Mantik Journal, 8 (2) (2024), ISSN 2685-4236 (Online)

Published by: Institute of Computer Science (IOCS)

Jurnal Mantik

Journal homepage: www.iocscience.org/ejournal/index.php/mantik

Strategy to increase company value through the implementation of green accounting, CSR and ESG for listing companies on the IDX

Selvi Aristantya[1], Irna Triannur Lubis[2]

[1,2]Accounting Study Program, Universitas Battuta, Indonesia

A R T I C L E I N F O

Article history:

Received Jun 25 2024
Revised Jul 03, 2024
Accepted Jul 13, 2024

Keywords:

CSR;
Company Value;
ESG;
Green Accounting.

ABSTRACT

Currently, the number of corporations in Indonesia that care about and enter the green industry category and implement green accounting is already large. However, if the phenomenon is seen from the realization of CSR in Indonesia, it can be said that what companies have done, especially in implementing CSR programs and making reports, cannot be said to be a company that has implemented green accounting. The existence of a capitalist market system has made the behavior of market players arbitrary and even excessive in the exploitation of natural resources and the environment. The failure of the market system to discipline and regulate market players' behavior has resulted in the behavior of market players becoming excessive/greedy towards society and the environment just to reap huge profits and increase the level of economic growth even higher. This bad behavior causes ecological crises such as environmental damage, environmental pollution and uncontrolled pollution, global warming, climate change, the environmental greenhouse effect and so on to become increasingly severe and widespread. The aim of the research is to analyze the influence of the use of technology and modernization of the tax administration system on taxpayer compliance in increasing economic growth. This research method isquantitative research. The design of this research uses a cross sectionaldesign method with a sampling technique using purposive sampling. The results of this research showed that Green Accounting, Corporate Social Responsibility (CSR)and Environmental, Social, and Governance (ESG) influences company value.

Corresponding Author:

Selvi Aristantya,
Accounting Study Program,
Universitas Battuta,
Jalan Sekip, simpang Jalan Sikambing, Sei Putih Timur No. 1, Medan, Sumatera Utara.
Email: selviaristantya26@gmail.com

1. INTRODUCTION

The company has the main objective of improving the welfare of shareholders through increasing company value (Puspita & Jasman, 2022). So the more the value of a company increases, the greater the profits received by shareholders. Company value is closely related to the share price of a company, a high share price makes the value of a company even greater (Jeanice & Kim, 2023; Kartika et al., 2023; Samrat Ray et al., 2023).

There are several factors that can influence the value of a company from an internal perspective, such as investment decisions, funding decisions, dividend policy, and corporate governance (Lubis, 2019; Shahzad et al., 2022). Apart from internal factors, there are also external factors that can influence company value, such as government policies, currency fluctuations. environmental and social factors of the company. These external factors arise due to developments and progress in the company's business processes (Jeanice & Kim, 2023; Muniroh et al., 2023).

The accounting system in which there are accounts related to environmental costs is called Green Accounting or environmental accounting (ENDIANA et al., 2020; Lubis et al., 2020). The main role of green accounting is to address environmental, social issues and may have an impact on achieving sustainable development and the environment in any country and influence corporate behavior in dealing with social and environmental responsibility issues (Puspita & Jasman, 2022; Susanti et al., 2023).

In Indonesia, ESG is not something new, the Indonesian Stock Exchange has joined the United Nations Sustainable Stock Exchange (SSE) since 2019 to encourage sustainable financial action. This can be seen by the increasing development of sustainability investment which considers good ESG aspects important (Bhattacharya & Sharma, 2019; Jeanice & Kim, 2023; Mohammad & Wasiuzzaman, 2021). Companies with good ESG implementation will have keen knowledge of long-term strategic issues so they can manage their long-term goals. Companies in Indonesia that are listed on the stock exchange and implement ESG continue to experience an increase in massive exploitation of resources for large financial profits causing enormous environmental damage (Alareeni & Hamdan, 2020; Joesoef, 2022). For this reason, ESG performance is used as a benchmark for sustainable development in business decisions. Of course, ESG disclosure is something that can be used as a benchmark for a company's success as a condition for fulfilling the company's social and environmental responsibility obligations (Rahmaniati & Ekawati, 2024). Of course, the value of the company will increase in the public image and investors will be able to influence the performance of the company's shares and provide benefits to the company's stakeholders. which will increase the value of companies committed to ESG (Senadheera et al., 2022; Susanti et al., 2023).

The urgency of this research isthat in financial and accounting terms, all sacrifices of the corporation's economic and non-economic resources to carry out these responsibilities are treated as periodic expenses which can reduce the value of assets, profits and equity value. owner. Because it is treated as a periodic expense that is detrimental to the company and its owners or shareholders, many companies try to avoid implementing social and environmental responsibilities. The problem formulation in this research isHow to strategy iImplementation of Green Accounting, Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG) can increase the value of companies listed on the IDX. The research solution approach in this research is the need for a strengthening strategyHow to strategy iImplementation of Green Accounting, Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG) can increase the value of companies listed on the IDX. The latest research in this research is green accounting by taking the environmental cost ratio as a proxy, this is because no researchers have used this proxy in their research. So it is hoped that the use of environmental cost proxies for total operational costs can help management in controlling and evaluating costs and of course the connection with this research can be an update.

Green Accounting is a method that involves integrated recognition, measurement, recording, summarization, reporting and disclosure of objects, transactions or events of a financial, social and environmental nature in accounting. The aim is to produce comprehensive, integrated and relevant accounting information in financial, social and environmental aspects, which is useful for stakeholders in decision making and economic and non-economic management.

CSR is a form of corporate social responsibility towards society, which can be realized through implementing various social activities that provide benefits to the community around the company. ESG, or "Environmental, Social, and Governance," is a set of standards that refers to three main criteria for assessing aspects of sustainability. This term is often used in the business world as a metric for investment decisions in certain entities and as a reference in reporting the impact of a company's business activities. In the environmental aspect, companies consider the impact of their operations on the environment in which they operate and how they can act as protectors of the environment.

2. RESEARCH METHOD

Types of research this isThis research uses quantitative research methods which emphasize testing theories through measuring research variables in the form of numbers which are then analyzed using statistical tools (Sugiyono, 2018). Identification and integration of Green Accounting determinant variables in relation to achieving company value is carried out through building an empirical research model.

The sampling technique is The population is 44 companies that have won awards as green industry (PROPER Green and Gold categories) and the sample is 18 companies for the 2018-2023 period. Samples were taken based on the proportional sampling method. Data collection technique The data collection technique used in this research is by accessing data sources via a computer network, searching for data throughout the company. The annual report is downloaded on the BEI website www.idx.go.id. and sustainable reporting is obtained online via the website of each company selected as the research sample. Another source of data is a literature study by looking at the results of previous research and literature reviews.

Data analysis technique uses a descriptive methodology that uses quantitative techniques to explain the process of collecting, organizing, presenting and examining data, which aims to increase understanding of the problems studied. The data used comes from secondary sources, namely the annual financial reports of manufacturing companies listed on the Indonesia Stock Exchange for the period 2021 to 2023. These reports can be accessed via the official website of the Indonesia Stock Exchange (BEI) at www.idx. .co.id. The target population is all property and real estate companies registered on the IDX, totaling 43 entities. Sample selection was carried out through purposive sampling, taking into account various related factors (Sugiyono, 2018).

The research model can be seen in the following picture: Strategy to Increase Company Value Through the Implementation of Green Accounting,Corporate Social Responsibility (CSR)and Environmental, Social, and Governance (ESG) Listing Companies on the IDX

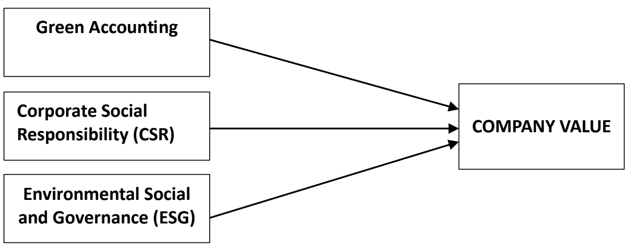

Figure 1.Research Model

Table 1. Indikator Variabel

Variable	Indicator	Skala
Company Value	$PBV = \frac{MPS}{BPS}$	Ratio
Green Accounting	Measurement in implementing green accounting using Content Analysis	Intervals
Corporate Social Responsibility (CSR)	Disclosure of social responsibility is measured by the CSRDI (corporate social responsibility disclosure index) proxy based on the GRI G4 (global reporting initiative) indicator.	Ratio
Enviromental Social and Governance (ESG)	- Individual ESG scores are taken from Thomson Reuters - Combined ESG score taken from Thomson Reuters	Ratio

3. RESULTS AND DISCUSSIONS

Strategy Issues to Increase Company Value Through the Implementation of Green Accounting, Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) for Companies Listed on the IDX. After going through the data analysis process, several research results were obtained. The adjusted r square test results are shown in Table.

Table 1. Coefficient of Determination

Model Summary b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.867a	,752	,747	2,093

a. Predictors: (Constant), Green Accounting, Corporate Social Responsibility (CSR), Environmental, Social, and Governance (ESG)

b. Dependent Variable: Company Value

Source: SPSS processed data, 2024.

Based on the test results of table 1 of the regression coefficient of determination of the summary model in the table above, it can be seen that the coefficient of determination (R square) obtained in this study is 0.752, this shows that 75.2% of the financial literacy (X1) and Financial Technology (X2) variables). The remaining 24.8% can be explained by other variables not included in this study.

Hypothesis testing in the t test statistical test basically aims to show how far the level of relationship and influence of an independent variable individually is in explaining the dependent variable in this research. Testing the hypothesis using the Statistical Program for Social Sceiences (SPSS) can be seen in the following table:

Table 2. t test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,059	1,198		3,387	,001
	Green Accounting	,391	,062	,567	6,298	,000
	Corporate Social Responsibility (CSR)	,326	,087	,338	3,756	,000
	Environmental, Social, and Governance (ESG)	,315	,045	,286	3,335	,000

a. Dependent Variable: Company Value

Source: SPSS processed data, 2024.

The results in Table 2 show the following results: Value tcount> ttable ofGreen Accountingnamely 6.298>2.00 and the significant value for compensation is 0.000<0.05, so that the variableGreen Accountinghas a significant effect on Company Value, thus the hypothesis is accepted.

The tcount>ttable value of Corporate Social Responsibilty (CSR) is 3.756>2.00 and the significant value for social competence is 0.000<0.05, so that the Corporate Social Responsibilty (CSR) variable has a significant effect on Company Value, thus the hypothesis is accepted.

The tcount>ttable value of Environmental, Social, and Governance (ESG) is 3.335>2.00 and the significant value for job satisfaction is 0.000<0.05, so that the Environmental, Social, and Governance (ESG) variable has a significant effect on Company Value with Thus, the hypothesis is accepted.

3.1 Discussion

a. The Effect of Green Accouting Disclosure on Company Value

It can be seen that the significance value obtained is 0.00 < 0.05. So it can be concluded that environmental accounting disclosures have an effect on company value in mining sector companies listed on the Indonesian Stock Exchange in 2021-2023. Green accounting disclosure is measured using the Dummy method by looking at whether the company discloses Green accounting in its financial reports, which has a good influence on the development of the company as well as the value of the company, because by disclosing information about the company's Green accounting it can attract investors to invest their funds. to the company and can also increase investor confidence in the company, this causes the quality of the company to increase and then the value of the company will also increase. The results of this research show that H1 is accepted and H0 is rejected. The acceptance of this hypothesis is due to the company's ability to disclose the Green accounting that has been issued which has an effect on the value of the company, and this is supported by the theory of Legitimacy, where if the company pays good attention to the environment around the company, it will have an impact on the image of the company itself. The existence of a good predicate from the results of the PROPER assessment by the Ministry of the Environment or from disclosures regarding environmental costs contained in the company's Annual Report or Sustainability Report can indicate that the form of implementing green accounting has been carried out consistently. This positive signal is captured by investors as a form of good corporate practice regarding responsibility for contributions to the environment. Automatically, the level of confidence of investors and all external parties increases. On the other hand, this signal also shows that the company runs its business with humanitarian ethics, not just profit-oriented. Thus, this can be a driving factor in increasing the company's share price index. According to (Hussain et al., 2021; Susanti et al., 2023) this is caused by differences in goals between companies and investors because the company's current focus is not only aimed at making profits but also must pay attention to environmental conditions for the company's sustainability. Based on this, it is in line with research by (Indriastuti & Mutamimah, 2023) which revealed that environmental accounting has a significant effect on company value. The results above are not in line with research from (Choiriah & Lysandra, 2023) which revealed that environmental accounting disclosures have a significant negative effect on company value.

b. The influence of Corporate Social Responsibility (CSR) on Company Value

In theory, CSR disclosure should be a consideration for investors before investing, because it contains social information that has been carried out by the company. It is hoped that this information will be a consideration for investing by investors. In the Limited Liability Company Law No. 40 of 2007, companies must implement CSR and disclose it, because if they do not implement CSR, the company will be subject to sanctions in accordance with the provisions of statutory regulations so that it is considered that CSR disclosure does not have an impact on the value of the company. Based on the t test results in table 4.9, it shows that CSR partially influences company value. It can be seen from the significance value obtained at 0.00 < 0.05. Then it can be concluded that CSR influences company value in mining sector companies listed on the Indonesia Stock Exchange in 2021-2023. The results of this research show that H2 is accepted and H0 is rejected. As a basis for making investments, investors look more at the company's performance and the returns the company provides to investors. This is in line with research conducted by (Aristantya, 2023; Shahzad et al., 2022) which revealed that CSR has a significant effect on company value. This happens because of several other factors, including the low level of CSR disclosure in company sustainability reports, how investors tend to buy shares, and CSR variables that cannot be measured directly. Meanwhile, (Riyadh et al., 2020; Wang & Ahmad, 2024) stated that CSR has a positive effect on company value.

c. Environmental, Social, and Governance (ESG)on Company Value

Sustainable development and sustainability reporting have been considered important aspects of a country's economic development. This is proven by the increasing number of studies on the impact of ESG performance on other aspects, especially on how it influences company performance (firm value) with the aim of encouraging companies around the world to start complying with sustainability reporting (Junius et.al., 2020). This research aims to prove the positive influence of ESG performance on firm value. Research on ESG performance is usually carried out in developed countries, so further research is needed on ESG performance in developing countries (Tarmuji, Maelah, & Tarmuji, 2016). The research was conducted on Malaysia, Indonesia, Singapore and Thailand to see whether there were differences in ESG performance if the research was conducted in developing countries. In addition, the selection of developing countries is expected to broaden the scope of the literature. The results of this research show that empirical model 1 ESG variables have a significant effect on ROE but are negative, meaning the hypothesis is rejected. Empirical model 2 also shows similar results that ESG variables do not have a significant and negative effect on PBV. These results are in line with research conducted (Ahmad et al., 2024; Alareeni & Hamdan, 2020; Bhattacharya & Sharma, 2019; de Souza Barbosa et al., 2023; Senadheera et al., 2022) who tried to see the positive influence of ESG performance on firm value (company performance). Empirical findings from various studies show that there is no relevance in assessing ESG performance towards firm value (company performance) in the context of implementing sustainability reporting in developing countries.

4. CONCLUSION

Based on the results of this research, it appears that both Green Accounting, Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG) play an important role in increasing company value. Research shows that Green Accounting, CSR, and ESG are important for increasing company value. Based on the results of the analysis carried out in this research, the conclusions obtained in this research include showing that Green Accounting has an effect on company value, Corporate Social Responsibility (CSR) has an effect on company value and Environmental, Social and Governance (ESG) has an effect on the value of the company. Effective implementation of Green Accounting, Corporate Social Responsibility (CSR), and Environmental, Social, and Governance (ESG) can increase company value in the following ways:

By implementing Green Accounting, CSR and ESG, companies can build a positive image and strong reputation in the eyes of the public, customers and investors. This can increase the company's attractiveness and expand market share.

Implementation of ESG practices helps companies identify and manage environmental, social and governance risks, which can reduce potential losses and increase company resilience to market and regulatory changes. Green Accounting and ESG initiatives often lead to resource efficiency and reduced operational costs, such as energy savings and waste reduction, which can increase profitability. Investors are increasingly prioritizing companies that have good ESG performance, as this often indicates good risk management and positive long-term prospects. Implementing ESG can open access to greater capital and investment. Adopting ESG principles helps companies to comply with increasingly stringent environmental and social regulations, reducing the risk of fines and sanctions. Strong CSR can improve employee morale and engagement, leading to higher productivity and the ability to attract quality talent.

REFERENCES

Ahmad, H., Yaqub, M., & Lee, S. H. (2024). Environmental-, social-, and governance-related factors for business investment and sustainability: a scientometric review of global trends. *Environment, Development and Sustainability*, *26*(2), 2965–2987. https://doi.org/10.1007/s10668-023-02921-x

Alareeni, B. A., & Hamdan, A. (2020). ESG impact on performance of US S&P 500-listed firms. *Corporate Governance (Bingley)*, *20*(7), 1409–1428. https://doi.org/10.1108/CG-06-2020-0258

Aristantya, S. (2023). Enrichment : Journal of Management Analysis of preparation of financial statements based on. *Enrichment: Journal of Management*, *12*(6).

Bhattacharya, S., & Sharma, D. (2019). Do environment, social and governance performance impact credit ratings: a study from India. *International Journal of Ethics and Systems*, *35*(3), 466–484. https://doi.org/10.1108/IJOES-09-2018-0130

Choiriah, S., & Lysandra, S. (2023). Effect of Green Accounting, Quality Management on Financial Performance, and Green Innovation as Moderation Variables. *Journal of Economics, Finance and Management Studies*, *06*(07), 3534–3542. https://doi.org/10.47191/jefms/v6-i7-61

de Souza Barbosa, A., da Silva, M. C. B. C., da Silva, L. B., Morioka, S. N., & de Souza, V. F. (2023). Integration of Environmental, Social, and Governance (ESG) criteria: their impacts on corporate sustainability performance. *Humanities and Social Sciences Communications*, *10*(1), 1–18. https://doi.org/10.1057/s41599-023-01919-0

ENDIANA, I. D. M., DICRIYANI, N. L. G. M., ADIYADNYA, M. S. P., & PUTRA, I. P. M. J. S. (2020). The Effect of Green Accounting on Corporate Sustainability and Financial Performance. *Journal of Asian Finance, Economics and Business*, *7*(12), 731–738. https://doi.org/10.13106/jafeb.2020.vol7.no12.731

Hussain, I., Nazir, M., Hashmi, S. B., Di Vaio, A., Shaheen, I., Waseem, M. A., & Arshad, A. (2021). Green and sustainable entrepreneurial intentions: A mediation-moderation perspective. *Sustainability (Switzerland)*, *13*(15), 1–13. https://doi.org/10.3390/su13158627

Indriastuti, M., & Mutamimah, M. (2023). Green Accounting and Sustainable Performance of Micro, Small, and Medium Enterprises: The Role of Financial Performance as Mediation. *The Indonesian Journal of Accounting Research*, *26*(02), 249–272. https://doi.org/10.33312/ijar.691

Jeanice, J., & Kim, S. S. (2023). Pengaruh Penerapan ESG Terhadap Nilai Perusahaan di Indonesia. *Owner*, *7*(2), 1646–1653. https://doi.org/10.33395/owner.v7i2.1338

Joesoef, N. (2022). A new decade for social changes. *Technium Social Sciences Journal*, *7*, 592–624. https://techniumscience.com/index.php/socialsciences/article/view/332/124

Kartika, F., Dermawan, A., & Hudaya, F. (2023). Pengungkapan environmental, social, governance (ESG) dalam meningkatkan nilai perusahaan publik di Bursa Efek Indonesia. *SOSIOHUMANIORA: Jurnal Ilmiah Ilmu Sosial Dan Humaniora*, *9*(1), 29–39. https://doi.org/10.30738/sosio.v9i1.14014

Lubis, I. T. (2019). Pengaruh Karakteristik Komite Audit , Struktur Kepemilikan Dan Return On Investment Terhadap Prediksi Kebangkrutan Pada Perusahaan Perdagangan Yang Terdaftar Di Bursa Efek Indonesia. *Ready Star*, *2*(1), 292–299.

Lubis, I. T., Ningsi, E. H., Aristantya, S., Rizki, I. H., & Kaur, M. (2020). Pengaruh Firm Size, Likuiditas, dan Kepemilikan Manajerial Terhadap Dividen Payout Ratio pada Perusahaan Perbankan yang Terdaftar di Bursa Efek Indonesia (BEI). *Jurnal Ilmiah Simantik*, *4*(2), 232–

241.
Mohammad, W. M. W., & Wasiuzzaman, S. (2021). Environmental, Social and Governance (ESG) disclosure, competitive advantage and performance of firms in Malaysia. *Cleaner Environmental Systems*, *2*(September 2020), 100015. https://doi.org/10.1016/j.cesys.2021.100015
Muniroh, M., Nursasi, E., & Triani, T. (2023). Pengaruh Penerapan Green Accounting Dan Kinerja Lingkungan Terhadap Sustainable Deveopment Dengan Profitabilitas Sebagai Variabe Moderasi. *Akses: Journal of Publik & Business Administration Science*, *5*(2), 28–39. https://doi.org/10.58535/jasm.v5i2.42
Puspita, N., & Jasman, J. (2022). Pengaruh Laporan Keberlanjutan (Sustainability Report) Terhadap Nilai Perusahaan Dengan Profitabilitas Sebagai Variabel Moderasi. *KRISNA: Kumpulan Riset Akuntansi*, *14*(1), 63–69. https://doi.org/10.22225/kr.14.1.2022.63-69
Rahmaniati, N. P. G., & Ekawati, E. (2024). The role of Indonesian regulators on the effectiveness of ESG implementation in improving firms' non-financial performance. *Cogent Business and Management*, *11*(1). https://doi.org/10.1080/23311975.2023.2293302
Riyadh, H. A., Al-Shmam, M. A., Huang, H. H., Gunawan, B., & Alfaiza, S. A. (2020). The analysis of green accounting cost impact on corporations financial performance. *International Journal of Energy Economics and Policy*, *10*(6), 421–426. https://doi.org/10.32479/ijeep.9238
Samrat Ray, Sumitra Roy, & Anil Varma. (2023). Impact of innovative marketing strategy behind Balaji wafers brand profitability in Pune city. *World Journal of Advanced Research and Reviews*, *20*(1), 1240–1250. https://doi.org/10.30574/wjarr.2023.20.1.2140
Senadheera, S. S., Gregory, R., Rinklebe, J., Farrukh, M., Rhee, J. H., & Ok, Y. S. (2022). The development of research on environmental, social, and governance (ESG): A bibliometric analysis. *Sustainable Environment*, *8*(1). https://doi.org/10.1080/27658511.2022.2125869
Shahzad, F., Baig, M. H., Rehman, I. U., Saeed, A., & Asim, G. A. (2022). Does intellectual capital efficiency explain corporate social responsibility engagement-firm performance relationship? Evidence from environmental, social and governance performance of US listed firms. *Borsa Istanbul Review*, *22*(2), 295–305. https://doi.org/10.1016/j.bir.2021.05.003
Sugiyono. (2018). Sugiyono Metode Penelitian Kuantitatif Kualitatif. *Metode Penelitian Kuantitatif Kualitatif*.
Susanti, I. D., Hertati, L., & Putri, A. U. (2023). the Effect of Green Accounting and Environmental Performance on Company Profitability. *Cashflow: Current Advanced Research on Sharia Finance and Economic Worldwide*, *2*(2), 320–331. https://doi.org/10.55047/cashflow.v2i2.552
Wang, Y. Z., & Ahmad, S. (2024). Green process innovation, green product innovation, leverage, and corporate financial performance; evidence from system GMM. *Heliyon*, *10*(4), e25819. https://doi.org/10.1016/j.heliyon.2024.e25819