



Cultural Values Disclosure and Corporate Value: The Moderating Role of Firm Size

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ABSTRACT

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Non-financial corporate disclosure has become increasingly important in firm valuation because investors consider information beyond financial performance when assessing organizational quality, stakeholder relationships, and long-term business prospects. However, disclosure research has largely focused on conventional ESG, CSR, and sustainability measures, while culturally grounded corporate values remain underexplored. This study aims to analyze the effect of the Sundanese Values Disclosure Index (IPNK) on firm value and examine the moderating role of firm size. The study employs a quantitative approach using panel data from 70 manufacturing companies observed over the 2022–2025 period, resulting in 280 firm-year observations selected through purposive sampling. IPNK is measured using 30 indicators across five dimensions: *Silih Asih*, *Silih Asah*, *Silih Asuh*, *Bener*, and *Bageur*. Firm value is measured using the Price-to-Earnings Ratio (PER), while firm size is measured using total assets. Panel regression analysis using the Common Effect Model shows that IPNK and firm size have positive and significant effects on firm value, while their interaction is also positive and significant, indicating that firm size strengthens the effect of IPNK. The findings imply that culturally grounded local wisdom disclosure can provide relevant non-financial information for firm valuation.

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INTRODUCTION

Capital markets increasingly influence society beyond investors because corporate valuation affects access to capital, employment continuity, consumer confidence, and economic development. Therefore, corporate disclosure matters to broader stakeholders, not only shareholders. Non-financial disclosure can reveal organizational quality, stakeholder relationships, ethical practices, and risk management that financial statements may not capture. Strategic planning and institutional quality can also strengthen organizational competitiveness and

stakeholder confidence (Manurung et al., 2026; Musthofa, 2026). Corporate communication further shapes organizational reputation and stakeholder perceptions (Fauzi et al., 2025; Dermawan & Yusuf, 2026). An et al. (2025) show that ESG disclosure can increase firm value by reducing financing constraints, while Guo et al. (2024) identify investor attention as a mechanism connecting CSR disclosure with market value. Thus, culturally grounded disclosure deserves attention because locally meaningful corporate practices may become information relevant to valuation and stakeholder confidence.

The study draws on stakeholder theory, signaling theory, and cultural perspectives. Stakeholder theory views disclosure as communication of accountability to employees, customers, communities, and investors, whereas signaling theory suggests that credible disclosure reduces information asymmetry and helps investors assess firm quality. ESG information can affect valuation through financing constraints and financial performance (An et al., 2025; Zhou et al., 2022). Ethical decision-making also reflects organizational values that may influence institutional behavior and stakeholder relationships (Syadidunniam et al., 2026; Hasanah et al., 2026). Cultural theory further suggests that organizational practices are shaped by socially embedded norms. Wang and Li (2025) demonstrate that national culture influences corporate social responsibility and valuation. Organizational quality similarly depends on the integration of institutional identity and organizational practices (Musthofa, 2026; Hidayatullah et al., 2025). Firm size is therefore considered a contextual variable because organizational scale may influence visibility and stakeholder scrutiny (Handayati et al., 2022; Baltagi, 2021).

A problem emerges because markets receive extensive non-financial corporate information, yet the market does not necessarily interpret or value such information consistently. Sustainability disclosure may support market value through financial performance, but the benefits can be weakened when corporate conduct lacks credibility, as indicated by evidence concerning financial fraud and corporate social responsibility (Zhou et al., 2022; Tarjo et al., 2022; Milki et al., 2026). Indonesian companies are also expected to disclose material information concerning governance, risks, social responsibility, and environmental responsibility in annual reports (Keuangan, 2021; Natania et al., 2026; Sa'i et al., 2025). However, standardized frameworks may overlook culturally specific meanings embedded in corporate practices. This creates a practical problem: investors may receive large amounts of information without understanding how locally grounded values shape organizational quality and stakeholder relationships. Therefore, a culturally contextualized disclosure measure is needed to examine whether such information has measurable relevance for firm valuation in Indonesia.

Previous research has established that non-financial disclosure can influence firm value, but its effects depend on information quality, market attention, and organizational conditions. An et al. (2025) link ESG disclosure with firm value through financing constraints, while Guo et al. (2024) identify investor attention as a mediating mechanism. Zhou et al. (2022) similarly show that ESG performance can affect market value through financial performance. However, these studies predominantly use broad ESG, CSR, or sustainability constructs and do not explain whether culturally specific values can operate as a distinct disclosure signal. In Indonesia, sustainability disclosure research likewise tends to employ general disclosure measures rather than culturally grounded indices (Widjanarko & Oktorina, 2024). This limitation matters because investors may overlook social meanings through which companies communicate care, learning, guidance, integrity, and ethical responsibility. This study directly addresses that gap.

Research on Sundanese values provides a second foundation but remains concentrated mainly on education, parenting, character formation, and community life. Nurafifah (2025) discusses *silih asih*, *silih asah*, and *silih asuh* in character development, while Wilodati et al. (2025) and Purnama and Hermanto (2024) describe *bageur* and *bener* as culturally embedded character values. These studies establish the social relevance of Sundanese values but do not operationalize them as measurable corporate disclosure constructs linked to market valuation. Meanwhile, research on firm size produces mixed evidence: Handayati et al. (2022) identify size as a relevant contextual factor, whereas Widjanarko and Oktorina (2024) and Chandra et al. (2025) report different moderating patterns. The gap concerns construct and mechanism: prior studies have not integrated Sundanese values disclosure with firm value while testing whether organizational scale strengthens or weakens this relationship. Addressing this gap is necessary.

The state of the art of this study is the development of the Sundanese Values Disclosure Index (IPNK) as a culturally grounded corporate disclosure measure. IPNK integrates five dimensions—*silih asih*, *silih asah*, *silih asuh*, *bener*, and *bageur*—through 30 equally weighted indicators that translate culturally meaningful principles into observable corporate practices. The index is designed to capture disclosure concerning stakeholder care, capability development, organizational guidance, integrity, compliance, human rights, and responsible conduct. Its purpose is not to classify companies by ethnicity or management identity, but to measure how extensively corporate documents disclose practices that correspond to Sundanese values. It positions firm size as a moderator, allowing the analysis to identify whether organizational scale changes the valuation relevance of IPNK. This integrated model provides an

important empirical bridge between local wisdom, corporate disclosure, organizational characteristics, and market-based value across Indonesia's manufacturing sector.

The research problem is whether disclosure of practices reflecting Sundanese values has a measurable relationship with firm value and whether firm size changes the strength of that relationship. The study argues that greater IPNK disclosure should provide investors with signals about stakeholder orientation, organizational capability, ethical conduct, and governance quality, supporting more informed valuation. It further argues that larger firms may strengthen this relationship because greater organizational scale can increase visibility, reporting capacity, and stakeholder attention. Accordingly, the study examines manufacturing companies listed on the Indonesia Stock Exchange during 2022–2025 using 280 firm-year observations. The study contributes by testing IPNK as a new culturally grounded disclosure construct and by identifying firm size as a contextual mechanism in the disclosure–value relationship. The hypotheses are: H1, IPNK significantly affects firm value; and H2, firm size moderates the effect of IPNK on firm value.

RESEARCH METHODS

This study employs an explanatory quantitative research design to examine the effect of the Sundanese Values Disclosure Index (IPNK) on firm value and the moderating role of firm size. A quantitative design is appropriate because the study tests hypothesized relationships among measurable variables using numerical secondary data and statistical inference. The firm-year serves as the unit of analysis, allowing variation across companies and observation periods to be examined simultaneously. The study uses companies listed on the Indonesia Stock Exchange (IDX), which provides standardized corporate reports and market information required for measuring disclosure and financial variables. The 2022–2025 period was selected to provide four consecutive years of comparable disclosure and financial data. The use of corporate disclosure as an analytical construct is consistent with previous studies examining the relationship between disclosure and firm value (Abdi et al., 2022; Rahat & Nguyen, 2024).

The population comprises 130 manufacturing companies listed on the IDX during 2022–2025. Purposive sampling was applied based on criteria relevant to the measurement of IPNK, firm value, and firm size. The sample included Consumer Non-Cyclicals manufacturing companies that consistently provided annual reports and audited financial statements for 2022–2025, disclosed sufficient information to assess the 30 IPNK indicators, reported year-end closing share prices and Earnings per Share (EPS), and provided total asset data. Companies that did not meet these requirements were excluded. Based on these

criteria, 70 companies were selected and observed over four years, producing a balanced panel of 280 firm-year observations. The selection of firm size and financial information as relevant corporate characteristics is consistent with prior research examining disclosure, firm value, and firm-level characteristics (Handayati et al., 2022; Dihardjo & Hersugondo, 2023).

Data were collected through documentation of secondary sources, including annual reports, sustainability reports, audited financial statements, IDX market data, and official company publications. IPNK was measured through content analysis using 30 indicators representing five Sundanese values: *Silih Asih*, *Silih Asah*, *Silih Asuh*, *Bener*, and *Bageur*. Each indicator received a score of 1 when the company disclosed specific evidence in the form of policies, programs, mechanisms, activities, or outcomes, and 0 when such evidence was absent. The five dimensions were operationalized by translating culturally embedded Sundanese values into observable organizational disclosure indicators. This approach is conceptually supported by research emphasizing the relevance of Sundanese cultural values in character formation, social relationships, and organizational-cultural transformation (Nurafifah, 2025; Purnama & Hermanto, 2024; Wilodati et al., 2025). Firm value was measured using the Price-to-Earnings Ratio (PER), based on year-end closing share price and EPS, while firm size was measured using total assets. The operationalization of all variables is presented in Table 1.

Table 1. Variable Operationalization

Variable	Dimension	Indicator	Measurement
Sundanese Values Disclosure Index (IPNK) (X)	1. <i>Silih Asih</i>	1. Employee health and safety;	Content analysis: 1 = disclosed; 0 = not disclosed
		2. Employee welfare;	
		3. Customer care;	
		4. Community care;	
		5. Environmental concern;	
		6. Stakeholder engagement	
	2. <i>Silih Asah</i>	1. Education and training programs;	Content analysis: 1 = disclosed; 0 = not disclosed
		2. Competency evaluation and development;	
		3. Professional certification;	
		4. Career development and knowledge sharing;	
		5. Innovation;	
		6. Organizational knowledge development	
	3. <i>Silih Asuh</i>	1. Coaching and mentoring;	Content analysis: 1 = disclosed; 0 = not disclosed
		2. Talent management;	
		3. Succession planning;	
		4. Performance appraisal and feedback;	
		5. Leadership development;	
		6. Protection of employment relations and conflict resolution	

	4. <i>Bener</i>	1. Code of ethics; 2. Anti-corruption and anti-bribery policy; 3. Conflict-of-interest management; 4. Whistleblowing system; 5. Compliance with laws and regulations; 6. Internal control and integrity systems	Content analysis: 1 = disclosed; 0 = not disclosed
		1. Respect for human rights; 2. Equality and non-discrimination; 3. Supplier ethics; 4. Protection of customer privacy and data; 5. Fair business competition; 6. Responsible marketing and product information	Content analysis: 1 = disclosed; 0 = not disclosed
Firm Value (Y)	Market valuation	Year-end closing share price; Earnings per Share (EPS)	PER = Year- end closing share price / EPS
Firm Size (Z)	Asset size	Total assets	Natural logarithm of total assets

Data analysis consisted of descriptive statistics and panel data regression because the dataset combines cross-sectional and time-series observations. Model selection was conducted using the Chow test, Hausman test, and Lagrange Multiplier test to determine the appropriate common effect, fixed effect, or random effect model (Baltagi, 2021). Diagnostic tests were subsequently conducted to assess normality, multicollinearity, heteroskedasticity, and autocorrelation. The final regression model incorporated IPNK, SIZE, and their interaction term ($IPNK \times SIZE$) to test the moderating effect of firm size. The inclusion of an interaction term is consistent with previous studies examining firm size as a moderating variable in the relationship between disclosure and firm value (Abdi et al., 2022; Dihadjo & Hersugondo, 2023; Chandra et al., 2025). The β_1 coefficient represents the effect of IPNK on firm value, whereas β_3 captures whether firm size strengthens or weakens the IPNK–firm value relationship. Statistical decisions were based on a 5% significance level, with hypotheses supported when the probability value was below 0.05.

RESULTS AND DISCUSSION

Results

Descriptive Statistics

The results are first presented through descriptive statistical analysis to provide an overview of the characteristics of the research variables. The analysis includes the mean, median, maximum, minimum, standard deviation, and

number of observations for each variable. The descriptive statistics provide the basis for describing the distribution and variation of PER, IPNK, and SIZE within the research sample. The results of the descriptive statistical analysis are presented in Table 2.

Table 2. Descriptive Statistics Results

Statistic	PER	IPNK	SIZE
Mean	25.87979	0.495119	2.502188
Median	25.36010	0.500000	2.505947
Maximum	49.43347	0.966667	4.984695
Minimum	5.554122	0.033333	0.032040
Std. Dev.	8.273902	0.394582	2.076889
Observations	280	280	280

Table 2 shows that the study contains 280 observations for each research variable. PER has a mean of 25.87979 and a median of 25.36010, with a minimum value of 5.554122 and a maximum value of 49.43347. The standard deviation of PER is 8.273902, indicating the distribution of PER values across the observations. IPNK has a mean of 0.495119, a median of 0.500000, a minimum of 0.033333, and a maximum of 0.966667, with a standard deviation of 0.394582. SIZE has a mean of 2.502188 and a median of 2.505947, while its minimum and maximum values are 0.032040 and 4.984695, respectively, with a standard deviation of 2.076889.

Panel Data Model Selection

The Chow test was conducted to determine the appropriate panel data estimation model between the Common Effect Model (CEM) and the Fixed Effect Model (FEM). The test evaluates whether cross-sectional effects are statistically significant in the panel regression model. The decision is based on the probability values of the Cross-section F and Cross-section Chi-square statistics. The results of the Chow test are presented in Table 3.

Table 3. Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	0.844821	(69, 207)	0.7913
Cross-section Chi-square	69.472121	69	0.4614

Table 3 shows that the Cross-section F statistic is 0.844821 with a probability value of 0.7913. The Cross-section Chi-square statistic is 69.472121 with a probability value of 0.4614. Both probability values are greater than the 0.05 significance level. Therefore, the Chow test result indicates that the CEM is selected rather than the FEM.

Following the Chow test, the Lagrange Multiplier (LM) test was conducted to compare the Common Effect Model (CEM) and the Random Effect Model (REM). The LM test was used to determine whether random effects were statistically present in the panel data. The Breusch-Pagan test was considered as the primary basis for evaluating the presence of random effects. The results of the LM test are presented in Table 4.

Table 4. Lagrange Multiplier Test Results

Test	Cross-section	Time	Both
Breusch-Pagan	0.685765(0.4076)	1.153161(0.2829)	1.838927(0.1751)
Honda	-0.828110(0.7962)	-1.073853(0.8586)	-1.344891(0.9107)
King-Wu	-0.828110(0.7962)	-1.073853(0.8586)	-1.220281(0.8888)
Standardized Honda	-0.823964(0.7950)	-0.834168(0.7979)	-7.609008(1.0000)
Standardized King-Wu	-0.823964(0.7950)	-0.834168(0.7979)	-4.236439(1.0000)
Gourieroux et al.	—	—	0.000000(1.0000)

Table 4 shows that the Breusch-Pagan Cross-section statistic is 0.685765 with a probability value of 0.4076. The probability values for the Time and Both dimensions are 0.2829 and 0.1751, respectively. The Cross-section probability value is greater than 0.05, indicating that the random effect is not statistically significant based on the LM test. Therefore, the CEM is selected over the REM, and the final panel data estimation model used in the study is the CEM.

Classical Assumption Tests

Classical assumption tests were conducted before the hypothesis testing to evaluate the statistical adequacy of the regression model. The tests consisted of residual normality, multicollinearity, heteroskedasticity, and autocorrelation tests. Each test was evaluated using its respective statistical criteria and probability values. The results of these tests are presented in Figure 2 and Tables 5–7.

Normality Test

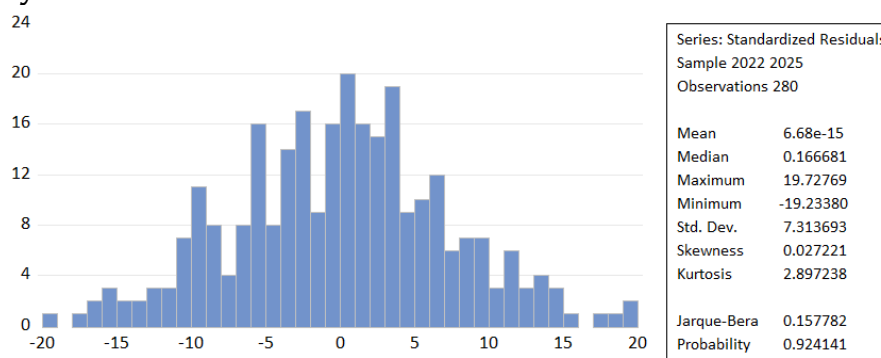


Figure 2. Normality Test Results

Figure 2 presents the results of the residual normality test using the Jarque-Bera statistic. The Jarque-Bera statistic is 0.157782 with a probability value of 0.924141. The probability value is greater than the 0.05 significance level. Therefore, the residuals of the regression model are normally distributed based on the Jarque-Bera test.

Multicollinearity Test

The multicollinearity test was conducted using the Centered Variance Inflation Factor (VIF). The test evaluates the extent to which the explanatory variables are linearly associated with each other in the regression model. The results of the multicollinearity test are presented in Table 5. The Centered VIF values were compared with the threshold used to determine the presence of multicollinearity.

Table 5. Multicollinearity Test Results

Variable	Variance	Uncentered VIF	Centered VIF
C	1.210096	6.266271	NA
IPNK	3.049644	6.321271	2.449962
SIZE	0.115440	6.312013	2.569317
IPNK × SIZE	0.289015	6.366973	4.044453

Table 5 shows that the Centered VIF value for IPNK is 2.449962. The Centered VIF value for SIZE is 2.569317, while the value for IPNK × SIZE is 4.044453. All Centered VIF values for the explanatory variables are below 10. Therefore, the regression model does not indicate a multicollinearity problem based on the specified threshold.

Heteroskedasticity Test

The heteroskedasticity test was conducted using the White test. The test examines whether the variance of the regression residuals is constant across observations. The null hypothesis of the White test states that the residuals are homoskedastic. The test results are presented in Table 6.

Table 6. Heteroskedasticity Test Results

Test	Statistic	Probability
F-statistic	1.097537	0.3650
Obs*R-squared	8.787194	0.3606
Scaled explained SS	8.099236	0.4238

Table 6 shows an F-statistic of 1.097537 with a probability value of 0.3650. The Obs*R-squared statistic is 8.787194 with a probability value of 0.3606. The Scaled explained SS statistic is 8.099236 with a probability value of 0.4238. All reported probability values are greater than 0.05, indicating that the regression model does not exhibit heteroskedasticity.

Autocorrelation Test

The autocorrelation test was conducted using the Breusch-Godfrey Serial Correlation LM Test. The test evaluates whether serial correlation exists among the residuals across observations. The null hypothesis states that there is no serial correlation up to the specified number of lags. The results of the autocorrelation test are presented in Table 7.

Table 7. Autocorrelation Test Results

Test	Statistic	Probability
F-statistic	0.120345	0.8867
Obs*R-squared	0.245746	0.8844

Table 7 shows an F-statistic of 0.120345 with a probability value of 0.8867. The Obs*R-squared statistic is 0.245746 with a probability value of 0.8844. Both probability values are greater than the 0.05 significance level. Therefore, the test results indicate that the regression model does not exhibit autocorrelation up to two lags.

Panel Data Regression Results

Following the panel data model selection and classical assumption tests, the hypothesis testing was conducted using the Common Effect Model (CEM). The regression model uses PER as the dependent variable and IPNK, SIZE, and the IPNK $\times$ SIZE interaction as explanatory variables. The estimation is based on a balanced panel consisting of 70 cross-sections and four periods from 2022 to 2025. The panel data regression results are presented in Table 8.

Table 8. Panel Data Regression Results

Dependent Variable: PER				
Method: Panel Least Squares				
Sample: 2022–2025				
Periods included: 4				
Cross-sections included: 70				
Total panel observations: 280				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	20.88874	1.100043	18.98902	0.0000
IPNK	3.541870	1.746323	2.028188	0.0435
SIZE	0.692151	0.339764	2.037151	0.0426
IPNK $\times$ SIZE	1.208530	0.537601	2.248006	0.0254
Model Statistics	Value	Model Statistics	Value	
R-squared	0.218637	Mean dependent var	25.87979	
Adjusted R-squared	0.210144	S.D. dependent var	8.273902	
S.E. of regression	7.353333	Akaike info criterion	6.842367	

Sum squared resid	14923.74	Schwarz criterion	6.894293
Log likelihood	-953.9314	Hannan-Quinn criter.	6.863195
F-statistic	25.74303	Durbin-Watson stat	2.021622
Prob(F-statistic)	0.000000		

Table 8 shows that IPNK has a coefficient of 3.541870, a t-statistic of 2.028188, and a probability value of 0.0435. Since the probability value is below 0.05, the effect of IPNK on PER is statistically significant and positive. Therefore, H1 is supported. The SIZE variable has a coefficient of 0.692151, a t-statistic of 2.037151, and a probability value of 0.0426, indicating a statistically significant positive direct effect on PER.

The interaction between IPNK and SIZE has a coefficient of 1.208530, a t-statistic of 2.248006, and a probability value of 0.0254. Since the probability value is below 0.05, the IPNK $\times$ SIZE interaction is statistically significant and positive. Therefore, H2 is supported. The positive interaction coefficient indicates that the relationship between IPNK and PER varies positively with SIZE within the estimated model.

The regression model has an F-statistic of 25.74303 with a probability value of 0.000000. The probability value is below the 0.05 significance level, indicating that the regression model is statistically significant as a whole. The model therefore provides a statistically significant estimation of PER using IPNK, SIZE, and the IPNK $\times$ SIZE interaction. The Durbin-Watson statistic is 2.021622, which is also reported as part of the model statistics.

The coefficient of determination shows an R-squared value of 0.218637 and an Adjusted R-squared value of 0.210144. Based on the R-squared value, IPNK, SIZE, and the IPNK $\times$ SIZE interaction jointly account for 21.8637% of the variation in PER. The remaining 78.1363% of the variation is not explained by the variables included in the estimated model. The regression also reports a standard error of regression of 7.353333, a sum squared residual of 14923.74, and a log likelihood value of -953.9314.

Discussion

The first finding shows that Sundanese Values Disclosure Index (IPNK) has a positive and significant effect on firm value, with a coefficient of 3.541870 and a probability of 0.0435. This finding indicates that greater disclosure of Sundanese values is associated with higher firm value as measured by PER. Comparing this result with previous studies, the finding is consistent with An et al. (2025), who found that ESG disclosure increases firm value, and Guo et al. (2024), who demonstrated that CSR disclosure is associated with market value through investor attention. A similar relationship was also reported by Rahat and Nguyen (2024), who found a positive association between ESG profiles and firm

valuation in emerging markets. Therefore, the present finding extends the disclosure–value relationship by demonstrating that culturally embedded values can also be associated with firm value.

The positive effect of IPNK is particularly relevant because the index incorporates *Silih Asih*, *Silih Asah*, *Silih Asuh*, *Bener*, and *Bageur* as dimensions of corporate value disclosure. Comparing these dimensions with existing literature on Sundanese values, Nurafifah (2025) shows that *Silih Asah*, *Silih Asih*, and *Silih Asuh* are associated with character formation, while Purnama and Hermanto (2024) describe *Bageur* and *Bener* as components of Sundanese cultural values. Wilodati et al. (2025) similarly demonstrate the relevance of Sundanese values in character development. The present finding contributes to this literature by moving beyond educational and social contexts and empirically connecting Sundanese values with corporate valuation. Thus, the novelty lies in operationalizing culturally specific values as a disclosure construct within a firm-value model.

The finding for SIZE also shows a positive and significant direct effect on firm value, with a coefficient of 0.692151 and a probability of 0.0426. This result indicates that firm size is positively associated with PER in the observed sample. Comparing this finding with previous empirical evidence, it is consistent with Falisca and Osesoga (2023), who reported a positive relationship between firm characteristics and firm value among Indonesian manufacturing companies. The result also corresponds with Handayati et al. (2022), who identified firm size as an important factor in explaining variations in Indonesian firm value. However, the present result should be distinguished from studies in which firm size does not consistently produce the same valuation effect across different settings. The evidence therefore confirms the relevance of SIZE as a direct explanatory variable in the current model.

The most important finding concerns the interaction between IPNK and SIZE, which is positive and statistically significant, with a coefficient of 1.208530 and a probability of 0.0254. This result demonstrates that SIZE strengthens the positive relationship between Sundanese values disclosure and firm value. Comparing this finding with Dihadjo and Hersugondo (2023), the result is consistent with evidence that firm size can moderate the relationship between ESG disclosure and firm value. It also corresponds with Handayati et al. (2022), who identified firm size as a moderating factor in the relationship between CSR disclosure and firm value. Similarly, Chandra et al. (2025) highlight the moderating role of firm size in the relationship between ESG disclosure and firm value. The present study therefore confirms the moderating relevance of firm size while applying it to culturally based disclosure.

Nevertheless, the moderating finding also provides a more specific contribution when compared with broader sustainability disclosure studies. Abdi et al. (2022) found that firm size plays a moderating role in the relationship between sustainability disclosure and firm value, although the strength and direction of such relationships can vary according to the research context. Widjanarko and Oktorina (2024) likewise examined sustainability disclosure, financial performance, and firm size in relation to firm value. Comparing these studies with the present finding reveals a common pattern in which organizational scale can influence how disclosure is reflected in firm valuation. However, this study differs by focusing specifically on Sundanese cultural values rather than conventional ESG or sustainability indicators. This distinction strengthens the study's novelty by introducing cultural disclosure as a complementary perspective on corporate value creation.

The overall regression results further show that IPNK, SIZE, and their interaction jointly have a significant relationship with firm value, as indicated by an F-statistic of 25.74303 and a probability value of 0.000000. The model explains 21.86% of the variation in PER, while 78.14% is associated with factors outside the model. Comparing this result with broader firm-value literature, the finding is consistent with Zhou et al. (2022), who demonstrate that firm value is influenced by multiple corporate and financial factors beyond a single disclosure dimension. Tarjo et al. (2022) likewise indicate that CSR and other corporate factors are relevant to firm value. The present result therefore supports a multidimensional view of valuation while demonstrating that culturally based disclosure and firm size provide measurable explanatory value within the proposed model.

Overall, the findings contribute to the literature by integrating Sundanese cultural values, corporate disclosure, firm size, and firm value into a single empirical framework. Comparing the present study with prior ESG and CSR research shows substantial consistency regarding the positive association between non-financial disclosure and firm value, but the study extends that relationship into a culturally specific disclosure context. Its principal novelty is the empirical operationalization of *Silih Asih*, *Silih Asah*, *Silih Asuh*, *Bener*, and *Bageur* as an IPNK construct and the identification of firm size as a positive moderator of its relationship with PER. The findings suggest that corporate value-related disclosure need not be limited to standardized ESG dimensions. Instead, locally embedded cultural values can represent an additional disclosure perspective whose valuation relevance becomes stronger among larger firms.

CONCLUSION

The most important finding of this study is that Sundanese Values Disclosure Index (IPNK) has a positive and significant effect on firm value, while firm size also has a positive direct effect and significantly strengthens the relationship between IPNK and firm value. The key lesson from these findings is that locally embedded cultural values, represented by *Silih Asih*, *Silih Asah*, *Silih Asuh*, *Bener*, and *Bageur*, can have measurable relevance to corporate valuation when they are disclosed as part of corporate information. The implications of the research findings are that local wisdom can serve as a complementary form of non-financial disclosure that may contribute to how investors assess companies, particularly larger manufacturing firms. The study contributes academically by extending the disclosure–firm value literature beyond conventional ESG and CSR dimensions and by introducing a culturally grounded disclosure construct that integrates Sundanese values with firm size as a moderating factor. However, the study is limited by its focus on manufacturing companies, a relatively short observation period of 2022–2025, and an explanatory model that accounts for 21.86% of the variation in firm value. For future research, studies should examine IPNK across different industries and longer periods, employ alternative measures of firm value, and incorporate additional variables such as profitability, leverage, corporate governance, ESG performance, and investor-related factors to provide a more comprehensive explanation of the relationship between cultural-value disclosure and firm value.

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