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Critical Review of XBRL Financial Reporting: Perspective Pancasila as One of Indonesia's National Defense Values

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Abstract

*Implementing XBRL (e**X**tensible **B**usiness **R**eporting **L**anguage) reporting, which has been mandatory since 2015, has been a significant development in Indonesia. However, as a concept adopted from developed countries, XBRL may not fully align with Indonesia's national defense values of Pancasila. This research critically reviews the implementation of XBRL financial reporting, emphasizing its alignment with Pancasila as one of the Indonesian national defense values. This study focuses on the implementation, challenges, and impact of XBRL financial reporting. To further understand the relationship between Pancasila and XBRL, this study uses case studies on three government banks, the pioneers in implementing XBRL financial reporting. The critical analysis, particularly from the perspective of Pancasila values, demonstrates that XBRL can enhance the integrity, standardization, transparency, comparability, and public trust in companies, thereby positively impacting long-term performance. These findings not only provide a crucial basis for further research but also offer practical implications for companies to immediately implement XBRL, aligning with the Pancasila as the noble values of the Indonesian nation.*

***Keywords:** Indonesia national defense value, integrity, Pancasila, XBRL financial reporting.*

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INTRODUCTION

Financial reporting is one of the crucial aspects in the world of business and finance (Aini & Dewi, 2022; Lukitoyo et al., 2023; Nugroho & Anwar, 2022; Putra et al., 2022). Through financial reporting, companies can present relevant and trustworthy financial information to stakeholders, including investors, creditors, the government, and the general public. The information presented in financial reports serves as a basis for making economic decisions and evaluating company performance (Dahurandi & Nase, 2023). Therefore, reliability and transparency in financial reporting are very important. However, in practice, various challenges and problems often interfere with the integrity of financial reporting. One of them is the emergence of cases of financial report manipulation and fraud manipulation, which harm many parties.

Financial reporting in Indonesia has developed following the global need for transparent and standardized financial reporting, such as XBRL (eXtensible Business Reporting Language). The obligation to submit financial reports in XBRL format has been implemented since November 2, 2015 (BEI, 2019). According to (Scott, 2015), accounting information that is useful for investors will fulfill the concept of decision usefulness of information. However, the decision usefulness of the information was questioned by Cooper and Sherer (Sudaryanti et al., 2015) for its rightness. They suggested that important considerations should be taken into account for market-based research. Since every country has different values, the considerations include for the researcher to contemplate different approaches to asses accounting information with broader perspectives. Thus, this research critically reviews the XBRL financial reporting information from the national defense values of Pancasila as one of its values.

The integrity of financial reporting in Indonesia must align with the noble values contained in Pancasila, as the nation's ideology and way of life (Bo'a, 2018). Pancasila, which consists of five principles, namely Belief in One God, Just and Civilized Humanity, Indonesian Unity, Democracy Led by Wisdom in Deliberation/Representation, and Social Justice for All Indonesian People, provides a strong moral and ethical basis in every aspect. Community life, including in the world of business and finance (Bararoh et al., 2019; Widyorini & Yasminingrum, 2023). Pancasila values can be a guide for companies in running their business honestly, fairly, and responsibly (Famauri, 2019; Fatayati & Mahardika, 2021).

The application of the national defense value such as Pancasila in reporting practice finance is believed to be able to make the business climate more healthy and sustainable (Sintara & Suhaidi, 2019). When companies comply with the Pancasila, national defense value principles, they do not only seek profits but also take care of their employees' welfare, the interests of society as a whole and environmental sustainability (Agung, 2021; Witono et al., 2021). It may prevent fraudulent practices in financial reports such as data falsification, asset theft, and providing false information (Wandani & Dewi, 2021). Therefore, financial reporting that refers to Pancasila values can then enhance trust of the public toward businesses and economic condition as a whole (Mulyaningrum et al., 2022; Siska Marlina, 2022).

However, despite the importance of Pancasila's national values in state life and national integrity as a citizen's obligation, empirical research regarding its implementation in financial reporting is still limited (Putri & Dewi, 2022; Wen Lee & Ande, 2022). Implementing these values in XBRL financial reporting has never been studied. There is a need to dig deeper into how companies in Indonesia integrate the national values of Pancasila in their financial reporting practices, considering that XBRL financial reporting is something that companies and the government cannot avoid. For example, in terms of taxation, the Director General of Taxes has made regulations for several companies to be obliged to implement financial reporting with the XBRL taxonomy. A comprehensive literature review is important and will help identify challenges, opportunities, and best practices for implementing Pancasila values in financial reporting. This is not only beneficial for companies but also for policymakers and academics interested in this field.

The research problem raised in this study is how Pancasila values, as one of the national defense values, are implemented in XBRL financial reporting practices in Indonesia. Important questions need to be answered, such as the extent to which companies apply Pancasila values in preparing financial reports, what challenges they face in this process, and what impact the implementation of Pancasila values has on the transparency and reliability of financial reports. Thus, the research questions that guided this study were:

RQ: How do Indonesia's national defense values of Pancasila apply in XBRL's financial reporting?

The question is triggered by Young's (2003) question: "What values/characteristics do we believe should guide us in selecting specific accounting practices?" Therefore, we used a case study of three government banking companies implementing XBRL financial reporting to answer the RQ. The type of banking industry was chosen because it was one of the first industries to implement XBRL financial reporting. An example of a government owned bank like Bank Indonesia, which was the first company to adopt XBRL. This study attempts to review the studies of national defense implementation against Pancasila value in financial report through XBRL practices. More precisely, the objective of this study is to describe and analyze how companies in Indonesia apply the values of Pancasila on their XBRL financial reporting, to disclose challenges and obstacles experienced by them while applying the values of pancasila and also, to assess whether such implementation of Pancasila values has an impact over reliability and transparency level on XBRL financial reporting. This will allow rich and helpful findings for an efforts to have a more ethical financial reporting in a sustainable manner in Indonesia. By critically examining the interaction between financial reporting technologies and Pancasila as national defense principles, this research provides a novel insight on techno-innovations in finance that can be utilized to enhance economic sovereignty and security of the nation.

RESEARCH METHOD

This study adopts a qualitative approach, with the method of literature review as a comprehensive technique for identifying and analyzing implementation of Pancasila values in financial reporting

practices in Indonesia. There are reports of using ammonia to treat such wastewaters in the literature and therefore, the Review Method was selected for data extraction as this method allows researchers to extract, analyze and integrate studies or publications (pertinent to these topics) related in multiple ways into one integrated review. The process of research was started with searching the literature addressing Pancasila value, Financial Reporting and Business ethics. These sources are academic literatures, books and reports from researches as well as policies and regulations posted by governments or other agencies. Inclusion and exclusion criteria were designed to select only relevant and high-quality literature for the analysis.

Afterward, the selected literature was intensely read in order to discover patterns, themes and results associated with application of Pancasila values into financial reports. Such analysis considers how Pancasila values are reflected in the practice of financial reporting, the point of complexity from which it struggles and its implications on the integrity and transparency of financial reporting. Coding and categorizing techniques are employed to create an order from the data in a systematic manner (Snyder, 2019). Case studies of few companies in Indonesia that have applied Pancasila values in their financial reports are also listened to give real example and as an illustration for the best practice activities. The method of triangulation was adopted to enhance the data validity and credibility by synthesizing different types of data sources and perceptions.

From there the analysis combined and developed into narrative in form of a story, explain how relationship between Pancasila values with financial reporting practice and how to improve implementation role values mentioned above for decisions at future. With this method, we hope that these studies can give full and in-depth understanding of the existence of the influence between the value of Pancasila into financial reporting and benefits|usefulness function to increase trust and transparency are also expected in real Indonesian business.

RESULTS AND DISCUSSION

Pancasila Values as One of Indonesia's National Defense Values

Five national defense values include first, love of the homeland; second, being aware of the nation and state; third, believing that Pancasila is the state ideology; fourth, being willing to sacrifice for the nation and state; and lastly, having the initial ability to defend the country. This research only studies the belief that Pancasila is the state ideology. Therefore, for the next section, we will use the term Pancasila as the representation of Indonesia’s national defense values. Pancasila as the basis of the state and ideology of the Indonesian nation includes five precepts, which are the main guidelines in national and state life (Dahurandi & Nase, 2023; Frindiyani et al., 2023; Jayanti & Sowiyah, 2023; Maulida et al., 2023; Sutrisno & Prayitno, 2023). Each principle of Pancasila has fundamental values that can be applied in various aspects of life, including financial reporting practices. The first principle, Belief in One Almighty God, emphasizes the importance of morality and ethics in carrying out business activities, inviting companies to act with integrity and honesty. The second principle, Just and Civilized Humanity, demands fair treatment of all parties involved

in business, including employees, shareholders, and society. The third principle, Indonesian Unity, encourages cooperation and social cohesion in a diverse business environment. The fourth principle, Democracy Led by Wisdom in Deliberation/Representation, teaches the importance of democracy and participation in decision-making. Finally, the fifth principle, Social Justice for All Indonesian People, emphasizes society's fair distribution of benefits and opportunities.

XBRL Financial Reporting

Financial reporting is the process of presenting financial information about an entity, usually in the form of financial reports, which consist of a balance sheet, profit and loss statement, cash flow report, and notes to financial reports (Board, 2010). This information is critical for stakeholders, including investors, creditors, and regulators, to make informed economic decisions (Shanti et al., 2023). The basic principle of financial reporting is the presentation of relevant, reliable, and comparable information (Baroto, 2022; Budai & Denich, 2022). International accounting standards such as IFRS (International Financial Reporting Standards) and GAAP (Generally Accepted Accounting Principles) set guidelines that companies must follow in preparing their financial statements (Sri, 2022).

In the current digital 5.0 era, data processing in business is becoming increasingly sophisticated. One technological development that facilitates the business reporting process is the Extensible Business Reporting Language (XBRL). XBRL is an electronic communications language universally used for the transmission and exchange of business information, improving preparation, analysis, and accuracy processes for various parties that provide and use business information. An institution can prepare information reporting based on XBRL. The benefits of using XBRL are to increase efficiency, speed, and automate data processing, which can support the analysis process and quality of information that will be used for company decision-making (Tawiah & Borgi, 2022). XBRL is currently used in reporting processes in various sectors, including banking, insurance, securities regulators, data providers, and taxation.

The implementation of an XBRL-based financial system began in 2015 by IDX - the Indonesia Stock Exchange (BEI). The Indonesian Stock Exchange has completed its first taxonomy, namely the Indonesia Stock Exchange (IDX) Taxonomy 2014, which was published on April 30, 2014. The taxonomy currently in effect has been finalized through a public review process carried out in March 2014. Effective June 5, 2014, the IDX taxonomy received "acknowledgment" status from and provisions of the Financial Services Authority (OJK) that are relevant and valid, and represent the characteristics of companies in each industrial sector and sub-sector classified by the IDX (BEI, 2014).

Financial Reporting via XBRL has become a key element in bringing transparency and efficiency in exchanging financial information among companies and regulators. The sustainability of the company's business is becoming increasingly critical amidst the complexity of economic, social, and environmental challenges, as well as the economic crisis (COVID-19 pandemic, Ukrainian crisis, Palestinian crisis, etc.). The economic challenges and crises that hit the world, including Indonesia, have the potential to increase risk and uncertainty. Information becomes very important in this context, especially in the financial and investment sectors. When there is a wide information gap, financial decisions are not optimal. Someone can exploit

information gaps to gain benefits from other parties. This phenomenon is known as asymmetric information. XBRL reporting is expected to solve information asymmetry with XBRL's ability to provide fast and accurate information. However, information asymmetry can initiate window dressing, including fraudulent financial reporting. The impact can endanger the quality of financial reports and trust in financial report preparers (accountants). Previous research results prove a difference between the quality of financial reports and the tendency for fraudulent reporting before and after the implementation of XBRL (Debreceny et al., 2011; Liu et al., 2017; D. Wijaya & Suryaningrum, 2021). Therefore, the national character, or the values underlying a country's philosophy, is important to explore and integrate into XBRL reporting practices.

The Relationship Between Pancasila and XBRL Financial Reporting

Integrity in financial reporting means presenting information that is honest and in accordance with reality without any manipulation or distortion (Reid et al., 2024). Transparency refers to providing information that is clear, complete, and easily accessible to stakeholders (Sabry & Hussein, 2023). These two aspects are very important for building trust between a company and its stakeholders. Dishonest or non-transparent financial reporting can lead to a crisis of trust, which in turn can have a negative impact on economic stability and company reputation (Al Dulaimi & Kadhim, 2022; Prekazi, 2022; Wahhab et al., 2022). Hence, based on this importance, companies are subject to various rules and accounting standards that need to represent their quarterly report loyally towards the stakeholders.

XBRL financial statements with Pancasila values can improve the integrity and transparency. As a creation of the Almighty, it is expected to conduct itself in an ethical and a morally high manner. This makes no room for any form of forgery or manipulation in finance reporting. Fair and civil Human Values even induce companies to be fair with all the stakeholders as may be demonstrated in fact presentation of true and fair financial information. Indonesian Unity may mean working towards making both plantation and production costs transparent for not some, but all parties to understand. It is in this regard that Popular Values Led by Wisdom in Deliberation/Representation recommend participants and accountabilities/stakeholders when preparing financial reports. Finally, the essence of Social Justice for All Indonesians implies that companies need to respond the social justice issue in enhancing their financial reporting as it concerns on an equal distribution of wealth and welfare.

Implementation of Pancasila Values in XBRL Financial Reporting

The research result showed that the implementation of Pancasila in the financial reporting (FR) practices by companies in Indonesia is varied according to each company's size, industry and culture. Big companies with more diversified business lines are commonly aware and active in implementing Pancasila-values in the company's practice (Sopia et al., 2023). The values of the Almighty God are reflected in endeavors made by the company to preserve integrity and morality in financial reports (Maulida et al., 2023). Some companies have a very strict ethical code and provide ongoing training for employees on the significance of ethics and integrity in their work.

Moreover, rigorous internal controlling and external audit is adopted to monitor that financial reports are prepared in accordance with the accounting standards and free from fraud (Lukitoyo et al., 2023). In turn, it will guarantee the veracity of data and information (Hoitash et al., 2021).

The second principle, Fair and Civilized Humanity, is reflected in the company's commitment to presenting fair and impartial financial information (Jayanti & Sowiyah, 2023). Companies strive to not only meet legal and regulatory requirements but also to exceed expectations by presenting complete and clear information to all stakeholders (Karimullah, 2023). Some companies even involve employees and other stakeholders in the process of preparing financial reports to ensure that all voices are heard and considered (Afifah & Fadilah, 2023). This shows an effort to treat all parties fairly and respect their rights.

Implementation of the values of Unity of Indonesia can be seen from the company's efforts to ensure that financial information can be accessed by all stakeholders, including those in remote areas or who do not understand complex financial terminology (A. U. Wijaya & Ayumeida Kusnadi, 2023). Several companies use digital technology and web-based platforms to make it easier to access financial information (Anggistya & Abdillah, 2023). Apart from that, the company also provides financial reports in easy-to-understand language and explains technical terms in a simpler way. This shows the company's commitment to maintaining social cohesion and unity among diverse stakeholders (Agussalim et al., 2023).

The fourth principle, Democracy Led by Wisdom in Deliberation/Representation, can be seen in company practices that prioritize participation and transparency in decision-making regarding financial reporting (Kurniawan et al., 2023). There are also companies who have open, transparent general shareholder meetings in which all shareholders can ask questions and contribute. Companies also attempt to gain stakeholder participation in internal and external audit as an effort to prevent the difference between the contents of financial reports with actual conditions, and lack of information (Azhari & Rosyad, 2023).

Finally, the role of Social justice for All Indonesian is shown in companies' initiatives to bridge resources and opportunities in financial reports (Oktarina et al., 2023). Some are large companies with extensive sustainability and social responsibility policies, including our commitment to report on the social and environmental impacts of our business. The Company also seeks profits to be shared and enjoyed, not only by shareholders, but by employees, communities and the ecosystem.

Challenges in the Implementation of Pancasila Values

Whilst there has been quite a lot of attempts in embedding Pancasila values in financial reporting, this study also revealed several conditions faced by companies. One of the main considered challenges is inertia to change, especially in well-established firms with strong organizational culture (Dahurandi & Nase, 2023). There may be a lack of willingness among some managers and employees to follow new complex or cumbersome practices (Sugiarto & Asnawi, 2023). Besides, the lack of comprehension and awareness of Pancasila's value in financial reporting also becomes an obstacle (Widyorini & Yasminingrum, 2023). Some organizations may lack the resources or capability to offer proper training and education of employees.

This difficulty is also happening due to the limited resources, including time, energy and money (Afifah & Fadilah, 2023). 3) Application of Pancasila Values Implementing the values of Pancasila typically demands more investment in developing information system, training, and changes in business process (Tentero, 2023). Firms with little in the way of resources may struggle to do so. Besides that, short term business pressures related issues also exist (Zudana, 2023). Some companies will be urged to reach profit targets for quarterly results or monthly, if not tempted to take shortcuts on balance sheets and integrity as ordained by Pancasila.

Impact of Implementing Pancasila Values

This research results in that the application of Pancasila values in financial reporting positivaly affects the integrity and transparancy of financial report. Firms which embrace the Pancasila are more likely to issue honest and reliable financial reports. This has also given rise to much of the public trust that companies enjoy (Putra et al., 2022) and helped in building a more workable and sustainable business world. Furthermore, firms that disclose Pancasila principles in their reporting also have good long-term performance. Empirically, when companies are ethical and transparent in their conduct they appear to have better public opinion and more investors and customers (Witono et al., 2021).

Its tomorrows local: Conducting business based on Pancasila will also make firms more attuned to the stakeholders needs and requirements. Those application covered stakeholders engagements in financial presenting and information accessibility that can be distributed to all parties and make relationship between companies and their stakeholders become better, transparent (Bararoh et al., 2019; Salampessy et al., 2018). That doesn't just build trust and loyalty with stakeholders, it also makes companies better equipped to handle whatever may come down the road.

Furthermore, the application of Pancasila value also has a positive influence on organizational culture in the company (Ali & Huda, 2022). A culture of hard work ensues if a company emphasizes the principles of ethics and fairness in financial reporting. Workers working in environments where they consider to be fair and transparent, tend to have a high level of job satisfaction as well as are motivated toward contributing to organization success (Famauri, 2019). This will encourage the amount of sales and thus that increase a company's performance which in turn would help it reach its long-term goals (Mediawati, 2016).

Case Studies in Banking Industry

Case studies were conducted on government-owned banking companies, namely PT Bank Rakyat Indonesia (BRI), PT Bank Negara Indonesia (BNI), and PT Bank Mandiri, to identify how one of the elements of the national defense values - Pancasila - was applied in their XBRL financial reporting. Table 1 shows a summary of the results of the analysis of the implementation of Pancasila based on literature studies and company financial reports.

Table 1. Case study in three government-owned banking companies

No	Company	Principle	Implementation
1	PT BRI (Persero)	1	BRI shows its commitment to the values of Almighty God by emphasizing the importance of integrity and ethics in all business activities, including financial reporting. The company has a strict code of ethics and regularly conducts ethics training for employees at all levels. BRI also has a zero-tolerance policy towards fraud and corruption, reflected in its strict internal and external audit processes.
		2	In financial reporting, BRI strives to present fair and transparent information. This company ensures that its financial reports comply with international standards such as IFRS and are reviewed by independent external auditors. BRI also involves employees and other stakeholders in preparing financial reports, ensuring that all voices are heard and considered.
		3	BRI strives to ensure that financial information is accessible to all stakeholders. This company uses digital technology to provide financial reports that can be accessed online, making them easily accessible to the wider community, including those in remote areas. Financial reports are also presented in language that is easy to understand and equipped with explanations of technical terms.
		4	BRI prioritizes transparency and participation in decision-making regarding financial reporting. The company holds open general shareholder meetings, where all shareholders are given the opportunity to ask questions and provide input. In addition, BRI involves stakeholders in the internal and external audit process to ensure that financial reports reflect actual conditions.
		5	BRI prioritizes transparency and participation in decision-making regarding financial reporting. The company holds open general shareholder meetings, where all shareholders are given the opportunity to ask questions and provide input. In addition, BRI involves stakeholders in the internal and external audit process to ensure that financial reports reflect actual conditions.
2	PT BNI (Persero) Tbk	1	BNI shows its commitment to integrity and ethics by implementing anti-corruption policies and ethics training for employees. BNI has an ethics committee tasked with ensuring that all financial reports are prepared honestly and transparently, and comply with applicable accounting standards.
		2	BNI strives to present fair and impartial financial reports, which reflect the company's financial condition in a

No	Company	Principle	Implementation
			transparent manner. The company also carries out regular internal and external audits to ensure the reliability and accuracy of financial reports.
		3	BNI utilizes digital technology to ensure that financial information can be accessed by all stakeholders throughout Indonesia. Financial reports are presented in language that is easy to understand so that all parties can understand and access the information presented.
		4	BNI holds open and transparent general shareholder meetings, allowing all shareholders to ask questions and provide input. This reflects the principles of democracy and participation in decision-making.
		5	BNI is committed to a strong corporate social responsibility (CSR) program, reporting the social and environmental impacts of its activities in financial reports. This shows how the profits obtained by the company also provide benefits to the community and the surrounding environment.
3	PT Bank Mandiri (Persero) Tbk	1	Bank Mandiri has a strict integrity and anti-corruption policy. Employees are encouraged to maintain ethics and morality at work, ensuring that financial reports are prepared honestly and in accordance with accounting standards.
		2	Bank Mandiri is committed to presenting financial reports that are fair, clear and not misleading. Internal and external audits are carried out to ensure that financial reports reflect actual conditions.
		3	Bank Mandiri's financial information can be accessed by all stakeholders through various digital platforms, ensuring broad transparency and accessibility. Financial reports are presented in easy-to-understand language, facilitating better understanding by all parties.
		4	Bank Mandiri held a general meeting of shareholders which was open to the participation of all shareholders. This shows a commitment to transparency and inclusiveness in decision making.
		5	Bank Mandiri has a CSR program that focuses on improving community welfare and the environment. Financial reports include information about these initiatives, showing how the company contributes to social justice and societal well-being.

Source: IDX – Company XBRL Financial Report (information processed, 2024)

Based on Table 1, the application of the element of State Defense Accounting - Pancasila - is divided into five principles. Analysis of three banking companies shows that in the first principle

- Belief in One Almighty God, the companies have strictly implemented a code of ethics, integrity, and anti-corruption policies. These results follow the Principles of Belief in One Almighty God, seen in the company's efforts to maintain integrity and ethics in preparing financial reports (Maulida et al., 2023). One is the implementation of XBRL, which can make taxpayers' financial and taxation implementation more transparent and appropriate so that the reports submitted are more accountable (Siahaan, 2020).

The Second Principle – Just and Civilized Humanity, demands fair treatment of all parties involved in business, including employees, shareholders, and the community. This is demonstrated by the company's commitment to presenting financial reports that are impartial and accessible to all parties. Presentation with the XBRL taxonomy helps implement Good Corporate Governance (GCG) in terms of data transparency (Siahaan, 2020), which can be analyzed by all interested parties (stakeholders). Companies strive to not only meet legal and regulatory requirements but also to exceed expectations by presenting complete and clear information to all stakeholders (Karimullah, 2023).

The third principle, Indonesian Unity, encourages cooperation and social cohesion in a diverse business environment. This encouragement is demonstrated by providing information via digital platforms. The XBRL taxonomy provides uniform data for all companies and their respective industries, making it easier for cross-sectional and time series comparisons of financial reports. The company uses digital technology, web-based platforms, and Excel-based data (according to the XBRL taxonomy) to facilitate access to financial information (Anggistya & Abdillah, 2023).

The fourth principle, Democracy Led by Wisdom in Deliberation/Representation, teaches the importance of democracy and participation in decision-making. From Table 1, in implementing democrazy is a provision for all efforts that are conducted to be able to commit fully towards transparency and outside on decision making of GMS(General Meeting of Shareholders). The same can be said to XBRL taxonomy that the existence of stakeholders is able to get access to data and information that have been processed quickly with sufficient levels of analysis, in order for them to make better and well-informed decision without wasting time (Siahaan, 2020). Organizations also try to engage the public in their internal and external audit to ensure that financial report are a true reflection of what is on ground in the sense that no information is covered (Azhari & Rosyad, 2023). Ansary et al. (2020) suggest that XBRL could be implemented due to normative isomorphic pressures from the environment and society. Further, the XBRL financial reporting requirement may be more prolonged for firms with internal control weaknesses (Aksoy et al., 2021; Hwang et al., 2020). Indicating that the representation of internal control might affect the XBRL implementation. However, according to Li et al. (2021), the mandate for XBRL can divert management intentions and result in less readable financial information. These evidenced the fourth principle of Democracy Led by Wisdom in Deliberation/Representation.

The fifth principle, Social Justice for All Indonesian People, emphasizes the fair distribution of societal benefits and opportunities. Based on Table 1, these three banking companies are committed to CSR and provide information on company initiatives in implementing social justice. Financial, tax, and other business reports can be created with standardization and concise and detailed digital representation with XBRL (Sanad & Al-Sartawi, 2023). Thus, XBRL

supports the three principles of Good Corporate Governance (GCG), namely justice, transparency, and accountability; stakeholders can ensure that the data they obtain is accurate and valid (Siahaan, 2020; Nuryanah et al., 2024). Companies have strong sustainability and social responsibility policies, including reporting on their business activities' social and environmental impacts (Oktarina et al., 2023; Singh & Singh, 2022).

CONCLUSION

This research concludes that the implementation of Pancasila values in corporate financial reporting in Indonesia provides significant benefits both from an ethical and operational perspective. By adopting values such as integrity, transparency, fairness, and participation, companies can increase trust and credibility in the eyes of stakeholders, contributing to better long-term performance. Case studies from PT BRI, PT BNI, and PT Bank Mandiri show that applying Pancasila values not only adheres to the state's ideological principles but also provides practical guidance for achieving a more ethical and sustainable business environment. Although this study has several limitations, the results provide a strong basis for further research and offer concrete guidance for companies to integrate Pancasila values in their financial reporting practices.

This research provides a significant contribution to the literature regarding the integration of Pancasila values, as one of the beliefs in Indonesia's national defense values, in financial reporting practices in Indonesian companies. First, this research increases understanding of how the values of Pancasila, which are the basis of state ideology, can be implemented practically in the modern business environment. Second, this study offers a theoretical framework that can be used by academics to analyze the impact of ethics and local cultural values on the transparency and integrity of financial reports. Third, this study provides a contribution to the literature on business ethics and firm performance by proving that implementation of Pancasila values can improve integrity and transparency and has effect on long-term company's performance.

In terms of its practical implications, this study offers insights for Indonesian companies seeking to incorporate Pancasila values in their financial reporting. On the first hand, there may be some practical implications for companies based on the results of this study supporting the development of policies and procedures that express dedication to ethical behavior in applying ethics code and training employees. Second, this study shows that companies should use digitization as a way to make financial information more accessible and transparent. Third, the findings of this study imply that firm should engage stakeholders in the financial report preparation process to present voices from all parties involved and keep transparency and fairness in making decision.

However, this study has certain limitations to be acknowledged. For instance, they noted that the data sources were predominantly from large banking institutions and state-owned enterprises, so the results may not generalize findings across small to mid-size companies. Second, this study has a case and literature approach that may not cover as much of a total overview from

implementation of Pancasila values in every sector industry in Indonesia. Third, the meaning of the results of this research is very influenced by the perceptions and understandings that researchers have about the values contained in Pancasila so that it may appear differently from what understood by other parties. Third, the current study does not analyze directly implementation of Pancasila values on company financial performance; thus it is more stress in ethical and transparency matters rather than its impact on financial. These resumes show the necessity of performing additional studies using different and more worldwide approach in order to help our comprehension about this issue.

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List of Abbreviation
XBRL (e**X**tensible **B**usiness **R**eporting **L**anguage), Good Corporate Governance (GCG), Indonesia Stock Exchange (IDX).

Author's contribution
GSB: conceptualization of the work and the solution methodology, supervision, and project administration; *MM*: conceptualizing the work and the solution methodology and conducting the review. *DHS*: conceptualization of the work and the solution methodology, writing original draft preparation, validation of results, and writing review and editing.

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Conflict of Interest
The authors declare no competing interests

Data and Materials availability
The data and materials are available and can be requested via email to the corresponding author, stating the purpose of the request.

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