.86	-1.56 [0.12]
LnMC	5.98	5.27 [0.00] ***	5.23	4.31 [0.00] ***	6.28	4.67 [0.00] ***	3.39	2.09 [0.03]
LEV	-0.75	-037 [0.71]	-1.07	-0.50 [0.61]	1.43	0.60 [0.54]	-0.37	-0.13 [0.89]
Adj. R^2	0. 23		0.19		0.25		0.06	
F-value	10.82		6.54		8.90		2.52	
X^2 (*p-value*)	0.00		0.00		0.00		0.04	
Durbin-Watson	2.28		2.32		2.09		1.79	
Observations	93		93		93		93	

Table 8: Sensitivity Analysis Multiple Regression Analysis by Sector

Items	ESG_PCT Model 1				E_PCT Model 2				S_PCT Model 3				G_PCT Model 4			
Sector	0		1		0		1		0		1		0		1	
Variables	β	t-value	β	t-value	β	t-value	β	t-value	β	t-value	β	t-value	β)	t-value	β	t-value
Intercept	-91.23	-3.48 [0.00]	-40.76	-0.74 [0.46]	-75.77	-2.62 [0.01]	-47.51	-0.86 [0.39]	-92.77	-3.06 [0.00]	-34.64	-0.50 [0.61]	-1.12	-0.02 [0.97]	-102.54	-1.42 [0.16]
GDR	0.00	0.04 [0.96]	0.03	2.33 [0.02] **	0.00	-0.07 [0.93]	0.02	2.06 [0.05] *	0.00	0.21 [0.82]	0.03	2.20 [0.03]	0.00	0.78 [0.43]	0.01	0.73 [0.46]
LnMC	6,61	5.23 [0.000] ***	4.03	1.52 [0.14]	5.43	3.89 [0.00] ***	4.08	1.53 [0.13]	6.71	4.59 [0.00] ***	3.90	1.18 [0.25]	2.36	1.24 [0.21]	7.07	2.03 [0.05] *
LEV	-2.25	-0.55 [0.58]	-15.46	-2.13 [0.04] **	0.67	0.15 [0.88]	-15.63	-2.14 [0.43] **	3.90	0.83 [0.40]	-17.11	-1.89 [0.07] *	2.71	0.44 [0.65]	-6.66	-0.70 [049]
Adj. R^2	0.32		0.21		0.19		0.16		0.27		0.19		0.13		0.09	
F-value	11.23		3.32		6.11		2.66		9.32		3.03		1.28		1.83	
X^2 (*p-value*)	0.00		0.03		0.00		0.07		0.00		0.05		0.28		0.17	
Durbin-Watson	2.43		1.95		2.39		2.29		1.96		2.09		1.83		1.44	
Observations	65		28		65		28		65		28		65		28	

Notes: For the sector-specific analysis, it indicates by the dummy 1 if Consumer Discretionary, Consumer Staples and 0 if otherwise.

Table 9: Summary of the Hypothesis and Results

No	Main Hypothesis	Main Finding				Results
		ESG_PCT	E_PCT	S_PCT	G_PCT	
H1	Companies with higher ESG performance will exhibit higher employee perception, as reflected in Glassdoor ratings.	Insignificant	Insignificant	Insignificant	Insignificant	Not Supported
H2	The Social component of ESG has a stronger impact on employee perception than the Environmental and Governance components.	Significant	Significant	Insignificant	Insignificant	Partial Supported

For LEV, exhibited a significant negative effect in sector-specific models, suggesting that more highly leveraged firms may face constraints in pursuing robust ESG initiatives. The adjusted R^2 values ranged from 0.13 to 0.32 in the full-sample models and 0.09 to 0.21 in the sector-specific models, indicating moderate explanatory power. The Durbin-Watson statistics were close to 2.0 in most models, suggesting no major autocorrelation issues in the residuals.

Table 9 provides an overall summary of the hypotheses and corresponding findings. The results indicated that Hypothesis 1 (H1) was not supported, as there was no statistically significant relationship between ESG trends and Glassdoor ratings among Malaysian PLCs. This outcome contrasts with the FTSE Russell report (Swedroe & Adams, 2022), which suggested that Malaysian PLCs were progressively improving their ESG ratings (refer to Table 2). To compare, Hypothesis 2 (H2) was partially supported, demonstrating a significant relationship within the environmental component (Lee & Suh, 2022), but not within the social component (Krause, 2022). These findings underscore the need for further investigation into the distinct dimensions of ESG performance.

CONCLUSION

This study provides a sector-specific analysis of ESG trends using Glassdoor ratings, offering novel insights into how employee perceptions align with ESG performance among Malaysian listed companies. The findings revealed that while ESG initiatives were increasingly integrated into corporate strategies, their impact on employee perception varied across industries, highlighting the need for targeted ESG policies that considered sectoral differences. Future research should explore longitudinal data to assess the evolving impact of ESG initiatives on employee sentiment over time. Additionally, expanding the scope beyond Malaysian listed companies to include small medium enterprise (SMEs) and multinational corporations (MNCs) could provide a more comprehensive understanding of ESG trends in different organizational structures. This study relied on Glassdoor ratings, which may be subject to self-selection bias and do not necessarily represent the views of all employees. Moreover, the cross-sectional nature of the analysis limited the ability to establish causal relationships between ESG performance and employee perception. However, similar with Kock et al. (2025), these insights provide practical value for policymakers, corporate leaders and investors seeking to integrate internal stakeholder sentiment into ESG evaluation frameworks. Future studies should incorporate qualitative approaches, such as interviews and case studies, to complement quantitative findings.

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