

ISR Intervention on Internet of Things and Firm Value: Evidence from Indonesia

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ABSTRACT

This research aims to analyze the role of Islamic Social Responsibility (ISR) as an intervening mechanism linking the Internet of Things (IoT) and risk to firm value in Indonesia. The population of this study consists of all Sharia-compliant companies in Indonesia. The data analysis method used is Structural Equation Modeling (SEM). The findings indicate that both IoT adoption and risk positively influence ISR. In addition, IoT and risk also have direct positive effects on firm value, while ISR likewise contributes positively to firm value. Further analysis confirms that IoT and risk enhance firm value indirectly through ISR. This study offers an important contribution to understanding the relationship between advanced technological adoption and Sharia-based social responsibility, as well as their implications for corporate performance. Technological advancements are also key drivers of capital market development. The findings suggest that Sharia-compliant firms implementing IoT, managing risks effectively, and maintaining strong ISR disclosures tend to have higher firm value. The novelty of this study lies in integrating ISR, IoT, and firm value within the context of the Islamic stock market, an area still rarely explored in the literature.

Keywords: IoT, Risk, ISR, Firm value.

JEL Classification: D22, M14, Q55, G32

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