CHAPTER V

CONCLUSION

A. Conclusion

According to the tests described previously, the conclusions obtained in this study are as follows:

1. Green Accounting has a positive effect on Firm Value in Indonesia, while in Malaysia it does not have a effect.
2. Green Accounting does not have an effect on Financial Performance in both Indonesia and Malaysia.
3. Financial Performance does not have an effect on Firm Value in both Indonesia and Malaysia.
4. Financial Performance does not mediate the relationship between Green Accounting and Firm Value in both Indonesia and Malaysia.

B. Implication

This research provides practical implications for palm oil companies, particularly those listed in Indonesia and Malaysia. The findings show that in Indonesia, green accounting disclosures are positively appreciated by investors, which directly increases firm value. This emphasizes the importance for managers to integrate environmental practices into company strategies, not only as a compliance measure but also as a tool to strengthen investor trust and reputation in the market. In contrast, the absence of a significant effect in Malaysia indicates that environmental disclosures have not yet played a crucial role in shaping firm value, suggesting that companies in Malaysia need to enhance the quality, consistency, and credibility of their sustainability reporting to build stronger market recognition.

From a theoretical perspective, this study contributes to Stakeholder Theory and Signaling Theory by showing that environmental disclosures can act as a positive signal in markets where stakeholders value sustainability, such as Indonesia. The results confirm that companies which actively disclose environmental practices can strengthen their legitimacy and gain stakeholder support, which ultimately reflects in firm value. However, the Malaysian context reveals that these theoretical frameworks may not apply uniformly across different markets. This highlights the importance of considering institutional, cultural, and investor preference differences when applying theories of sustainability accounting in comparative studies.

The policy implications of this research are relevant for regulators in both countries. In Indonesia, the findings encourage regulators to strengthen the adoption and enforcement of sustainability reporting standards, particularly the GRI 300 indicators, to further align corporate practices with global sustainability frameworks. In Malaysia, regulators may need to focus on raising awareness among investors and companies regarding the importance of environmental disclosures, while also providing incentives for companies that implement sustainability practices. Such efforts can enhance the relevance of green accounting in capital markets, ensuring that environmental responsibility is not only a compliance requirement but also a determinant of long-term corporate value.

C. Research Limitation

1. The measurement of financial performance and firm value relied only on ROA and Tobin's Q, and green accounting was measured through GRI 300 environmental disclosure indicators. These proxies may not fully capture broader dimensions of financial performance, market valuation, or qualitative aspects of environmental practices. Future studies could adopt multiple performance measures and combine quantitative and qualitative approaches for more comprehensive results.
2. Differences in institutional, cultural, and market conditions between Indonesia and Malaysia may have influenced the results. The insignificant findings in Malaysia suggest that local factors, such as investor preferences and regulatory enforcement, could play an important role. Future research should consider these contextual variables more explicitly, or extend the analysis to other countries for broader comparative insights.