Proceedings Series on Social Sciences & Humanities, Volume 26
Proceedings of International Conference on Management, Accounting, Economics, and Business (ICONOMICS 2025)
ISSN: 2808-103X

The Influence of Factor Disclosure Environmental, Social and Governance Effects on Corporate Values in Manufacturing Companies in the Automotive Sector Registered in Indonesian Stock Exchange Year 2020-2023

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ARTICLE INFO

Article history:

DOI:
10.30595/pssh.v26i.1801

Submited:
July 14, 2025

Accepted:
September 02, 2025

Published:
September 10, 2025

Keywords:

Environment; Corporate Values; Social; Governance

ABSTRACT

This study aims to determine the influence of environmental, social, and governance factors on company value in automotive manufacturing companies listed on the Indonesian Stock Exchange in 2020-2023. The type of research conducted is quantitative research . The sampling technique uses secondary data as many as 44 samples . The data collection technique uses the documentation method, namely the data collection technique based on existing event records through documents available on the Indonesian Stock Exchange through the website www.idx.co.id or the related company website. The data analysis technique used in this study uses statistical analysis testing, classical assumption tests, normality tests, multicollinearity tests, heteroscedasticity tests, autocorrelation tests, Multiple linear regression test and hypothesis test using t-test, F-test, and coefficient of determination (R2) test with the help of SPSS 26 (Statistical Product & Service Solutions) application program . The results of this study state that environmental, social, and governance factors do not have a significant effect on company value. The three variables (environmental, social, and governance) were rejected because the significance value was > 0.05. In the statistical results, the variable has a significant value of 0.628> 0.05, the social variable has a significant value of 0.198> 0.05, and the governance variable has a significant value of 0.642> 0.05. This finding is in line with several previous studies showing that ESG disclosure does not always have a direct or significant impact on company value, especially in the Indonesian context where ESG awareness is not yet evenly distributed and is still in the developing stage.

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1. INTRODUCTION

Investment decisions in the capital market have become a major focus for investors, both individuals and financial institutions. In recent years, a new paradigm has emerged that is changing how investment decisions are made. This paradigm is known as ESG, which stands for *Environmental* , *Social* , and *Governance* . Company

Values is A a reflection of a company in carrying out its operational activities, in carrying out its operational activities the company tries to maximize the profits obtained.

Companies engaged in production activities can also cause environmental pollution, which can lead to social conflict . Furthermore, social issues such as gender discrimination and product liability are particularly concerning. Most of these problems are caused by companies. Governance issues include corruption, window dressing, Profit management and religious diversity also cannot be fully resolved. Therefore, companies are being held accountable by society.

These issues pose a significant threat to companies in the future, as most of them are inherent in business operations. Therefore, companies must address social and environmental responsibility to legitimize their social role and environmental sensitivity, thereby gaining public trust and support. The phenomena in this study can be seen in table 1.1 as follows:

Table 1. Increase (Decrease) in Company Value

No	Stock Code	Share Price/Share	Book/Sheet Value	PBV	Year
1.	ASII	1230	2000	0,43	2020
		505	4159	0,23	2021
		1890	4100	0,60	2022
		4080	5500	0,90	2023
2.	AUTO	1285	3000	0,24	2020
		1195	2000	0,40	2021
		1340	5500	0,91	2022
		1300	1395	1.84	2023
3.	BOLT	262	653	0.21	2020
		308	167	0.12	2021
		398	122	1.23	2022
		400	582	1.45	2023

Source: Data processed by researchers (2024)

Based on the data above, it is known thatthat in the company PT. Astra International Tbk (ASII) during 2020-2023 experienced a decline in company value, namely in 2020 by 1.00 % down to 0.12% in 2021. In PT. Astra Otoparts Tbk (AUTO) in 2020 the company value was 0.43 % experiencing fluctuations during 2020-2023. Then in PT. Garuda Meta Lindo Tbk (BOLT) in 2020-2023 had a company value of 0.40 % which continued to fluctuate every year.

Company value is a measure that reflects the market's perception of a company's performance and future prospects. This value is influenced not only by financial factors such as profits and assets, but also by non-financial aspects such as reputation, corporate governance, and business strategy. A higher company value typically indicates investor confidence in the company's ability to generate long-term profits and effectively manage business risks. In other words, company value reflects investors' overall assessment of a company's future potential and sustainability.

The rise and fall of a company's value certainly has an impact on the company itself , namely, with a high company value, the company will be welcomed by potential investors, and the company can maximize profits to increase the prosperity of the company's owners and shareholders because the company's value reflects the assets owned by . The increasing trend of sustainable investment impacts company performance assessments, which are not only based on financial aspects but also through non-financial aspects, namely information related to E $ SG (Amalia & Kusuma, 2023) .

Objective from study This is to determine the influence of environmental factors on company value in automotive sector manufacturing companies listed on the IDX in 2020-2023. To determine the social influence on company value in automotive manufacturing companies listed on the IDX in 2020-2023. To determine the effect of governance on company value in automotive manufacturing companies listed on the IDX in 2020-2023. To calculate *comin this* study , the formula (PVB) *Price to Book Value* is used , formulated as follows :

$$\boxed{PBV = \frac{Harga\ Saham}{Nilai\ Buku}}$$

A hypothesis is a tentative answer to a research question until it is proven by the collected data. The hypothesis in this study is:

1.1 The Influence of Environmental Factor Disclosure on Company Value

Environmental disclosure covers information on resource use, emissions, and company innovation. Environmental disclosure demonstrates the company's performance and image as being responsible toward the environment, thereby increasing investor confidence to invest in the company and trust from the community that the company is operating in accordance with existing societal norms.

Previous research conducted by Kaplale, Murni, & Ani, (2023) indicate that there is a positive and significant relationship between a company's environmental, social, and governance performance, as measured using the ESG environmental dimension, and the company's value. Based on the above analysis, the following hypothesis is formulated:

H1: Environmental factors influence company value.

1.2 The Influence of Social Factor Disclosure on Company Value

Social disclosure covers information about the company's social performance, such as workforce, human rights, product responsibility, and community. A company will continue to exist if society recognizes that the company operates based on a value system that aligns with the value system of that society itself. Through social performance disclosure, companies demonstrate their sense of social responsibility, thereby gaining acceptance from society.

Research by Rahman, Domas, & Firmansyah (2021) shows that the disclosure of social responsibility has a positive effect on company value. Corporate social activities that consider the surrounding environment are positively responded to by investors, thereby increasing the company's stock price as a measure of the company's value. Based on the above analysis, the hypothesis that can be formulated is as follows:

H2: Social factors influence company value.

1.3 The Influence of Disclosure of Governance Factors on Company Value

Corporate governance disclosure is one of the important aspects in improving economic efficiency, covering a series of relationships between company management, stakeholders, and the board of directors. By applying these principles, it will add value to the company, as good governance will foster clean, transparent, and professional work practices. Based on the above discussion, the hypothesis that can be formulated is as follows:

H3: Governance factors influence company value.

This study, using legitimacy theory, states that companies need to operate in accordance with social values and norms to gain public acceptance. As public expectations of organizational behavior change, companies are required to adapt to maintain that social support. In this context, disclosing information such as social responsibility reports becomes a strategic tool to maintain business continuity . Theory *Stakeholders* emphasize that companies cannot focus only on the interests of shareholders, but must also consider the rights and needs of other groups that have direct or indirect links to the company's operations.

Data analysis in this study conducted hypothesis testing using quantitative methods with multiple linear regression methods. The software used is IBM Statistics SPSS 2.6 (*Statistical Product and Service Solutions*). The analysis tools used are :

1. Descriptive Statistical Analysis
2. Normality Test
3. Test Multicollinearity
4. Test Heteroscedasticity
5. Autocorrelation Test
6. Multiple Linear Regression
7. t-test
8. F test
9. Test Coefficient Determination (R^2)

2. RESEARCH METHODOLOGY

Study This will done on company automotive sector listed on Indonesia Stock Exchange (IDX). Data which is obtained based on site official Stock Exchange Effect Indonesia in www.idx.co.id . Time This research was conducted on month January 2025. This type of research uses a quantitative method that describes and explains how the phenomenon that is the object of research influences and uses empirical data and facts using secondary data sources obtained from the Indonesia Stock Exchange (IDX) in the period 2020-2023. The purpose of this research is hypothesis testing, where research included in hypothesis testing usually explains the relationship between independent variables and dependent variables.

According to Sekaran (2011;121), a population is a generalization area consisting of objects/subjects that have certain quantities and characteristics determined by researchers to be studied and then conclusions are drawn. The population in this study consists of automotive sector companies listed on the Indonesia Stock Exchange (IDX) from 2020 to 2023, totaling 13 companies. The sampling method used in this study is purposive sampling, which is a technique for selecting samples based on specific considerations and criteria (Sugiyono, 2019;128). This study has 11 samples multiplied by 4 years, resulting in a total of 44 samples in this study.

3. RESULTS AND DISCUSSIONS

3.1 Descriptive Statistical Analysis

Descriptive statistical analysis is an analysis used to provide a description of data seen from the average value (*mean*), standard deviation, maximum, minimum, Which in produce by variables study . Results from statistics descriptive from variables dependent, that is Company Value and independent variables, namely Environmental, Social, and Governance Factors are as follows:

Table 2. Descriptive Statistical Test Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Standard Deviation
Environment	44	,23	,63	,3597	,08677
Social	44	,28	,56	,4306	,08483
Governance	44	,19	,38	,2597	,04166
Company Values	44	,37	5294,75	846,7057	1407,43554
Valid N (Listwise)	44				
Source: SPSS 26 Output Results					

Based on table 1.2 the results of the descriptive analysis above shows that the number of observation (N) from study This is as much as 44 observation. Data on minimum, maximum, mean, and standard deviation for each variable .

Table 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		44
Normal Parameters[a,B]	Mean	,0000000
	Std. Deviation	105,47585614
Most Extreme Differences	Absolute	,123
	Positive	,080
	Negative	-,123
Test Statistic		,123
Asymp. Sig. (2-Tailed)		,090[c]
Source: SPSS 26 Output Results		

Based on Table 1.3, the results of the One-Sample Kolmogorov-Smirnov Test show that the significance value obtained from the normality test is 0.090<0.05. Therefore, it can be concluded that the environmental, social, governance, and company value variables have a normal distribution.

Table 4. Multicollinearity Test Results

Coefficients [a]			
		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	ENVIRONMENT	,965	1,036
	SOCIAL	,993	1,007
	GOVERNANCE	,965	1,036
a. Dependent Variable: COMPANY_VALUE			
Source: SPSS 26 Output Results			

Based on Table 1.4, it is known that the tolerance values indicate that all independent variables have tolerance values > 0.10. The results of the variance inflation factor (VIF) calculation also show that all independent variables have VIF values < 10. Therefore, it can be concluded that there is no multicollinearity among the independent variables in the regression model.

Table 5. Heteroscedasticity Test Results Glejser Test

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2090,879	1896,524		1,102	,277
	ENVIRONMENT	-1239,662	2540,351	-,076	-,488	,628
	SOCIAL	-3351,091	2561,192	-,202	-1,308	,198
	GOVERNANCE	2481,775	5291,231	,073	,469	,642
A. Dependent Variable: COMPANY_VALUE						
Source: SPSS 26 Output Results						

Based on Table 1.5 above, there is no problem with heteroscedasticity because all variables have significant values above 0.05. The environmental variable has a significance value of 0.628, the social variable has a significance value of 0.198, and the governance variable has a significance value of 0.642. All of the above variables indicate that the significance value is above 0.05, so in this equation, it can be concluded that the regression model does not contain heteroscedasticity.

Table 6. Cochrane-Orcutt Method Autocorrelation Test Results

Model Summary [b]					
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	,064 [a]	,004	, 081	998,12831	1,845
Source: SPSS 26 Output Results					

The results show a new Durbin-Watson value of 1.845. When compared to the Durbin-Watson table value using a confidence level of 0.05 with a sample size of 40, the following values are obtained: dL = 1.3749, dU = 1.6647, and 4-dU = 2.3353. This results in the position dU < d < 4-dU, i.e., 1.6647 < 1.845 < 2.3353, which means that there is no autocorrelation.

Table 7. Multiple Linear Regression Test Results

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2090,879	1896,524		1,102	,277
	ENVIRONMENT	-1239,662	2540,351	-,076	-,488	,628
	SOCIAL	-3351,091	2561,192	-,202	-1,308	,198
	GOVERNANCE	2481,775	5291,231	,073	,469	,642
A. Dependent Variable: COMPANY_VALUE						
Source: SPSS 26 Output Results						

From Table 1.7, the results of the regression analysis obtained the coefficient values for the environmental variable of -1239.662, the social variable of -3351.091, and governance variable of 2481.775, resulting in the following regression equation:

Y = 2090,879-1239,662-3351,091+2481,775

Table 8. Partial Test Results (t-Test)

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2090,879	1896,524		1,102	,277
	ENVIRONMENT	-1239,662	2540,351	-,076	-,488	,628
	SOCIAL	-3351,091	2561,192	-,202	-1,308	,198

	GOVERNANCE	2481,775	5291,231	,073	,469	,642
A. Dependent Variable: Company_Value						
Source: SPSS 26 Output Results						

From Table 8, the results of the regression analysis are obtained:
a. H1: The environment does not affect company value.
b. H2: Social factors do not affect company value.
c. H3: Governance does not affect company value.

Table 9. Simultaneous Test Results (F Test)

Anova [a]						
Model		Sum Of Squares	Df	Mean Square	F	Sig.
1	Regression	4533251,867	3	1511083,956	,750	,529[b]
	Residual	80644364,298	40	2016109,107		
	Total	85177616,165	43			
Sumber : Hasil Output SPSS 26						

Based on Table 1.9, it is known that the significance value in this study is 0.529 > 0.05, meaning that if measurements are taken simultaneously, then the independent variables consisting of environment, social, and governance do not have a significant effect on the company's value.

Table 10. Results of the Determination Coefficient Test (^{R2})

Model Summary			
Model	R	R Square	Adjusted R Square
1	,380 [a]	,145	,081
Source: SPSS 26 Output Results			

Based on the data in Table 1.10 above, it can be seen from the results of the coefficient of determination (R2) test that it has a value of 0. 081, which means that the independent variables (environment, social, and governance) can influence the dependent variable (company value) by 8.1%. The remaining 91.9% is influenced by other variables. Therefore, it can be concluded that environmental, social, and governance factors influence company value by 8.1%.

3.2 The Influence of Environmental Factors on Company Value

Based on statistical testing, the environmental impact test has a significance value of 0.628 > 0.05. Company value does not show a significant influence on environmental aspects. This means that companies with high market value do not necessarily implement strong environmental management or are not invested in as a strategic priority. In the context of secondary data, investors may not yet assess that environmental policies directly impact company value.

According to *Stakeholder Theory* ESG is considered a normative moral obligation, but does not always translate into investor preferences that drive short-term financial value increases. According to Xaviera & Rahman, (2023) found that aggregate ESG performance has no significant effect on firm value, and environmental aspects have an insignificant negative direction of influence on firm value in certain phases of the firm's life cycle.

This demonstrates a gap between the moral values promoted by *Stakeholder Theory* and market preferences, which are still oriented toward short-term financial gain. Therefore, integrating sustainability values into corporate strategy requires a more robust approach to drive tangible impact on market perceptions and valuations. Based on these findings, it can be concluded that although ESG performance especially environmental aspects.

While environmental sustainability is part of a company's responsibility to stakeholders, this has not yet been fully reflected in the company's increasing market value. At certain stages of the business life cycle, investors do not appear to view environmental policies as a primary factor in investment decision-making.

3.3 The Influence of Social Factor Disclosure on Company Value

Based on statistical testing, the environmental test has a significance value of 0.198>0.05. The influence of corporate value on social aspects is not proven to be significant. This may indicate that companies with high values may not be actively implementing or communicating social empowerment programs that add value to stakeholders, or their level of disclosure does not reflect meaningful social substance.

Based on *Legitimacy Theory:* Social disclosure can be symbolic, not a substantial reflection of social obligations that impact market value. In a study by Fadmaulida & Putra (2024), social and governance aspects did not significantly influence company value in BEI companies in 2018–2022. Only the environmental aspect was partially significant, while social aspects were not.

Factors do not significantly influence company value. This indicates that companies with high market value do not necessarily implement or communicate social programs that impact stakeholders. This low influence could also be due to the mere formality or symbolic nature of social disclosure. According to *Legitimacy Theory*, such actions are more aimed at building a positive public image than reflecting a genuine social commitment and contributing to increased company value.

3.4 The Influence of Disclosure of Governance Factors on Company Value

Based on statistical testing, the environmental test has a significant value of 0.642>0.05. There was no significant influence of company value on governance aspects. Although governance is recognized as a key pillar of ESG, in many cases, its effectiveness is only demonstrated when complemented by actual operational and internal controls, not just reported.

As for *Agency Theory:* Governance that is merely formalized without real implementation does not effectively reduce agency risk, so the market does not value it. According to Sudrajat & Nurfauziah (2023), governance disclosure has no effect on company value, while environmental disclosure has a positive effect. Governance has not shown a significant impact on company value. Although governance is considered a crucial pillar, its effectiveness is only felt when it is truly implemented comprehensively in operations and internal oversight, not simply reported. According to *Agency Theory* , governance that is merely a formality without real implementation cannot effectively mitigate conflicts of interest between management and owners, so the market does not respond positively to it.

All three variables (environmental, social, and governance) were rejected because their significance values were >0.05. This finding aligns with several previous studies showing that ESG disclosure does not always have a direct or significant impact on firm value, particularly in the Indonesian context, where ESG awareness is still unequal and developing.

4. CONCLUSIONS

Based on the results of data analysis, hypothesis testing, and discussion of the influence of environmental, social, and governance factors on company value in automotive manufacturing companies listed on the Indonesia Stock Exchange from 2020 to 2023. Based on the results of the tests conducted, the results of this study can be summarized as follows:

1. The environment has no effect on firm value in automotive manufacturing companies listed on the Indonesia Stock Exchange in 2020-2023. This is evidenced by a significance value of 0.628 > 0.05, meaning the significance value is greater than 0.05. The results indicate that environmental variables have no effect on firm value.
2. Social does not affect the company value of automotive manufacturing companies listed on the Indonesia Stock Exchange in 2020-2023 . This is evidenced by the significance value of 0.198> 0.05, meaning the significance value is greater than 0.05. The results indicate that social variables do not affect company value.
3. Governance has no effect on company value in automotive manufacturing companies listed on the Indonesia Stock Exchange in 2020-2023. This is evidenced by the significance value of 0.642> 0.05, meaning the significance value is greater than 0.05. The results of $ l indicate that the corporate governance variable does not affect the company's value.

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