

## The Influence of Corporate Culture on Firm Value: A Systematic Literature Review

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Doi : 10.56858/bugis.v4i1.909

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### Abstract

*This study aims to synthesize empirical evidence on the influence of corporate culture on firm value using a Systematic Literature Review (SLR) method with the PRISMA protocol. A total of 21 reputable journal articles published between 2019 and 2026 were analyzed.*

*The results show that corporate culture generally has a positive impact on firm value through increased innovation, investment efficiency, crisis stability, integrity, ESG transparency, collectivism, and stock liquidity. However, negative effects are found in rigid hierarchical cultures and certain local contexts.*

*The Resource-Based View emerges as the dominant theoretical framework (38%). The study concludes that corporate culture is a strategic asset in value creation, whose effectiveness depends on the alignment between cultural type, organizational life cycle, and local context..*

*Keywords: Corporate Culture, Nilai Perusahaan, Systematic Literature Review*

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## 1. Introduction

Firm value is a fundamental indicator that reflects market perceptions of an organization's future prospects and financial health (Aggarwal et al., 2019; Guiso et al., 2015). In recent decades, attention to non-financial factors such as corporate culture has increased due to its ability to explain variations in performance that cannot be captured by traditional accounting metrics (Graham et al., 2022). Corporate culture is defined as a set of shared values, norms, and beliefs that shape employee behavior and organizational decision-making (Guiso et al., 2015). A strong culture can act as an informal control mechanism that reduces uncertainty and agency costs (Datta et al., 2023; Hossain et al., 2024). In addition, corporate culture plays a role in shaping innovation, work ethics, and relationships with stakeholders (Amamou, 2025; Haneda & Ono, 2023; Xiao et al., 2025).

Although many studies report a positive influence of corporate culture on firm value, empirical findings show significant variation depending on context and cultural type (Fang et al., 2022; Park et al., 2021; Saraswati et al., 2024). For example, cultures oriented toward innovation and collaboration have been shown to enhance productivity and financial stability

(Likitapiwat et al., 2025; Treepongkaruna et al., 2024). In contrast, rigid hierarchical cultures may reduce firm value by limiting adaptability to environmental changes (Park et al., 2021; Phung & Nguyen, 2025). Cultures emphasizing integrity and transparency are also found to reduce stock price crash risk and improve ESG disclosure (Chen et al., 2024; Xiao et al., 2025). However, in certain contexts, such as manufacturing firms in Indonesia, organizational culture has shown a negative effect on Tobin's Q (Saraswati et al., 2024). This indicates that the relationship between corporate culture and firm value is not linear but is influenced by industry factors, life cycle stages, and governance systems (Aggarwal et al., 2019; Park et al., 2021).

Therefore, a systematic synthesis of the literature is needed to identify, evaluate, and integrate the scattered findings on the influence of corporate culture on firm value. This study employs a Systematic Literature Review (SLR) method using the PRISMA protocol to address this gap in a transparent and replicable manner. Unlike traditional narrative reviews, SLR enables a comprehensive mapping of evidence across different research designs, geographic contexts, and time periods. By analyzing 21 reputable journal articles (2019–2026), this study aims to determine the general direction of the influence of corporate culture and identify moderating conditions affecting this relationship. The findings are expected to provide guidance for managers and policymakers in managing corporate culture as a strategic asset for value creation (Graham et al., 2022; Machmuddah et al., 2026).

## **2. Research Methodology**

This study employs a Systematic Literature Review (SLR) method to analyze and synthesize empirical findings on the influence of corporate culture on firm value. The SLR approach is selected because it provides a systematic, comprehensive, and structured review of existing literature. This method enables the identification, evaluation, and interpretation of all relevant studies in a transparent and replicable manner.

The article selection process follows the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) protocol, which consists of four main stages: identification, screening, eligibility, and inclusion. The literature search was conducted using leading databases such as Scopus, ScienceDirect, ProQuest, and Google Scholar, using the following keyword combinations: "Corporate Culture" OR "Firm Value." The search was limited to articles published in reputable international journals within the 2019–2026 period.

The inclusion criteria applied are as follows:

1. Empirical articles examining the relationship between corporate culture and firm value
2. Articles written in English or Indonesian
3. Full-text availability
4. Published in peer-reviewed journals).

Table 1. Journal Article Distribution

<b>Quartile</b>	<b>Number of Articles</b>	<b>Percentage</b>
<b>Q1</b>	16	76.2%
<b>Q2</b>	3	14.2%
<b>Q3</b>	1	4.8%
<b>ProQuest</b>	1	4.8%
<b>Total</b>	<b>21</b>	<b>100%</b>

Based on Table 1, the majority of articles analyzed in this study are sourced from Q1-indexed journals (76.2%), followed by Q2 (14.2%), Q3 (4.8%), and the ProQuest database (4.8%).

The high proportion of Q1 journal articles indicates that the reviewed literature possesses strong academic credibility and quality, thereby strengthening the validity of the synthesis produced in this study..

### 3. Results and Discussion

Based on the analysis of 21 selected journal articles, the Resource-Based View (RBV) emerges as the most dominant theoretical framework in explaining the relationship between corporate culture and firm value.

Table 2. Theoretical Framework Distribution

<b>Theory</b>	<b>Number</b>	<b>Percentage</b>
<b>Resource-Based View</b>	8	38%
<b>Stakeholder Theory</b>	5	24%
<b>Signaling Theory</b>	3	14%
<b>Agency Theory</b>	2	9.5%
<b>Legitimacy Theory</b>	2	9.5%
<b>Institutional Theory</b>	1	5%
<b>Total</b>	<b>21</b>	<b>100%</b>

Based on Table 2, the Resource-Based View (RBV) is the most dominant theory (38%), followed by Stakeholder Theory (24%) and Signaling Theory (14%).

Other theories, including Agency Theory, Legitimacy Theory, and Institutional Theory, contribute smaller proportions.

These findings indicate that corporate culture is generally viewed as a strategic asset derived from internal organizational resources, reinforcing its role in enhancing firm value.

### **The Influence of Corporate Culture on Firm Value**

Based on the analysis of 21 articles, corporate culture is generally found to have a positive impact on firm value (Likitapiwat et al., 2025). This positive effect occurs through several key mechanisms (Graham et al., 2022; Guiso et al., 2015).

First, an innovative (create-oriented) culture promotes new product development and adaptability to market changes (Amamou, 2025; Haneda & Ono, 2023). Innovation-driven cultures, supported by trust and talent retention, significantly contribute to long-term growth, particularly in digital firms (Amamou, 2025).

Second, a strong corporate culture reduces investment inefficiency (Hossain et al., 2024) and acts as an informal control mechanism that aligns managerial interests with those of shareholders (Datta et al., 2023).

Third, a control-oriented culture enhances financial resilience during crises through rigorous risk management practices (Fang et al., 2022; Phung & Nguyen, 2025).

Fourth, cultures emphasizing integrity and transparency reduce stock price crash risk (Chen et al., 2024), improve ESG disclosure (Xiao et al., 2025), and are associated with higher job satisfaction and firm value (Guiso et al., 2015).

Fifth, collectivist cultures strengthen governance and reporting transparency (Machmuddah et al., 2026). Additionally, strong cultural values are positively associated with higher stock liquidity, while teamwork and mutual respect enhance firm performance in emerging markets (Likitapiwat et al., 2025).

However, not all types of culture have positive effects (Park et al., 2021; Saraswati et al., 2024). Rigid hierarchical cultures can reduce firm value, especially during growth stages (Park et al., 2021). In the context of manufacturing firms in Indonesia, organizational culture has even shown a significant negative effect on Tobin's Q (Saraswati et al., 2024).

This indicates that the effectiveness of corporate culture depends on the alignment between cultural type, organizational life cycle, and local or industry context (Aggarwal et al., 2019; Park et al., 2021; Treepongkaruna et al., 2024).

Overall, corporate culture is a key determinant of firm value, with most evidence supporting a positive relationship (Fang et al., 2022; Graham et al., 2022). Negative effects tend to occur only under specific conditions (Park et al., 2021; Saraswati et al., 2024). Therefore, managers should develop a culture that aligns with strategy, organizational life

cycle, and external environment to maximize value creation (Aggarwal et al., 2019; Hossain et al., 2024).

#### 4. Conclusion

ased on the analysis of 21 reputable journal articles (2019–2026), this study concludes that corporate culture generally has a positive impact on firm value. These positive effects occur through improvements in innovation, investment efficiency, crisis resilience, integrity, transparency, and stock liquidity (Amamou, 2025; Chen et al., 2024; Fang et al., 2022; Hossain et al., 2024; Machmuddah et al., 2026).

However, not all types of culture produce positive outcomes. Rigid hierarchical cultures and organizational cultures in the context of manufacturing firms in Indonesia have been shown to negatively affect firm value (Park et al., 2021; Saraswati et al., 2024). This indicates that the relationship between corporate culture and firm value is highly contextual.

From a theoretical perspective, the Resource-Based View (RBV) emerges as the dominant framework, emphasizing that culture is a strategic asset for value creation.

From a practical standpoint, management needs to develop a culture that aligns with the company's strategy and environment (Aggarwal et al., 2019; Guiso et al., 2015). Future research is recommended to conduct meta-analyses and explore moderating variables such as industry characteristics and national culture (Fang et al., 2022; Park et al., 2021).

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