

Original Article

The Effect of Green Accounting, Product Innovation and Green Human Capital on Firm Value with Profitability as A Moderation Variable

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Abstract: With profitability serving as a moderating variable, this study attempts to examine the impact of green accounting, product innovation, and green human capital on firm value in the Indonesian banking industry. Panel data regression analysis utilizing the Fixed Effect Model (FEM) was used to study banking companies listed on the Indonesia Stock Exchange (IDX) during 2018 - 2023. The findings reveal that green accounting and product innovation have a significant positive effect on firm value. Conversely, green human capital significantly negatively affects firm value, indicating that implementing this policy requires further evaluation to address negative market perceptions. Profitability strengthens the influence of green accounting on firm value, although the effect is not statistically significant. Meanwhile, profitability significantly weakens the effect of product innovation on firm value, highlighting the need for more effective innovation strategies. Additionally, profitability significantly strengthens the influence of green human capital on firm value, emphasizing the role of financial performance in supporting sustainability initiatives.

Keywords: Banking Sector; Firm Value; Green Accounting; Green Human Capital; Product Innovation; Profitability.

I. INTRODUCTION

Over the past few decades, the focus on sustainability and awareness of the environmental impacts of business activities has increasingly gained global attention. This can be characterized by increasing demands from companies to no longer focus merely on profits but also on contributing to the preservation of the environment and society at large [1].

Using a green accounting approach, this sustainability concept is applied in different sectors, such as the banking sector. Green accounting is a reporting method that incorporates the environmental impacts of the activities of a company, including the use of natural resources and environmental costs. It presents them in the financial statements [2]. In the banking sector, applying green accounting is intended to manage the environmental risks of sustainable financing and investment.

Concretely, integrating green accounting improves financial statement transparency, enhances corporate reputation, and positively affects relationships with various stakeholders, including regulators and investors [3]. However, this concept has not been adequately introduced and applied in Indonesia, especially in the banking sector, to meet the challenges of regulation support and low management awareness that sustainability is important.

In the banking sector, apart from green accounting, product innovation is also an important element in creating corporate value. Innovative products such as green bonds and green financing can increase the competitiveness of companies and attract the attention of investors who focus on sustainability. Sustainability-based product innovation also has the potential to strengthen the company's image, which ultimately provides greater trust to investors and customers [4].

Green human resource management is another integral element of corporate sustainability strategies. The company saves money in its operations and heightens the value of the company as perceived by stakeholders if it adopts renewable energy, efficiency in energy usage, and proper waste management [5] [6]. Under the banking segment, green management of its resources is one of the markers of operational sustainability. It can influence a company's competitiveness in a market concerned with a fast-changing environmental situation.

This study focuses on the effect of green accounting, product innovation, and green resources on firm value, with profitability as a moderating variable with the increasing demands to achieve sustainability. The results of this study are expected to be an important contribution, both to developing academic literature and supporting business practices in the banking sector.



This research was conducted for several reasons. First, sustainability issues have become a global concern. Companies are expected to focus on achieving profits and participate in efforts to preserve the environment and manage resources sustainably. Practices such as green accounting, innovation, and human resources are becoming important to sustainability strategies that can improve overall company performance [2] [3]. However, implementing these concepts in the banking sector, particularly in Indonesia, still requires further exploration to understand their impact on firm value [7].

Second, profitability measured using ROE is a moderating variable because this measure reflects the company's effectiveness in generating profits through utilising available capital [8]. ROE is one of the most important financial performance measures for investors in assessing the company's ability to create long-term value [9].

Profitability can strengthen the relationship between sustainability practices (green accounting, green innovation, and green human resources) and firm value, mainly because this indicator provides an overview of management efficiency in managing company resources [10].

In recent years, financial institutions, including banks, have faced global pressure to adopt sustainability practices. Institutions such as the World Bank, the United Nations (UN), and the Organisation for Economic Co-operation and Development (OECD) encourage banks to integrate sustainability elements such as green financing and green accounting reports in their operations [11].

Then, banks were the first sector to initiate the concept of green financing, which is financing aimed at projects that positively impact the environment. Examples include credit for renewable energy development, green bonds to support sustainability projects, and financing programmes to support environmentally-based Micro, Small and Medium Enterprises (MSMEs). As the originator of this concept, the banking sector encourages other businesses to follow the sustainability trend [12]. This study fills the gap by exploring how sustainability practices are implemented in the banking sector and their impact on firm value [13].

II. LITERATURE REVIEW

A) *Legitimacy Theory*

Legitimacy theory argues that a company needs to operate in line with society's norms, values and expectations to gain and maintain social legitimacy. Suchman defines legitimacy as 'the general perception or assumption that an entity's actions are appropriate, worthy, or under the norms, values, and beliefs established in society' [14]. The implementation of green accounting is one of the steps companies take to fulfil society's expectations regarding environmental responsibility. Disclosure of sustainability information is often used by companies to legitimise their existence and activities in the eyes of stakeholders [15]. In this study, legitimacy theory explains how applying green accounting, green product innovation, and green human resources can influence public and stakeholder perceptions of the company. By fulfilling social and environmental expectations through sustainability practices, banking companies are expected to increase their reputation and stakeholder confidence, which ends with an impact on company value.

B) *Stakeholder Theory*

Stakeholder theory reveals that companies are responsible for meeting the demands and expectations of various parties involved (stakeholders), including shareholders, employees, customers, communities, and regulators [16]. This theory emphasizes that success in a firm is not measured by its profitability but by how it adds value to all its stakeholders [17]. In banking, pressure from sustainability practices emanates from many stakeholders. Regulatory bodies such as the Financial Services Authority (OJK) push for sustainability reporting compliance, and investors demand firms to be transparent in ESG reporting. In addition, society and the media push companies to show commitment to issues concerning the environment through environmentally friendly products and policies [18]. Using stakeholder theory within this research, it is demonstrated how the introduction of green accounting, green product innovation, and green human resource management can add value to the firm by meeting the expectations of various stakeholders. By satisfying these needs, banks will be able to strengthen trust, enhance reputation, and ensure the sustainability of their operations in the future.

C) *Green Accounting*

Green accounting is a practice that emphasises the calculation and reporting of the impact of corporate activities on the environment. Green accounting principles encourage companies to minimise their carbon footprint, reduce waste, and implement environmentally friendly business practices to support sustainability [19]. Green accounting also involves measuring and conveying environmental information in financial statements and corporate sustainability reports, such as disclosure of environmental costs, investments in clean technology, and strategies to reduce greenhouse gas emissions [20].

D) Product Innovation

Product innovation refers to creating new products or improving the quality of existing products to meet the needs and desires of consumers, including considering sustainability aspects. Product innovation can help companies strengthen competitiveness, reduce operating costs and create more value through environmentally friendly and energy-efficient products [21]. Product innovation in the context of sustainability often involves using environmentally friendly raw materials, production stages that are more optimal in resource utilisation and product designs that support recycling or waste reduction [22]. These innovations are expected to provide more value to consumers and improve the company's image in the market.

E) Green Human Capital

Green human capital refers to utilising resources that can support environmental sustainability and reduce negative impacts on the ecosystem. Companies that utilise green human capital in their production processes will provide significant benefits to the environment, society, and other stakeholders [23]. Implementing green human resources can improve the company's image and attract the attention of investors who focus on sustainability and ESG (Environmental, Social, Governance) [24].

F) Firm Value

Firm value is the value in current conditions obtained from cash inflows and flows projected to enter the future. The company's value reflects the performance and prospects of the company itself, so a high value will make the company considered in the market [25]. Company value reflects investors' views regarding the extent to which management has succeeded in managing the company's assets entrusted to them. Market ratios or valuation ratios can be used to determine the value of a company, according to Indrarini (2019: 15-16). A well-managed company will achieve a book value ratio equal to one or higher (overvalued) [26].

G) Profitability

Profitability in this study is measured by Return on Equity (ROE), a ratio used to assess the extent to which the company can generate net income from the equity owned by shareholders. As a moderating variable, ROE reflects the extent to which the company effectively utilises capital to achieve profits. A high ROE indicates that the company's financial performance is good and is often used to indicate investor confidence [8]. The use of profitability as a moderating variable allows us to see whether financial performance has the potential to strengthen or weaken the effect of sustainability policies on firm value.

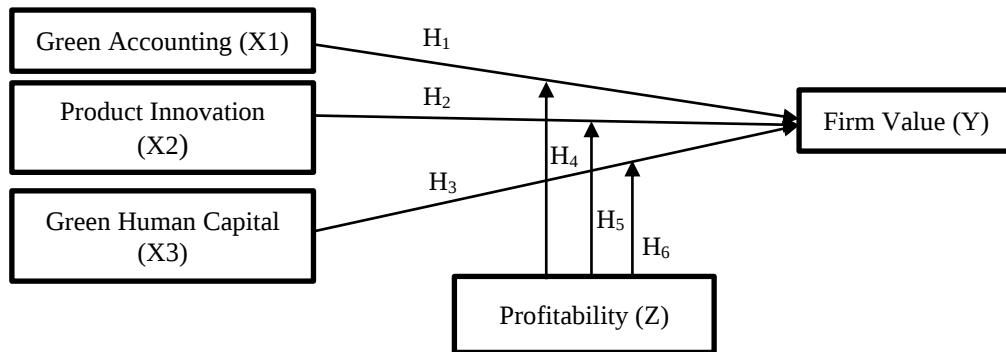


Figure 1: Research Framework

H) The Effect of Green Accounting on Firm Value

Applying green accounting also helps companies comply with environmental regulations, which in turn can increase firm value [27]. Companies can apply green accounting to demonstrate their commitment to social norms and environmental responsibility. By implementing green accounting, companies meet the expectations of society and regulators such as the OJK, thereby gaining social legitimacy, which impacts increasing company value [15]. Stakeholder theory emphasises that green accounting aims to meet the sustainability expectations of key stakeholders, such as shareholders and regulators. With transparency regarding environmental impacts, companies increase stakeholder trust and create sustainable value [27].

Previous research by Suwitho (2019) and Ratna and Purnomo (2022) stated that green accounting positively and significantly impacts firm value.[28][29]

H₁: Green Accounting has a positive effect on Firm Value

I) The Effect of Product Innovation on Firm Value

Product innovation involves developing products or services that meet market needs and creatively capitalising on new opportunities, including sustainability. It helps companies maintain social legitimacy by meeting society's expectations for better

environmental responsibility [21]. Product innovations that are aligned with sustainability principles also fulfil the demands of regulators and attract investors who are concerned about environmental issues. Thus, product innovation increases competitiveness and creates greater value for all stakeholders [30]. Research by Sari and Wibowo (2021) and Oliveira and Silva (2022) shows that green innovation has a positive and significant effect on firm value [31][32]. Based on this explanation, the hypothesis can be formulated:

H₂: Product Innovation has a positive effect on Firm Value

J) The Effect of Green Human Capital on Firm Value

Green human capital reflects the capability of employees to support corporate sustainability through competence, innovation and environmentally friendly initiatives [33]. Improving the quality of green human capital helps companies improve operational efficiency and product innovation, increasing company value [34]. Stakeholder theory considers green human resources an important asset to fulfil stakeholders' expectations, such as those of employees and society. Competencies that support sustainability help companies create additional value that contributes to business sustainability [33]. Research by Dewi and Putra (2021) and Tran et al. (2022) concluded that green human resources have a significant positive effect on firm value [9][36].

H₃: Green Human Capital has a positive effect on Firm Value

K) The Effect of Profitability as a moderating variable

The effect of green accounting on firm value can be influenced by profitability as measured using profitability as measured by Return on Equity (ROE). ROE reflects the company's efficiency in generating profits from the capital used [8]. Companies with high profitability get greater market recognition for product innovation because investors see it as a strategic move that does not threaten the company's financial stability [37]. Companies with high profitability are more valued when integrating GHC, as strong financial performance signals reduce market concerns over the cost of implementing green policies [32]. Therefore, the hypotheses formulated in this study are:

H₄: Profitability moderates the effect of Green Accounting on Firm Value

H₅: Profitability moderates the effect of Product Innovation on Firm Value

H₆: Profitability moderates the effect of Green Human Capital on Firm Value

III. RESULTS AND DISCUSSION

A) Research Methodology

This study applies a quantitative research design with an approach that focuses on causal association. This approach aims to analyse the causal relationship between the independent variables (green accounting, product innovation, and green human resources) and the dependent variable (firm value) as well as the moderating variable (profitability). The quantitative design was chosen because this research focuses on numerical measurement, hypothesis testing, and generalisation of results based on empirical data from banking subsector companies listed on the Indonesia Stock Exchange (IDX) throughout 2018-2023.

This study involves dependent variables, independent variables and moderating variables. The dependent variable of this study is firm value. The independent variables of this study are green accounting, product innovation and green human resources. Meanwhile, the moderating variable of this study is profitability.

a. Firm Value

Tobin's Q is used because it is considered more comprehensive than other formulas for measuring firm value, such as Price to Book Value (PBV) [38]. The market price of its shares represents firm value. Firm value reflects investors' views on the company's ability to improve its performance, often associated with the stock price [39]. This study measures firm value based on an approach adapted from the studies of Murwaningsari & Ardi (2018) [40] and Kadim & Sunardi (2019) [41], using Tobin's Q, which is calculated through the following formula:

$$\text{Tobin's Q} = \frac{\text{Total Market Value} + \text{Total Book Value of Liabilities}}{\text{Total Book Value of Assets}}$$

b. Green Accounting

Green accounting is the application of accounting principles that consider expenses related to environmental preservation. Green accounting measurement is done by disclosing expenses allocated by the company for environmental needs. Environmental costs include expenses arising from damage or potential damage to environmental quality [42]. Expenditures for environmental costs receive special attention because they reflect the company's commitment to environmental sustainability. In this study, environmental costs are calculated based on the total CSR expenditures made by the company under the formulation of environmental costs described by Babalola (2012, p.48) [43].

$$\text{Environmental Cost} = \frac{\text{CSR Cost}}{\text{Net Income}}$$

c. Product Innovation

Innovation refers to the transformation efforts made by banking organisations in various aspects, including systems of ideas, products, and services. This process involves cross-functional coordination, competitive analysis, and value creation. Innovation aims to drive individuals with competitive advantages, which are reflected in synergies between work units to meet market needs, improve operational efficiency, and optimise the utilisation of internal resources [44].

The measurement of the Product Innovation variable was carried out by replicating the research of Raden Achmad Harianto Pratiwi Nila Sari (2020) [45] with the following indicators:

Table 1: Product Innovation

NO	Indicator	Criteria Score
1	Differentiation	Having a product differentiation that is owned
2	Innovation	Having new product innovations owned
3	Focus	Having a focus on innovation/development of existing products
4	Cost Leadership	Having leadership costs incurred by the company for leadership training

With the following conditions:

- 1.If 3 or 4 indicators are disclosed, the score will be 3.
- 2.If there are 2 indicators disclosed, they will get a score of 2
- 3.If there is 1 indicator disclosed, it will get a score of 1
- 4.If there are no indicators disclosed, you will get a score of

d. Green Human Capital

Chen (2008) states that green human resources include various aspects such as knowledge, skills, experience, creativity, commitment, attitude, and elements related to environmental conservation. This includes employees' ability to manage natural resources, implement sustainable practices, and support innovation and the company's environmental strategy [22]. Green human resources help improve the company's operational efficiency by implementing green policies, such as energy efficiency and waste reduction [34]. Research conducted by Zalfa & Novita (2021) also shows the same thing, the measurement of this variable can be measured by five items, which are [46]:

Table 2: Green Human Capital Indicator

NO	Indicator
1	We are involved in a sustainable production process and have an impact on environmental conservation efforts.
2	We have sufficient capacity in terms of attention to the environment.
3	We have products and provide services that are high quality and environmentally friendly.
4	Our team works effectively together to achieve our environmental care goals.
5	Our managers give full support to environmental care initiatives in our company.

Each disclosed indicator information will be given a score of 1, while if it is not disclosed, it will be given a score of 0. The formula used is as follows:

$$\text{Green Human Capital} = \frac{n}{k}$$

e. Profitability

Profitability in this study is measured using the ROE ratio, which is a ratio that reflects how effective the company is when using capital to generate profits [8]. This variable is calculated based on the formula:

$$\text{ROE} = \frac{\text{Net Income}}{\text{Total Equity}}$$

B) Results and Discussion

This study uses secondary data from the Annual Financial Report and Sustainability Report of companies in the banking subsector listed on the Indonesia Stock Exchange during the reporting period 2018-2023. The data was obtained through access to the IDX website and the company's official website, which were sampled. Purposive sampling is a sampling technique based on certain standards and is adopted in this study. Data on Banking sector companies listed on the IDX as many as 47 companies; 1 company that did not publish a complete annual report and/or sustainability report in 2018 and 2023, namely Krom Bank Indonesia Tbk (BBSI). This is because the company is not transparent in running its business and is not committed to being a good corporate governance company, so it does not publish a Sustainability Report. Therefore, the number of companies taken

as samples is 46 with a total research period of 6 years, so the total companies taken as samples in this study were 276 companies.

Companies in the banking sector were sampled in the study because companies in this sector have a large impact on financial performance and environmental sustainability. Banks can fulfil their social responsibilities and improve competitiveness in an increasingly sustainability-focused market by incorporating sustainability principles into their operations.

Table 3: Descriptive Statistics

Variabel	Mean	Median	Maximum	Minimum	Std. Dev.
GA	0.156	0.001	10.714	-0.737	1.135
PI	1.862	2.000	3.000	0.000	0.720
GHC	0.776	1.000	1.000	0.000	0.325
Tobin's Q	1.384	0.997	21.849	0.349	2.088
ROE	0.029	0.036	0.259	-1.239	0.134
Variabel	Mean	Median	Maximum	Minimum	Std. Dev.

The average of the green accounting variable is 0.156, which indicates that the average company allocation on green accounting is still relatively low. The maximum value reaches 10.714, while the minimum value is -0.737. The standard deviation of 1.135 indicates considerable variation among companies regarding applying green accounting.

The average product innovation variable is 1,862, with a median value of 2,000, indicating that most companies have a fairly good level of product innovation. The maximum value is 3.000, while the minimum is 0.000, with a standard deviation 0.720. This analysis of Product Innovation shows that although banking companies are committed to product innovation and development, lack of attention to differentiation and leadership can be a strategic weakness in creating sustainable competitive advantage.

GHC variable has a mean of 0.776 and a median of 1.000, indicating that most companies have good green human resource practices. The minimum value is 0.000, and the standard deviation 0.325 indicates less variation than other variables. In this research, banking companies show positive steps in integrating sustainability principles through production processes and strong managerial support. However, further strengthening is needed to develop employee capacity, improve team collaboration, and improve the quality of environmentally friendly products and services to maximise the benefits of green human resources to support the company's sustainability strategy.

The average Tobin's Q is 1.384, indicating that, overall, the value of the companies is higher than their assets. However, a very high maximum value (21.849) and a standard deviation of 2.088 suggest that some companies with market values are much higher than the average.

The average ROE is 2.93%, with a median of 3.69%. The minimum value of -1.239 indicates that some companies experienced significant losses compared to their capital. A standard deviation of 0.134 suggests a significant variability in profitability among companies.

Table 4: The result of the Adjusted R Square test

Model	Adjusted R Square
Tobin's Q	0,686

The Adjusted R-squared value is 0.686 or 68.55%. This coefficient of determination indicates that the independent variables, which consist of GA, PI, GHC, ROE, and the interactions of GAROE, PIROE, and GHC*ROE, can explain 68.55% of the variation or behavior of the dependent variable, Tobin's Q. The remaining 31.45% is the variation or behavior of other independent variables that influence Tobin's Q but are not included in the model.

Table 5: The result of F test

Model	F-statistic	Prob(F-statistic)
Tobin's Q	12,528	0,000

The results from the table show an F-statistic value of 12.5283 with a p-value of $0.000 < 0.05$, meaning that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted. This proves that at least one independent variable significantly influences Tobin's Q.

Table 6: The result of the Hypothesis Test

Variable	Prediction	Coefficient	Calculated t-value	t-table	Prob	Conclusion
GA	+	0.0620	1.8189	1,6450	0.0703	H1 Accepted
PI	+	0.0632	2.3934	1,9685	0.0175	H2 Accepted

GHC	+	-0.0898	-3.9353	1,9685	0.0001	H3 Rejected
ROE		0.1794	0.7954	1,9685	0.4272	
GA x ROE	+	0.4765	1.4807	1,9685	0.1401	H4 Accepted
PI x ROE	+	-0.0539	-2.1711	1,9685	0.0310	H5 Rejected
GHC x ROE	+	0.0868	3.3566	1,9685	0.0009	H6 Accepted

1) Hypothesis 1: Green Accounting has a positive effect on Firm Value

Regression results show that green accounting significantly influences company value, with a coefficient of 0.062, a t-statistic of 1.819, and a probability of 0.070 ($p < 0.10$). Since the t-statistic falls outside the critical value range (± 1.645 for a 10% significance level), it can be concluded that green accounting significantly and positively influences company value. This means that an increase in the implementation of green accounting tends to be followed by an increase in company value. This finding aligns with the research hypothesis and supports the Legitimacy Theory, which states that sustainability disclosure, including green accounting, increases company legitimacy in the eyes of the public and strengthens relationships with stakeholders [15]. Previous research by Rahmawati (2022) and Andini & Mustofa (2020) also found similar results, where transparency regarding environmental costs increases investor confidence and supports company value [47][48].

2) Hypothesis 2: Product Innovation has a positive effect on Firm Value

Regression results show that product innovation significantly influences company value, with a coefficient of 0.063, a t-statistic of 2.393, and a probability of 0.018 ($p < 0.05$). Since the t-statistic falls outside the critical value range (± 1.96857 for a 5% significance level), it can be concluded that product innovation significantly and positively influences company value. This means that an increase in product innovation tends to be followed by an increase in company value. This finding is in line with the research hypothesis. It supports Legitimacy and Stakeholder Theory, which states that environmentally friendly product innovations meet stakeholder expectations and increase company legitimacy in the eyes of the public [16]. Previous research, such as Oliveira & Silva (2022), also found that product innovation contributes positively to competitiveness and company value by increasing market confidence and attracting investors [32].

3) Hypothesis 3: Green Human Capital has a positive effect on Firm Value

Regression results show that green human resource management significantly negatively influences company value, with a coefficient of -0.090, a t-statistic of -3.935, and a probability of 0.000 ($p < 0.05$). Since the t-statistic falls outside the critical value range (± 1.96857 for a 5% significance level), it can be concluded that green human resource management significantly and negatively influences company value. This means that an increase in green human resource management tends to be followed by a decrease in company value. This result contradicts the research hypothesis and Legitimacy and Stakeholder Theory, which assume that green human resource management should increase operational efficiency and create more value for stakeholders. Previous research supporting this hypothesis includes studies by Dewi & Putra (2021) [9], which found that green human resource management significantly positively influences company value by creating efficiency, innovation, and stakeholder trust. However, this finding is consistent with previous research that also showed negative results, such as Ardiansyah (2021) and Rizki & Haris (2020), which found that the high costs of training and managing green human resources can burden companies, especially if the market is not yet ready to accept such sustainability initiatives. The market often views these initiatives as additional expenses that do not directly benefit profitability, thus reducing the company's attractiveness in the eyes of investors [35][49].

4) Hypothesis 4: Profitability moderates the effect of Green Accounting on Firm Value

Regression results show that profitability strengthens the influence of green accounting on company value, with a coefficient of 0.477, a t-statistic of 1.481, and a probability of 0.140 ($p > 0.05$). Since the t-statistic falls within the critical value range (± 1.96857 for a 5% significance level), it can be concluded that although the interaction between ROE and green accounting has a positive coefficient, its influence is insignificant. This result indicates that good financial performance, represented by ROE, can increase the effectiveness of green accounting implementation in creating company value, although the impact is not statistically strong enough. This finding supports the Legitimacy Theory, which states that companies with solid financial performance have a greater capacity to support sustainability initiatives, thus strengthening their social legitimacy [15]. This result supports research by Hartono Susanti (2021), which concludes that profitability can strengthen the relationship between sustainability practices and company value.

5) Hypothesis 5: Profitability moderates the effect of Product Innovation on Firm Value

Regression results show that profitability does not strengthen the influence of product innovation on company value, with a coefficient of -0.054, a t-statistic of -2.171, and a probability of 0.031 ($p < 0.05$). Since the t-statistic falls outside the critical value range (± 1.96857 for a 5% significance level), it can be concluded that the interaction between profitability and product innovation significantly and negatively influences company value. This means that an increase in product innovation followed by strong financial performance does not strengthen company value. This rejection may be due to the high costs of

developing innovative products that have not yet yielded immediate results, thus not aligning with investor expectations in the short term. This finding differs from the research of Oliveira & Silva (2022), which found that product innovation strengthens competitiveness when supported by good financial performance [32]. However, this finding is consistent with the research results of Liu, Zhang, & Li (2020) and Tran, Nguyen, & Le (2021), which found that product innovation often becomes a short-term burden for companies, primarily due to high development and marketing costs [50][36].

6) Hypothesis 6: Profitability moderates the effect of Green Human Capital on Firm Value

Regression results show that profitability strengthens the influence of green human resource management on company value, with a coefficient of 0.087, a t-statistic of 3.357, and a probability of 0.001 ($p < 0.05$). Since the t-statistic falls outside the critical value range (± 1.96857 for a 5% significance level), it can be concluded that the interaction between profitability and green human resources significantly and positively influences company value. This result supports the research hypothesis and Stakeholder Theory, which states that green human resources when supported by strong financial performance, can increase company value by meeting the expectations of key stakeholders such as employees, investors, and the public [16]. Previous research by Dewi Sari (2021) also found that profitability strengthens the relationship between green human resource management and company value [51]. Contextually, good financial performance allows companies to invest more in training and managing sustainable human resources. This improves operational efficiency and the company's reputation in the eyes of stakeholders, ultimately supporting an increase in company value.

IV. CONCLUSION

Based on the research conducted to determine the influence of Green Accounting, Product Innovation, Green Human Resources, and ROE on Company Value, this study used a sample of banking companies listed on the Indonesia Stock Exchange during the 2018-2023 period. Based on the research results and discussion, several conclusions can be drawn: (1) Green accounting positively influences company value. This finding indicates that better implementation of green accounting tends to increase company value. (2) Product innovation has a significant positive influence on company value. This result shows that product innovation focused on sustainability tends to increase company value. (3) Green human resource management significantly negatively influences company value. The rejection of this hypothesis indicates that increasing green human resource management decreases company value. The possible causes are the high costs of implementing sustainability policies in human resource management that are not in line with market expectations and the perception that such expenditures do not provide direct benefits to company profitability. (4) Profitability strengthens the influence of green accounting on company value, although it is not significant. This finding indicates that better financial performance can help companies maximize the benefits of implementing green accounting. However, the insignificant influence indicates that the synergy between the two factors requires more integrated management. (5) Profitability cannot strengthen the influence of product innovation on company value. This result shows that the high costs of product innovation tend to burden the company's performance in the short term, thus reducing its attractiveness in the eyes of investors. (6) Profitability strengthens the influence of green human resource management on company value. This finding indicates that strong financial performance can help companies maximize the benefits of green human resource management. The findings suggest that while sustainability initiatives can positively impact a company's value, complexities and trade-offs are involved, particularly in terms of costs and short-term vs. long-term benefits.

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