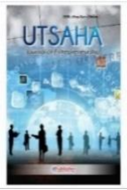

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The Effect of Green Accounting Implementation, Sustainability Report, Asymmetric Information, and Financial Performance on Firm Value

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ABSTRACT

This research examines the effect of green accounting, sustainability report, asymmetric information, and financial performance on firm value. Green accounting and sustainability reports are becoming more important as awareness of sustainability and corporate social responsibility increases. On the other hand, asymmetric information can affect investors' decisions, while financial performance is often a primary indicator in company valuation. The basic materials sector companies are concerned with the environment. Besides the environment, companies also need to be concerned about social issues, balanced information, and financial performance. By analyzing these factors, this research aims to determine whether green accounting, sustainability report, asymmetric information, and financial performance affect firm value. Firm value is measured by Tobin's Q ratio, while other variables are measured by methods such as PROPER for green accounting, CSRIj for sustainability report, Bid Ask Spread (BAS) for asymmetric information, and Return on Assets (ROA) for financial performance. Data was taken from the company website, IDX, and the Ministry of Environment and Forestry, with a sample of 77 basic material sector companies listed on the IDX for the 2019-2022 period. Data analysis was conducted with multiple regression using Excel and SPSS 23. The results of this research indicate that green accounting and sustainability reports affect firm value. While asymmetric information and financial performance have no effect on firm value.

Keywords: *Asymmetric Information, Financial Performance, Green Accounting, Sustainability Report*

INTRODUCTION

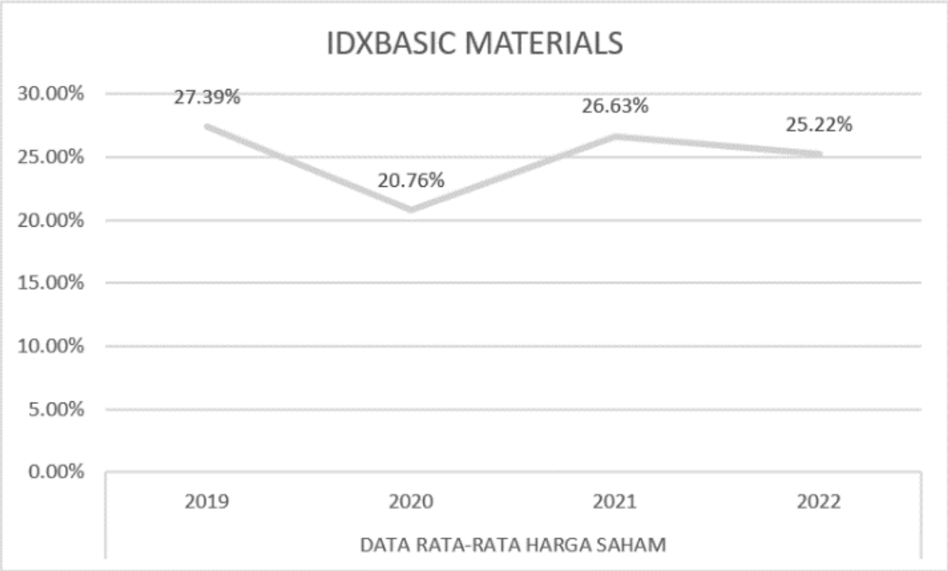
Technology is developing rapidly in the digitalization era, which makes competition in the business world increasingly fierce. Economic or business growth is the main factor that encourages companies to compete to maximize profits and increase company value (Lestari & Khomsiyah, 2023). One way to attract investors' attention is to provide positive signals through an increase in the company's share price (Azari & Facrizal, 2017). However, business activities often have a negative impact on the environment. Therefore, companies must be aware and responsible for protecting and preserving the environment, while contributing positively to society (Lestari & Khomsiyah, 2023). One way that can be achieved is by implementing green accounting. The purpose of green accounting is to achieve sustainable development and have a positive impact on the environment (Kumala & Priantilianingtiasari, 2023).

Social activities conducted by companies as a form of social responsibility are often referred to as Sustainability Report. This report is used by companies to convey information about their performance in economic, social and environmental terms. This report can also be a guide for stakeholders in making decisions (Lestari & Khomsiyah, 2023). In addition, this report helps companies increase the trust of investors (Kinanti & Murwaningsari, 2024). However, in providing information, there is often a difference in information between management and stakeholders, which is called asymmetric information (Irianti et al., 2022). This asymmetry occurs when managers, who manage the company, have more in-depth knowledge than investors. As a result, managers can utilize this information to manipulate the company's financial statements (Claudia et al., 2023).

Investors can assess whether a company's performance is good or bad by examining its financial statements. They compare the current financial statements with the previous ones (Handayani et al., 2023). A company's value greatly affects its share price, as investors try to assess the success of the company. If the company performs well, its value and share price can go up or down (Azari & Facrizal, 2017). Therefore, firm value is important because the higher the firm value, the wealthier its shareholders get (Kumala & Priantilianingtiasari, 2023).

Based on Chart 1, the average IDXBasic share price from 2019 to 2022 shows unstable changes. Several factors cause this to happen. One of them is the company's indifference to the community and the environment damaged by the company's activities. In addition, there was also a decline in share prices in the basic materials sector in the 2021-2022 period on the Indonesia Stock Exchange. In 2021, the company recorded a profit of 0.12%, but at the beginning of 2022, the profit dropped to -1.48%. This shows that the company's social and environmental responsibility, its financial performance, as well as possible information imbalances between stakeholders and management, can affect the firm's value. Changes in the company's share price is one way to see the impact.

Chart 1. Average IDXBASIC Share Price for 2019-2022



Source: Processed Data by Researchers (2024)

Corporations are considered as entities that must comply with social norms to ensure their social recognition so that they can continue to exist. This research is the result of the development of previous research conducted by Ningrum et al (2021). Research on the effect of green accounting, sustainability report, asymmetric information, and financial performance on firm value has been widely conducted. However, there are still some gaps in the literature that require further research attention. First, most previous studies only focus on one or two variables, for example only discussing green accounting or sustainability reports, without considering the interaction of several factors simultaneously (Kumala & Priantilianingtiasari, 2024). Second, studies that discuss the impact of asymmetric information on firm value often do not relate it to sustainability reports or green accounting (Hapsari, 2023). In fact, the combination of these elements can provide a more comprehensive view of the company's value creation. Furthermore, research conducted on specific industrial sectors, especially in developing countries, is still very limited. Kurniawati et al (2020) states that the application of green accounting and sustainability reports in developing countries such as Indonesia is often inconsistent and not strictly regulated, thus affecting research results related to its impact on firm value. In addition, Du et al (2020) emphasizes that research on asymmetric information focuses more on developed financial markets, while studies in developing countries are still very limited. Therefore, this research was conducted to determine whether green accounting, sustainability report, asymmetric information, and financial performance affect firm value.

LITERATURE REVIEW

Legitimacy Theory

Legitimacy theory, developed by Pfeffer & Dowling in 1975, states that companies must follow the norms accepted by society in order to be considered legitimate and continue to operate (Nurhidayat et al., 2020). In this research, legitimacy theory is used to explain how companies can communicate with the community, by showing that the company has made efforts to preserve the environment around its operating location and does not harm the community (Goldie Kelly & Deliza Henny, 2023). Legitimacy means that there is conformity between the company's actions and the norms, values, beliefs, and definitions accepted by society (Octaviany, 2013). One way for companies to increase their legitimacy is by running Corporate Social Responsibility (CSR) programs that can provide positive benefits to the community so that the company can be accepted by the community (Bahari et al., 2023).

Signal Theory

According to Spence (1973) cited in Cellia (2024), companies need to provide signals in the form of information that reflects their condition to outsiders such as investors. This Signal Theory teaches that companies must convey important information through financial reports so that it can be used by outsiders in decision making. The information provided by companies is very important for investment decisions from external parties, so companies are encouraged to provide more complete information. Signal Theory aims to assist owners, managers, and investors in reducing information uncertainty about the condition of the company, which in turn can affect the quality of financial statements. This accurate and complete information is very important to ensure the company can survive in the long term.

Green Accounting

Green accounting is accounting that takes care of environmental costs, such as waste disposal and treatment costs, facility construction, third party costs, and licensing costs (Abdullah & Amiruddin, 2020). This accounting aims to identify, calculate, and report costs that can be avoided or that arise from the company's operational activities that can affect society and the environment (Haryati et al., 2023). According to Lako (2018: 65) in his book Green Accounting cited by Widiyanti et al (2023), green accounting involves the process of identifying, measuring, recording, and reporting transactions with the aim of producing complete and relevant financial, social, and environmental information to support company management. Neni Astuti (2012) in Yasrawan & Werastuti (2022) states that the main objective of green accounting is to improve the efficiency of environmental management by assessing environmental activities in terms of costs and benefits.

Sustainability Report

Sustainability reports in corporate social and environmental responsibility reporting are now important to ensure companies comply with regulations (Ningrum et al., 2021). This report is used to inform the company's performance in the economic, social and environmental fields, so that it can be taken into consideration for stakeholders in making decisions (Lestari & Khomsiyah, 2023). The main purpose of corporate social responsibility disclosure is to provide an overview to the public about the company's social activities and its impact on society (Damayanti et al., 2022). This Corporate Social Responsibility (CSR) disclosure refers to the fourth generation Global Reporting Initiative (GRI), known as the 91 CSR disclosure index.

Asymmetric Information

The concept of asymmetry was introduced by Akerlof (1970), which explains that in a market, sellers usually have more complete information about product quality than buyers (Ningrum et al., 2021). Information owned by the company's internal parties can provide signals to shareholders and other interested parties, which in turn affects the quality of company (Octaviany, 2013). If the signal provided is good news, this will increase the value of the company. However, if the signal given is bad, the value of the company may decrease (Putri & Ayu Diantini, 2022). The level of asymmetric information in stock trading can be measured through the difference between the bid price and the asking price (bid ask spread) (Marsyalova Yasmin & Nera Marinda Machdar, 2023; Octaviany, 2013).

Financial Performance

Actions taken by managers to improve the operational and non-operational efficiency of the company will have a major impact on the preparation of financial statements (Handayani et al., 2023). Financial performance is a description of the economic results obtained by the company through activities carried out efficiently and effectively to achieve profit (Hery et al., 2023; Irianti et al., 2022). One ratio that is often used to measure how efficient a company is in generating profits is Return on Assets (ROA) (Kumala & Priantilianingtiasari, 2023). According to Munawir (2007), ROA is a financial indicator that measures the company's ability to generate profits from certain revenues, assets, and share capital (Wijaya, 2019).

Firm Value

A firm's value is its share price which indicates the current performance and prospects of the company (Ekawati, 2023). It is the way investors measure up to how well a company is operating, often in relation to its share price (Pasaribu et al., 2019). If the enterprise value increases, it means that the company's total assets are greater than its debts. Enterprise value valuation is usually based on total assets (Lumoly et al., 2018). The Tobin's Q ratio is considered an excellent method as it provides comprehensive information about the company's activities (Kumala & Priantilianingtiasari, 2023).

The Effect of Green Accounting on Firm Value

Research by Lestari & Khomsiyah (2023) shows that green accounting can increase firm value. Allocating costs to the environment can increase public trust. These results are in accordance with the research of Erlangga et al (2021), which also found that the application of green accounting has a positive and significant impact on firm value.

H_1: Green Accounting Implementation affects Firm Value

The Effect of Sustainability Report on Firm Value

Research by Natalia & Soenarno (2021) indicates that sustainability reports affect firm value. This is in accordance with legitimacy theory, which says that if companies transparently disclose sustainability reports related to the economy, environment, and social in accordance with GRI guidelines, this will increase trust from stakeholders and have an impact on firm value. This finding is supported by the research of Lestari & Khomsiyah (2023), who also found that sustainability reports affect firm value.

H_2: Sustainability Report implementation affects Firm Value

The Effect of Asymmetric Information on Firm Value

According to Marsyalova Yasmin & Nera Marinda Machdar (2023), asymmetric information can have a positive impact on firm value. Asymmetric information occurs when the information provided from inside the company to the outside is unbalanced, thus giving certain signals to shareholders and other parties. However, research by Ningrum et al (2021) shows that asymmetric information has no significant effect on firm value.

H_3: Implementation of Asymmetric Information affects Firm Value

The Effect of Financial Performance on Firm Value

The research by Ningrum et al (2021) indicated that financial performance affects firm value. Good financial performance, which can be seen from high profits, provides a positive signal to investors. Research by Kumala & Priantilianingtiasari (2023) also supports these findings, showing that financial performance affects firm value.

H_4: Implementation of Financial Performance affects Firm Value

RESEARCH METHODOLOGY

This research uses quantitative methods with secondary data taken from the company's annual report and information from the Indonesia Stock Exchange (IDX) and the basic materials sector company website for the 2019-2022 period. The research participants are basic materials sector companies listed on the IDX and participating in the Corporate Performance Rating Program in Environmental Management (PROPER) during the same period. The research population includes all basic material sector companies listed on the IDX and participating in PROPER during 2019-2022. Samples were taken using purposive sampling technique, which is selecting samples based on certain criteria that are relevant to the research objectives. The criteria are companies listed on the IDX and have published annual reports on the IDX website or company website, and those participating in PROPER. The variables in this research are as follows:

1. Dependent Variable: Firm value as measured by Tobin's Q ratio, which indicates investment opportunities.
2. Independent Variable:
   a. Green accounting: Corporate environmental performance measured through PROPER rating.
   b. Sustainability Report: Disclosure of corporate social responsibility based on the Global Reporting Initiative (GRI).
   c. Information Asymmetry: As measured by Bid Ask Spread (BAS) to assess information uncertainty.
   d. Financial Performance: As measured by Return on Assets (ROA) to evaluate profit efficiency.

Data was collected from the IDX website and PROPER reports as well as other sources such as books and journals. Data analysis was conducted using multiple linear regression analysis to see the effect of independent variables on the dependent variable, with the help of the SPSS 23 program. The analysis includes descriptive statistics, normality test, classical assumption test, and hypothesis testing.

RESULT AND DISCUSSION

Research Result

Table 1. Sample Selection Procedure

No.	Criteria	2019	2020	2021	2022	Total
1.	Basic material sector companies listed on the Indonesia Stock Exchange during 2019-2022	82	4	8	3	97
2.	Companies not presenting complete data	(3)	(0)	(5)	(3)	(11)
3.	Companies not participating in the Company Performance Rating Program in Environmental Management (PROPER)	(61)	(3)	(2)	(0)	(66)
	Sample Quantity	18	1	1	0	20
	Observational Data	72	3	2	0	77
	Outlier Data					(7)
	Observational Data					70

Source: Processed Data by Researchers (2024)

Based on Table 1, there are 97 companies in the basic materials sector listed on the Indonesia Stock Exchange during the 2019-2022 period. A total of 82 companies were listed before 2019, 4 new companies were listed in 2020, 8 companies in 2021, and 3 companies in 2022. There are 11 companies that do not provide data related to Green Accounting, Sustainability Report, Asymmetric Information, Financial Performance, and Firm Value. In addition, 66 companies did not participate in the Company Performance Rating Assessment Program (PROPER). Therefore, only 20 basic material sector companies were used as samples, with total sample data of 77.

Research Discussion

Descriptive Statistical Analysis

Table 2. Descriptive Statistics (Before Removing Outlier Data)

	N	Minimum	Maximum	Mean	Std. Deviation
Green Accounting	77	2	5	3.13	.469
Sustainability Report	77	.30	.89	.5827	.10839
Asymmetric Information	77	-.02	.30	.1381	.07714
Financial Performance	77	-.19	.20	.0338	.06755
Firm Value	77	.37	117.24	4.9852	17.78454
Valid N (listwise)	77				

Source: SPSS 23 Data Processing Results

Table 3. Descriptive Statistics (After Removing Outlier Data)

	N	Minimum	Maximum	Mean	Std. Deviation
Green Accounting	70	2	5	3.13	.479
Sustainability Report	70	.30	.89	.5850	.11101
Asymmetric Information	70	-.02	.30	.1390	.07880
Financial Performance	70	-.19	.20	.0317	.06846
Firm Value	70	.37	2.69	1.1757	.48034
Valid N (listwise)	70				

Source: SPSS 23 Data Processing Results

1. The Green Accounting variable as measured by PROPER has the lowest value of 2 from two companies, namely Unggul Indah Cahaya Tbk in 2019 and 2021, and Polychem Indonesia Tbk in 2020. The highest value of 5 is owned by one company, namely Timah Tbk in 2022. The average value of Green Accounting is 3.13 with a standard deviation of 0.479. Since the standard deviation is smaller than the average, this indicates that the variation in Green Accounting data is low.
2. The Sustainability Report variable is measured using the CSRIj index. The lowest value is 0.30 from Polychem Indonesia Tbk in 2020, and the highest value is 0.89 from Timah Tbk in 2022. The average value of this index is 0.5850, with a standard deviation of 0.11101. Since the standard deviation is greater than the average, this indicates that the Sustainability Report data has high variation.
3. The Asymmetric Information variable is measured using the Bid (purchase price) and Ask (selling price) Spread (BAS). The lowest value found was -0.02 at Aneka Tambang Tbk in 2020, while the highest value was 0.30 at Gunawan Dianjaya Steel Tbk in 2022. The average value of Information Asymmetry is 0.1390 with a standard deviation of 0.07880. Because the standard deviation value is smaller than the average, this indicates that the variation of the Asymmetric Information data is relatively low.
4. Financial Performance is measured by Return on Assets (ROA). The lowest value is -0.19 which came from Polychem Indonesia Tbk in 2020, while the highest value is 0.20 from Unggul Indah Cahaya Tbk in 2021. The average ROA is 0.0317 with a standard deviation of 0.06846. Since the standard deviation is greater than the average, this indicates that Financial Performance has a fairly high data variation.
5. The lowest value is 0.37 owned by Polychem Indonesia Tbk in 2022, and the highest value is 2.69 owned by Indocement Tunggal Prakarsa Tbk in 2019. The average Company Value is 1.1757 with a standard deviation of 0.48034. Because the standard deviation is smaller than the

average, this indicates that the variation in the Company Value data is not too large.

Normality Test

Table 4. Normality Test Results (Before Removing Outlier Data)

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		77
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	17.63832588
Most Extreme Differences	Absolute	.402
	Positive	.402
	Negative	-.318
Statistical Test		.402
Asymp. Sig. (2-tailed)		.000[c]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: SPSS 23 Data Processing Results

Normality testing using the One Sample Kolmogorov-Smirnov Test method shows that the Green Accounting, Sustainability Report, Information Asymmetry, Financial Performance, and Firm Value variables are not normally distributed. This is indicated by the Asymp.Sig (2-tailed) value of 0.000 which is smaller than 0.05, meaning that the residuals are not normally distributed. Therefore, special treatment is needed to normalize the data. The treatment used is to remove outlier data, namely data that deviates, by looking at the following cesewise diagnostics table:

Table 5. Outlier Data Results

Casewise Diagnostics[a]				
Case Number	Std. Residual	Firm Value	Predicted Value	Residual
50	3.997	78.82	6.3802	72.43985
52	6.115	117.24	6.4244	110.81558
53	3.736	73.98	6.2777	67.70228
50	7.685	18.76	1.8276	16.93239
9	4.929	5.38	1.6911	3.68892
9	3.501	3.75	1.6768	2.07324
67	3.833	3.63	1.3604	2.26962
a. Dependent Variable: Firm Value				

Source: SPSS 23 Data Processing Results

After removing outlier data, the following are the results of normality testing using the one sample Kolmogrov Smirnov test as follows:

Table 6. Normality Test Results (After Removing Outlier Data)

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		70
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.44003472
Most Extreme Differences	Absolute	.098
	Positive	.098
	Negative	-.083
Test Statistic		.098
Asymp. Sig. (2-tailed)		.090[c]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: SPSS 23 Data Processing Results

Based on Table 6, the results of normality testing using the One Sample Kolmogorov-Smirnov Test method show that the Green Accounting, Sustainability Report, Asymmetric Information, Financial Performance, and Firm Value variables have a normal distribution. This is indicated by the Asymp.Sig (2-tailed) value of 0.090, which is greater than 0.05, meaning that the residuals are normally distributed.

Classical Assumption Test

Multicollinearity Test

Table 7. Multicollinearity Test

Coefficients[a]						
Model	Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics		Description
	B	Std. Error	Beta	Tolerance	VIF	
1 (Constant)	.422	.411				
Green Accounting	.563	.196	.561	.337	2.966	No Multi
Sustainability Report	-1.963	.815	-.454	.364	2.751	No Multi
Asymmetric Information	.717	.747	.118	.859	1.165	No Multi
Financial Performance	1.331	.813	.190	.961	1.041	No Multi
a. Dependent Variable: Firm Value						

Source: SPSS 23 Data Processing Results

Based on Table 7, the tolerance value for the green accounting variable is 0.337 (more than 0.1) and the VIF value is 2.966 (less than 10). For the sustainability report variable, the tolerance value is 0.364 (more than 0.1) and the VIF value is 2.751 (less than 10). Then, the tolerance value of the information asymmetry variable is 0.859 (more than 0.1) and the VIF value is 1.165 (less than 10). Finally, the tolerance value for the financial performance variable is 0.961 (more than 0.1) and the VIF value is 1.041 (less than 10). These results indicate that all independent variables in this regression model do not experience multicollinearity problems, because the tolerance value is more than 0.1 and the VIF is less than 10.

Table 8. Autocorrelation Test Results (Before Transformation)

Model Summary[b]						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	Description
1	.401[a]	.160	.092	.35534	1.083	Auto
a. Predictors: (Constant), LN_X4, LN_X1, LN_X3, LN_X2						
b. Dependent Variable: LN_Y						

Source: SPSS 23 Data Processing Results

This value is between 1.7351 > 1,083 < 2.2649, which indicates autocorrelation. Therefore, it is necessary to handle autocorrelation by transforming the data using the Cochrane-Orcutt method.

Autocorrelation Test

Table 9. Autocorrelation Test Results (After Transformation)

Model Summary[b]						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	Description
1	.465[a]	.217	.144	.30448	1.769	No Auto
a. Predictors: (Constant), LAG_LNX4, LAG_LNX1, LAG_LNX3, LAG_LNX2						
b. Dependent Variable: LAG_LNY						

Source: SPSS 23 Data Processing Results

After the data is transformed using the Cochrane Orcut method, the Durbin-Watson (DW) value is 1.083 for k = 4 and N = 70. The lower limit value (dL) is 1.4943 and the upper limit (dU) is 1.7351. In addition, 4-dU (4 - 1.7351) is 2.2649. Since the DW value is between 1.7351 and 2.2649, it can be concluded that there is no autocorrelation.

Heteroscedasticity Test

Table 10. Heteroscedasticity Test Results

Coefficients[a]							
Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Description
1 (Constant)	.375	.247		1.516	.134	
Green Accounting	.021	.118	.038	.179	.858	No Heterosities
Sustainability Report	-.076	.490	-.032	-.155	.877	No Heterosities
Asymmetric Information	-.395	.450	-.116	-.879	.383	No Heterosities
Financial Performance	.163	.489	.042	.333	.740	No Heterosities
a. Dependent Variable: ABSREST						

Source: SPSS 23 Data Processing Results

Based on the heteroscedasticity test in Table 10, it is obtained that the significance value for the Green Accounting variable is 0.858, the Sustainability Report variable is 0.877, the Asymmetric Information variable is 0.383, and the Financial Performance variable is 0.740. Since all of these significance values are greater than 0.05, it can be concluded that no symptoms of heteroscedasticity occur.

Multiple Linear Regression Analysis

Table 11. Multiple Regression Test Results

Coefficients[a]					
Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	-1.528	.506		-3.020	.004
LAG_LNX1	1.754	.547	.886	3.207	.003
LAG_LNX2	-1.604	.477	-.913	-3.365	.002
LAG_LNX3	.011	.072	.022	.146	.885
LAG_LNX4	-.014	.089	-.021	-.151	.880
a. Dependent Variable: LAG_LNY					

Source: SPSS 23 Data Processing Results

$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + e$

$Y = -1.528 + 1.754X1 - 1.604X2 + 0.011X3 - 0.014X4 + 0.506$

Based on the regression equation mentioned above, it can be concluded as below:

1. The constant coefficient value of -1.528 means that if all independent variables such as Green Accounting, Sustainability Report, Asymmetric Information, and Financial Performance are equal to zero, then the firm value will also decrease by 1.528. This indicates that there is a negative relationship between the independent variables and firm value; if the independent variables increase, firm value tends to decrease by 1.528.
2. The Green Accounting application variable has a significance value of 0.003, which is smaller than 0.05. This means that Green Accounting has a positive effect on firm value, with a coefficient value of 1.754. This means that if the company applies Green Accounting, the company value will increase by 1.754.
3. The Sustainability Report implementation variable has a significance value of 0.002, which is smaller than 0.05. This means that the Sustainability Report has a negative effect on firm value, with a coefficient value of -1.604. Therefore, if the company implements Sustainability Report, the company value will decrease by 1.604.
4. The asymmetric information application variable has a significance value of 0.885, which is greater than 0.05. It indicates that Asymmetric Information has no effect on firm value.

Hypothesis Test

Test Coefficient of Determination (R2)

Table 12. Determination Coefficient Test Results

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Description
1	.465[a]	.217	.144	.30448	Affected
a. Predictors: (Constant), LAG_LNX4, LAG_LNX1, LAG_LNX3, LAG_LNX2					

Source: SPSS 23 Data Processing Results

The test results in Table 12 indicate that Adjusted R Square has a value of 0.217 or 21.7%. This means that the variables of Green Accounting, Sustainability Report, Asymmetric Information, and Financial Performance contribute 21.7% to Firm Value. The remaining 78.3% is affected by other factors not examined in this research

Simultaneous Significance Test (F Test)

Table 13. F-Test Results

ANOVA[a]							
Model		Sum of Squares	df	Mean Square	F	Sig.	Description
1	Regression	1.102	4	.276	2.972	.030[b]	Affected
	Residual	3.986	43	.093			
	Total	5.089	47				
a. Dependent Variable: LAG_LNY							
b. Predictors: (Constant), LAG_LNX4, LAG_LNX1, LAG_LNX3, LAG_LNX2							

Source: SPSS 23 Data Processing Results

Based on the results of the F test in Table 13, it is known that the significance value is 0.030, which is smaller than 0.05. It means that the independent variables (Green Accounting, Sustainability Report, Information Asymmetry, and Financial Performance) jointly affect the dependent variable, which is Firm Value.

Individual Parameter Significance Test (t Statistical Test)

Table 14. Statistical Test Results

Coefficients[a]							
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Description
		B	Std. Error	Beta			
1	(Constant)	-1.528	.506		-3.020	.004	
	LAG_LNX1	1.754	.547	.886	3.207	.003	Affected
	LAG_LNX2	-1.604	.477	-.913	-3.365	.002	Affected
	LAG_LNX3	.011	.072	.022	.146	.885	Not Affected
	LAG_LNX4	-.014	.089	-.021	-.151	.880	Not Affected
a. Dependent Variable: LAG_LNY							

Source: SPSS 23 Data Processing Results

Based on Table 14, the t-test results are shown:

1. Green accounting has a t value of 3.207 with a significance value of 0.003 (smaller than 0.05). This means that hypothesis H1 is accepted, so green accounting has an effect on firm value.
2. Sustainability report has a t value of -3.365 with a significance value of 0.002 (smaller than 0.05). This means that hypothesis H2 is accepted, so that sustainability reports affect firm value.

3. Asymmetric information has a t value of 0.146 with a significance value of 0.885 (greater than 0.05). This means that hypothesis H3 is rejected, so that information asymmetry has no effect on firm value.
4. Financial performance has a t value of -0.151 with a significance value of 0.880 (greater than 0.05). This means that hypothesis H4 is rejected, so that financial performance disclosure has no effect on firm value.

The Effect of Green Accounting on Firm Value

It indicates that green accounting has affected the firm value in the basic material sector listed on the Indonesia Stock Exchange during 2019-2022, so the first hypothesis is accepted. This research supports Signaling Theory, which states that the application of green accounting can provide positive signals to investors. The results showed that companies in the basic materials sector in the 2019-2022 period had succeeded in implementing environmental activities as reported in the annual report and received a positive response from the public.

This research supports the results found by Erlangga et al (2021); Lestari & Khomsiyah (2023), which state that the application of green accounting has a positive and significant effect on firm value. However, research by Goldie Kelly & Deliza Henny (2023) is that green accounting has no effect on firm value. This was because investors did not believe that companies with high green accounting would provide greater benefits for them.

The Effect of Sustainability Report on Firm Value

Sustainability reports affect the value of companies in the basic materials sector listed on the Indonesia Stock Exchange during 2019-2022, so the second hypothesis is confirmed. This result is in accordance with legitimacy theory, which states that if companies disclose their economic, environmental, and social responsibilities transparently in accordance with GRI guidelines, stakeholder trust will increase, which should improve firm value.

This research provides additional support for the results of research by Lestari & Khomsiyah (2023); Natalia & Soenarno (2021), who found that sustainability reports may improve public trust in corporate sustainability. However, these results differ from research by Ningrum et al (2021), who found that sustainability reports have no impact on firm value. It might be due to the fact that companies that are economically, socially, and environmentally responsible must spend additional costs on environmental care and social programs, so they can face unfavorable situations.

The Effect of Asymmetric Information on Firm Value

It indicates that asymmetric information does not affect the value of companies in the basic material sector listed on the Indonesia Stock Exchange during 2019-2022, so the third hypothesis is rejected. The results of this research are not in accordance with signaling theory, which states that companies will provide signals through their performance to be considered by stakeholders.

The results of this research are not in line with research conducted by Marsyalova Yasmin & Nera Marinda Machdar (2023), which explains in their research that information asymmetry has a positive and significant impact on firm value. However, this research is in line with research conducted by Ningrum et al (2021) that information asymmetry has no effect on firm value. This is reinforced by research by Putri & Ayu Diantini (2022) that asymmetric information has no effect on firm value. In this context, the evidence provided by the company regarding the difference in stock prices does not indicate that it can have an impact on decreasing company value.

The Effect of Financial Performance on Firm Value

It indicates that financial performance does not affect the value of companies in the basic material sector listed on the Indonesia Stock Exchange during 2019-2022, so the fourth hypothesis is rejected. The results of this research are not in accordance with Signaling Theory, which states that companies provide signals through their operational performance to indicate their rate of return. The results of this research are not in accordance with research conducted by Ningrum et al (2021) and Kumala & Priantilianingtiasari (2023) that there is a significant effect of return on assets on firm value.

This research is in accordance with research conducted by Handayani et al (2023), which indicates that financial performance does not affect firm value. A high Return on Asset (ROA) can mean that the company is less efficient in using the profits it earns to reinvest in assets that can increase profits further. It indicates that the company has not fully used its potential to increase profits through reinvestment. Furthermore, investors' interest in buying the company's shares decreases, which leads to a decrease in the firm's value.

CONCLUSION AND SUGGESTION

Conclusion

Green accounting significantly affects firm value because investors choose to accept that implementing green accounting can provide more benefits. Sustainability Report also has a significant effect, because investors perceive that a good sustainability report can affect stock prices. On the other hand, Asymmetric Information and Financial Performance do not have a significant effect on firm value; investors do not perceive inconsistent stock price signals as indicators of a decrease in firm value, and high Return On Asset is considered to indicate that the company has not invested its profits optimally.

Suggestion

This research has limitations because the Adjusted R Square value is only 21.7%, which means that Green Accounting, Sustainability Report, Asymmetric Information, and Financial Performance can only explain 21.7% of firm value. The remaining 78.3% is affected from other factors that are not examined. It indicates that the independent variables used are still insufficient in describing the value of the company. For further research, it is recommended to add other variables such as leverage, liquidity, profitability, dividend policy, and consider different company sectors for comparison. In addition, linking firm characteristics to the variables used may provide additional insights.

IMPLICATION

Based on the research results, investors are expected to use green accounting and sustainability reports as an assessment of the company’s fulfillment of its environmental and legal responsibilities. It may encourage investors to better support companies that concern about environmental and social issues. Regarding the government, this research indicates that many raw material companies listed on the stock exchange have not participated in the PROPER program. The program aims to provide a comprehensive assessment of the company’s efforts to protect the environment and comply with applicable rules and laws. Companies are recommended to follow the environmental accounting standards of the Indonesian Institute of Accountants in the PSAK. It means to recognize the environment as part of the company’s assets, and record costs for environmental improvement and development as liabilities reported in the financial statements. This can assist in predicting business sustainability and safeguarding the environment in the future. In addition, disclosing sustainability reports according to GRI standards is important to demonstrate economic, environmental and social aspects, and supports the company’s strategy to maintain profitability and a positive image.

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