GLOBAL RESEARCH NETWORK
ONLINE RESEARCH HUB

AMERICAN JOURNAL OF ECONOMICS AND BUSINESS MANAGEMENT

ISSN: 2576-5973
Vol. 6, No. 7, 2023

Factors Affecting the Value of Manufacturing Sector Companies Listed on the Indonesia Stock Exchange in 2017-2021

Benny Oloando Tampubolon, Sri Murni, Joubert B. Maramis
Master of Management Study Program, Faculty of Economics and Business, Sam Ratulangi University

Abstract: In addition to being an important factor seen by stakeholders, current company value also has specific long-term interests using fundamental analysis methods such as financial ratios. Increasing the value of the company will affect the increase in the welfare of shareholders. However, the separation between shareholders and company managers has limited shareholders from supervising management as company managers to provide added value where management has the nature or desire to benefit itself. This conflict between the agent and the principal is called the agency problem (agency cost) where this conflict of interest creates costs for monitoring, observing, and ensuring management has acted in accordance with the interests of shareholders. Institutional mechanisms are needed to overcome agency problems, namely Good Corporate Governance, namely a system that regulates and controls companies in order to create added value for stakeholders. The sample in this study were 66 manufacturing companies listed on the IDX during 2017-2021 using path analysis. The results show that the proportion of independent commissioners and the proportion of institutional ownership has a significant positive effect on profitability, the proportion of independent commissioners has no effect on firm value, the proportion of institutional ownership has no significant positive effect on firm value, and profitability has a significant positive effect on firm value.

Keywords: Proportion of Independent Commissioners, Proportion of Institutional Ownership, Profitability, and Company Value.

INTRODUCTION

Background

The increasingly unstable economy has required companies to be able to maintain or even increase the value of the company so that they can continue to run their business. Corporate value is one of the important issues highlighted by stakeholders such as investors, employees (including managers), customers or suppliers. Firm value also has a specific interest in the long term using fundamental analysis methods such as financial ratios (Tarczyński W, 2020). The higher the company value, the more benefits it will provide to stakeholders. An increase in company value is followed by an increase in share value which will also reflect an increase in welfare for shareholders. for management, an increase in the value of the company shows the company's performance which is also a benchmark for management performance. So in other words increasing the value of the company is a common goal. Efforts to

ISSN 2576-5973 (online), Published by "Global Research Network LLC" under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

increase the value of the company that can be done by shareholders is to hand over the company to be managed by experts or professionals in their fields. This condition is in line with agency theory (Agency theory) where companies are run with control between management as an agent and company ownership as a principal. Efforts to increase the value of the company will cause a conflict of interest between the agent and the principal which is called agency conflict. Agency theory explains the problems that arise when shareholders rely on management to provide services to them (Jensen and Meckling, 1979).

An effective institutional mechanism is needed in overcoming agency problems, namely in the form of Corporate Governance. Good Corporate Governance is described as having legitimacy, accountability and competence in the realm of policy and service delivery while respecting the law and human rights (Srivastava, 2009). Good Corporate Governance is a system that regulates and controls companies in order to create added value for all stakeholders (Monks and Minow, 2003).

This study uses the Proportion of Independent Commissioners and the Proportion of Institutional Ownership as a representation of Good Corporate Governance. While the value of the company using Tobin's-Q. This study also uses the profitability ratio as measured by ROE as an intervening variable. The profitability ratio was chosen because it is considered to provide an overview of how the company optimizes the resources entrusted by shareholders in generating profit (earning power). Profitability is an indicator of evaluating investment decisions for investors by looking at how much the company can generate profits. The higher the profitability of the company will provide a high income distribution for shareholders so that it will also result in an increase in the value of the company. However, based on the data that has been collected, it was found that the value of companies in the manufacturing sector is inversely related to profitability in the year of study. Company value as measured by Tobin's-Q in the manufacturing sector yields results with a fluctuating trend from 2017 to 2020 with Tobin's-Q values of 1.67 (2017), 1.84 (2018), 1.79 (2019) respectively , and 2.09 (2020), but will experience an increase in 2021 to 2.76. This is different from profitability which tends to show an increasing trend from 2017 to 2020, namely 19.80 (2017), 41.95 (2018), 54.24 (2019), and 81.46 (2020) respectively, then decreased in 2021 to 77.45 (2021).

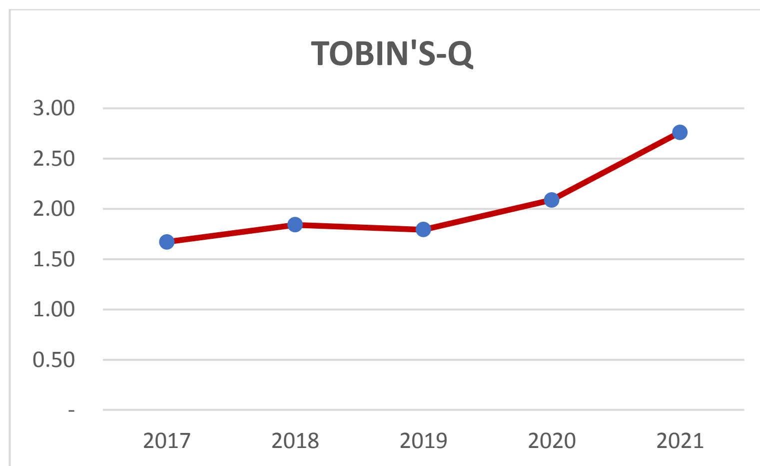


Figure 1. Average Firm Value

Manufacturing Sector 2017 – 2021

Source: Reprocessed fromwww.idx.co.id

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

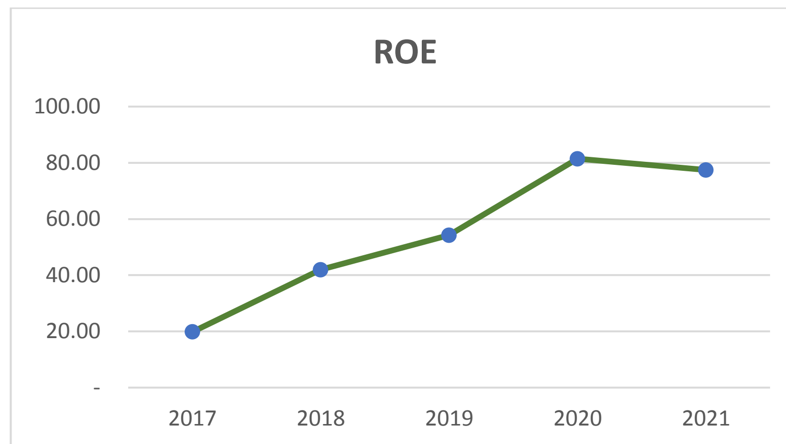


Figure 2. Average Profitability

Manufacturing Company 2017 – 2021

Source: Reprocessed fromwww.idx.co.id

From the difference in the trend between company value and profitability shown in the graph above, it shows that increasing company profits does not make investors' ratings of these companies high even though increasing profitability can provide opportunities in the future. This study uses a sample of manufacturing companies that have been listed on the Indonesia Stock Exchange with financial statements for 2017 – 2021. The reason manufacturing companies were chosen as the sample in this study is because manufacturing consists of various sectors such as the basic and chemical industry sectors, the various industrial sectors, and the manufacturing sector. consumer goods, thus providing a wider sample size and observation. Referring to the data above, it can be concluded that there are other factors that can affect the value of the company. Therefore the author is interested in further research in the form of a thesis with the title: Factors Influencing Firm Value in Manufacturing Sector Companies Listed on the Indonesia Stock Exchange in 2017 – 2021.

Research purposes

The purpose of this research is to analyze:

1. The direct effect of the Proportion of Independent Commissioners on Profitability.
2. Direct Effect of Institutional Ownership Proportion on Profitability.
3. The direct effect of the Proportion of Independent Commissioners on Company Value.
4. Direct Effect of Institutional Ownership Proportion on Firm Value.
5. Direct Effect of Profitability on Firm Value.
6. Indirect Effect of Proportion of Independent Commissioners on Firm Value with Profitability as an intervening variable.
7. Indirect Effect of Institutional Ownership Proportion on Firm Value with Profitability as an intervening variable.

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

LITERATURE REVIEW

Agency Theory (Agency Theory)

Agency theory (Agency Theory) is a theory related to the relationship between the agent as a party managing capital resources with the principal as a party that has capital resources. The principal is the party that gives the mandate or obligation to manage the economic resources owned by the agent to act on behalf of the principal. The agent is the party that is given the mandate to optimize the economic resources that have been given by the principal. An agency relationship is defined as a contract when one or more people as principals involve other people as agents to perform several services on their behalf (principals) which include delegating some decision-making authority to the agent (Jensen & Meckling, 1976). When there was separation of ownership and control over private property rights of companies and modernization of companies as an acceptable way was destroyed and problems arose between the owners of the companies and those who managed the wealth of the owners of the companies (Berle and Means 1932; Jensen and Meckling 1976; Fama and Jensen 1983). So this is called principal-agency conflict (Fama and Jensen 1983; Aguilera and Crespi-Cladera 2016; Zhang et al., 2016). Conflicts of interest trigger agency problems that generate agency costs such as company costs to monitor, observe, and ensure that managers act in accordance with the interests of shareholders (Akhtaruddin et al., 2009).

Stakeholder Theory

Stakeholder theory was first introduced by Freeman in 1984. Freeman (1984) states that a stakeholder is a person or group of people who are influenced and influence the company's processes in achieving its goals. Stakeholders are parties who have affiliations, both internal and external, who have a direct or indirect relationship with the company. Stakeholders in question are all parties who have the rights and responsibilities of a company. Ford & Schipani (2020) defines stakeholder theory as a condition of guaranteeing responsibility to various stakeholders for creating value and coordinating each level of management among stakeholders including shareholders, employees, customers, creditors, suppliers, competitors, even the public. This theory proposes that the essence of the activities of Good Corporate Governance is not only for the benefit of shareholders, but also other related stakeholders. Edvinsson & Malone (1997) also states that stakeholder theory explains that all company activities lead to value creation, ownership and use of intellectual resources that enable companies to achieve competitive advantage and increase added value.

Good Corporate Governance

*Good Corporate Governance*First introduced in 1998 in Indonesia, Cadbury (1992) argued that Corporate Governance is a principle that directs and controls companies in order to achieve a balance between the strengths and authority of the company in providing accountability to shareholders in particular and stakeholders in general. According to Warsono et al., (2009), Corporate Governance is a system consisting of functions carried out by interested parties in order to maximize the creation of corporate value as an economic entity or social entity through the application of accepted basic principles. general. In general, the principles of Corporate Governance consist of five principles, namely transparency, accountability, responsibility, independence, as well as fairness and fairness.

Independent Board of Commissioners

The Independent Board of Commissioners is a board member who has no relationship or is not affiliated with other members of the board of commissioners. The proportion of Independent Commissioners in public companies is also regulated in the Financial Services Authority Regulation (POJK) Number. 33/POJK,04/2014 concerning Directors and Board of Commissioners of Issuers for Public Companies

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm
Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

CHAPTER 3 Article 20 paragraph 2 which states that in the event that the Board of Commissioners consists of 2 (two) members of the Board of Commissioners, 1 (one) of them is an Independent Commissioner. Then paragraph 3 states that in the event that the Board of Commissioners consists of more than 2 (two) members of the board of commissioners, the number of independent commissioners must be at least 30% (thirty percent) of the total number of members of the board of commissioners. In addition, the Decree of the Board of Directors of the Jakarta Stock Exchange Number: Kep-305/BEJ/07-2004 concerning Rule Number IA concerning the Registration of Shares and Equity-Type Securities other than Shares issued by a Listed Company in point III regarding the requirements for recording sub-point 1.4 that has an independent commissioner of at least 30% (thirty percent) of members of the board of commissioners who can be pre-elected through the GMS prior to listing and effectively act as independent commissioners after the company's shares are listed. The presence of an independent commissioner in a corporate organization can reduce agency problems where the board of directors or commissioners affiliated with the company has a desire to benefit personally from the company can be reduced.

Proportion of Institutional Ownership

The Proportion of Institutional Ownership is the proportion of share ownership of organizations or institutions or other institutions (Bakhtiar et al., 2021). Institutional ownership is also often referred to as capable shareholders or shareholders who have brokerage services so that they are considered to have the ability and experience in conducting company valuations so as to provide an appropriate price for the shares being transacted. Management as a company manager will go the extra mile in improving their performance through various decisions that can increase the value of the company. With the existence of institutional ownership in agency theory, strict supervision will be carried out so that the interests of managers and shareholders can become equal thereby reducing agency problems (Jensen & Meckling, 1976).

Financial performance

Financial performance is an analysis that is used to measure the ability of a company or organization to utilize its resources by complying with the rules of good and orderly financial implementation. Financial performance can be seen in the company's financial statements where performance data is displayed in numbers that can be measured on what the company has done in a certain period. Assessment of financial performance aims to determine the level of solvency, liquidity, profitability and stability of the company. Financial performance needs to be measured to be able to make improvements and even breakthroughs that need to be made in order to remain sustainable (sustainability). Financial performance analysis is a mechanism for critically reviewing data reviews, measuring, calculating, and interpretation, as well as providing financial solutions within a certain period. Financial performance can be calculated through financial ratios that can determine certain performance. According to Brigham, E, F and Houston, J, F in Raito's book Fundamentals of Financial Management, financial ratios consist of: *Liquidity Ratios, Asset management ratios, Debt management ratios, Profitability ratios, Market Value Ratios.*

Profitability

Profitability, namely the level of net profit obtained from a company's operational activities where these profits can be distributed to shareholders in the form of dividends but can also be stored and reused to improve operational performance in the following period. Brigham, E, F and Houston, J, F in the book Fundamental of Financial Management Ratio states that profitability is the end result of a number of policies and decisions made by the company, where this ratio will show the combined effect of liquidity, debt and asset management on results operation. Types of profitability ratios according to Brigham, E, F

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

and Houston, J, F that can be used as an indicator is as follows; (1) Operating Margin, namely the ratio that aims to measure how much profit the company can generate before taxes and interest from net sales, (2) Profit Margin, namely the ratio to calculate the level of company profits generated from sales product after deducting all production costs, (3) Return On Assets (ROA), which is the ratio used to measure a company's ability to generate profits by using the company's total assets (wealth) after adjusting for costs to fund assets (Mamduh M, Hanafi, 2007),

The value of the company

Firm value is the selling value of a company as an operating business entity (Sartono, 2010). The difference between the selling price and the liquidation value is the value of the management organization that runs the company. Hery (2017: 5) defines company value as certain conditions that have been achieved by a company as an illustration of public trust in the company after going through a process of activity for several years, starting from when the company was founded until now. Meanwhile, according to Silvia Indrarini (2019: 2) the notion of firm value is investors' perceptions of the level of success of managers in managing the company's resources entrusted to them which are often associated with stock prices.

Previous Research

Several studies have shown that Good Corporate Governance has a positive and significant effect on firm value. Connelly et al., 2017; Nguyen et al., 2018 shows that Good Corporate Governance as measured by an independent board of commissioners is directly related to company value. A study conducted by Boateng (2017) using two independent commissioner mechanisms and concentrated ownership has a positive effect on firm value. Ciftci et al., (2019) tested the Good Corporate Governance mechanism for company value in Turkey, and gave the result that concentrated ownership, family ownership and company size have a positive effect on firm value, cross-ownership has a significant negative effect on firm value, while the family board of directors has no effect on firm value. Khan et al., (2017) provide results on a study of companies registered with KSE Pakistan that independent commissioners and audit committees have a significant effect on firm value. In contrast, Agrawal & Knoeber (1996), Detthamrong, Chancharat, and Vithessonthi (2017) gave significant negative results for the effect of independent commissioners on firm value. Then studies conducted by Chen et al., (2008), Caylor (2006), Khurram Khan et al., (2011), Abbasi and Kalantari (2012), Navissi and Naiker (2006) found that institutional ownership has a positive effect on value company. But on the contrary, Almudehki and Zeitun (2012), Syafitri, Nuzula, Nurlaily (2018), and Afnan & Rahardja (2014) stated that institutional ownership negatively affects firm value. Meanwhile, Li Lin (2010) revealed in his research that institutional ownership did not have a significant effect on the value of companies listed on the Taiwan Stock Exchange in 1997-2006.

Conceptual framework

This research model is described as follows:

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

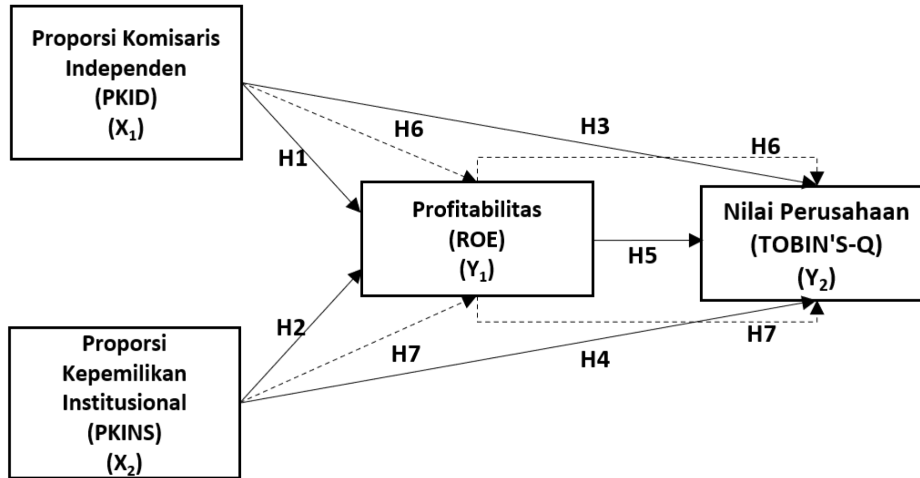


Figure 3. Thinking Framework

Source: Theory Review, 2023

RESEARCH METHODS

Types of research

This study uses a type of quantitative research using descriptive correlative. According to Lehman (1979), descriptive research is a type of research that has the aim of systematically, factually, and accurately describing facts and certain populations, or trying to describe phenomena in detail. The purpose of this study was to find out between two or more variables where this study aims to determine the proportion of independent commissioners and the proportion of institutional ownership affecting profitability, and knowing the proportion of independent commissioners and the proportion of institutional ownership affecting company value, as well as how profitability affects the value of listed manufacturing sector companies. on the Indonesia Stock Exchange during 2017 - 2021.

Population and Sample

The sample in this study are manufacturing sector companies listed on the Indonesia Stock Exchange during 2017 – 2021 that meet the specified criteria. The sampling technique was carried out by purposive sampling technique, namely the selection of sample members based on certain criteria. The following are the company sample criteria:

Table1. Research Sample Criteria

No.	Criteria	Amount
1	Manufacturing companies listed on the IDX in 2017-2021	**194**
2	Companies that do not report complete financial statements during the 2017-2021 research period	**(50)**
3	Companies that do not use the rupiah currency	**(32)**
4	Companies that experienced losses during the 2017-2021 research period	**(46)**
Number of research samples		**66**
The number of research observations for 5 years		**330**

Method of collecting data

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm
Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

The data used in this study is secondary data obtained fromwww.idx.co.id, which was published in the period 2017 – 2021. The secondary data needed is the information contained in the company's financial statements for 2017 – 2021.

SEM Data Analysis-Analysis Techniques

Instrument testing in this study was carried out by hypothesis testing. The analysis technique used is simultaneous equations with Path Analysis estimation techniques using the AMOS 26 application to assist and analyze data. Tests carried out include; path analysis test, normality test, outliers test, multicollinearity test, fijt model test, and hypothesis test.

Indirect Influence Analysis (Sobel Test)

Testing the mediation hypothesis can be carried out using a procedure developed by Sobel in 1982 known as the Sobel Test. The Sobel test was used in this study to examine the indirect effect of the independent variable proportion of independent commissions (X1) and the proportion of institutional ownership (X2) on the dependent variable firm value (Y2) through the invervening variable profitability (Y1). The mediating variable can be said to be able to mediate the independent variables on the dependent variable if the z value or Sobel test statistic is ≥ 1.96 with a significance of 5% (Ghozali, 2018).

RESEARCH RESULTS AND DISCUSSION

Research result

Path Analysis Test (Path Analysis)

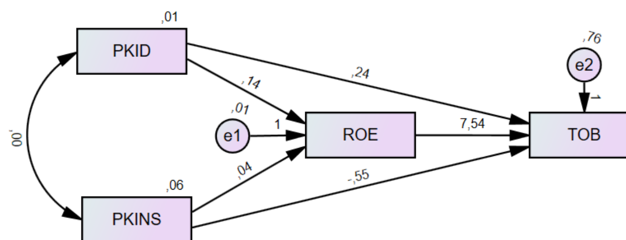


Figure 4. Regression Coefficient

Source: Theory Review, 2023

Critical ratio (Critical ratio) is a proxy for t-count. This critical ratio is the basis for knowing the partial effect between two variables. The path coefficient values are as follows: PKID to ROE is 0.14, PKINS to ROE is 0.04, PKID to TOB is 0.24, PKINS to TOB is -0.55, and ROE to TOB is 7.54.

Indirect Effects and Direct Effects

Effects are divided into indirect effects, direct effects, and total effects (Schumacker and Lomax, 1996).

Table 2. Indirect Effect Test Results

	PKINS	PKID	ROE
ROE	,000	,000	,000
TOB	,307	1,074	,000

Source: IBM AMOS output

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm
Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

The model studied consisted of 2 indirect paths, namely: PKID to TOB through the intervening variable ROE and PKINS to TOB through the intervening variable ROE. From the table above it is found that PKID and PKINS intervening strengthen TOB by 1.074 and 0.307, respectively.

Table 3. Direct Effect Test Results

	PKINS	PKID	ROE
ROE	.041	,142	,000
TOB	-.554	,239	7,540

Source: IBM AMOS output

The model studied consists of 5 direct paths which include: PKID to ROE, PKINS to ROE, PKID to TOB, PKINS to TOB, and ROE to TOB. From the table above, it can be seen that PKID and ROE have a direct, strengthening effect on TOB, whereas PKINS has a direct, debilitating effect on TOB.

Table 4. Total Indirect and Direct Effect Test Results

Influence	*Indirect Effects*	*Direct Effects*	*Total Effects*
PKID → ROE	0.000	0.142	0.142
PKINS → ROE	0.000	0.041	0.041
PKID → TOB	1,074	0.239	1.313
PKINS → TOB	0.307	-0.554	-0.247
ROE → TOB	0.000	7,540	7,540

Source: IBM AMOS output

Based on the table above for the model examined in total effect, it was found that PKI and PKINS have a strengthening relationship with ROE, as well as with PKID and ROE there is a strengthening relationship with TOB. But PKINS does not have a strengthening relationship with TOB.

Chi-Square Test

Table 5. Chi-Square Test Results

Minimum was Achieved
Chi-Square = .000
Degrees of Freedom = 0

Source: IBM AMOS output

Based on the table above, the Chi-Square results show a calculated value of 0.000 with a degree of freedom of 1 and an error rate of 1%, so the value of the chi-square table is 0.000. Because Chi-Square count > Chi-Square table (0.232 > 0.000) then H0 is rejected.

Normality test

Table 6. Normality Test Results

Variables	min	max	skew	c,r,	kurtosis	c,r,
PKINS	,000	1,000	-1.328	-9,070	1,572	5,368
PKID	,250	,670	,707	4,828	-,469	-1.603
ROE	,000	,350	,663	4,528	,009	.032
TOB	,160	4,930	1,273	8,694	1,083	3,699
Multivariate					2,083	2,516

Source: IBM AMOS output

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

Based on the table above, the Chi-Square results show that the multivariate value is 2.516. So based on this value, it can be concluded that the critical ratio (cr) value in kurtosis is lower than the absolute value, which is 2.58, so it can be concluded that the data is normally distributed.

Test Outliers

In the output of the first outliers test results, out of 330 research observations, 50 observations were found with a P1 and/or P2 value lower than 0.001, so that P1 and/or P2 values were eliminated which had a value below 0.001. After eliminating these outliers, the remaining 280 observations were continued in the study, so it was concluded that there were no more outliers in the observations and all observational data could be analyzed.

Multicollinearity Test

Table 7. Correlation Matrix

	PKINS	PKID	ROE	TOB
PKINS	1,000			
PKID	-.070	1,000		
ROE	, 116	, 161	1,000	
TOB	-.064	, 116	,532	1,000

Source: IBM AMOS output

Multicollinearity test is used to test the linear relationship between independent variables. This test was conducted to find out whether there is a high or perfect correlation between variables in the regression model (Ghozali, 2013). The regression model is said to be good if there is no correlation between variables. If there is a high correlation between the independent variables, the relationship between the independent variables and the dependent variable is disrupted. In the table above it is known that the value of the correlation matrix between independent variables is <0.8, so it is concluded that there is no multicollinearity.

Model Fit Test

A model should satisfy several model-fit tests (other than the chi-square test). Following are some of the indicators used in this study to test the fit of the model along with the conditions and test results:

Table 8. Model Fit Test Results

Goodness of Fit	Cut Off Value	Findings	Information
Chi-Square	As small as possible	0.000	Good Fit
RMSEA	≤ 0.08	0.252	Unwell
GFI	≥ 0.90	1,000	Good Fit
AGFI	≥ 0.90	-	Unwell
TLI	≥ 0.95	-	Unwell
CFI	≥ 0.95	1,000	Good Fit
CMIN/DF	≤ 2.00	0.000	Good Fit

Source: IBM AMOS output

Hypothesis testing

Hypothesis testing in this study was carried out by comparing t-counts with t-tables or by looking at the level of significance. The significance level is shown in the following table:

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm
Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

Table 9. Critical Ratio and Probability

			Estimates	SE	CR	P	Information
ROE	<---	PKID	,142	.049	2,884	,004	Significant
ROE	<---	PKINS	.041	,019	2.175	.030	Significant
TOB	<---	PKID	,239	,595	,402	,688	Not significant
TOB	<---	PKINS	-.554	,224	-2,471	,013	Significant
TOB	<---	ROE	7,540	,711	10,598	***	Significant

Source: IBM AMOS output

Testing the Effect of the Proportion of Independent Commissioners on Profitability

Based on the first hypothesis states that there is a positive influence between the Proportion of Independent Commissioners and Profitability. The results showed that the critical ratio value was 2.884 ≥ 1.967, so Ha was accepted and H0 was rejected, which means that the proportion of independent ownership has a positive effect on profitability.

Testing the Effect of Institutional Ownership Proportion on Profitability

Based on the second hypothesis states that there is a positive influence between the Proportion of Institutional Ownership and Profitability. The results showed that the Critical ratio value was 2.175 ≥ 1.967, so Ha was accepted and H0 was rejected, which means that the proportion of institutional ownership has a positive effect on profitability.

Testing the Effect of the Proportion of Independent Commissioners on Company Value

Based on the third hypothesis states that there is a significant positive effect between the proportion of Independent Commissioners on firm value. The results showed that the critical ratio value was 0.402 ≤ 1.967, so Ha was rejected and H0 was accepted, which means that the proportion of Independent Commissioners has no effect on firm value.

Testing the Effect of Institutional Ownership Proportion on Firm Value

Based on the fourth hypothesis states that there is a significant positive effect between the proportion of institutional ownership on firm value. The results show that the critical ratio value is -2.471 ≤ 1.967 then Ha is rejected and H0 is accepted, which means the proportion of institutional ownership has no positive effect on firm value..

Testing the Effect of Profitability on Firm Value

Based on the fifth hypothesis states that there is a significant positive effect between Profitability on firm value. The results showed that the critical ratio value was 10.598 ≥ 1.967, so Ha was accepted and H0 was rejected, which means that profitability has a positive effect on firm value.

Sobel test

$$t\frac{ab}{\sqrt{(b^2SEa^2)+(a^2SEb^2)}}$$

Information:

ıdependent variable path to intervening variable

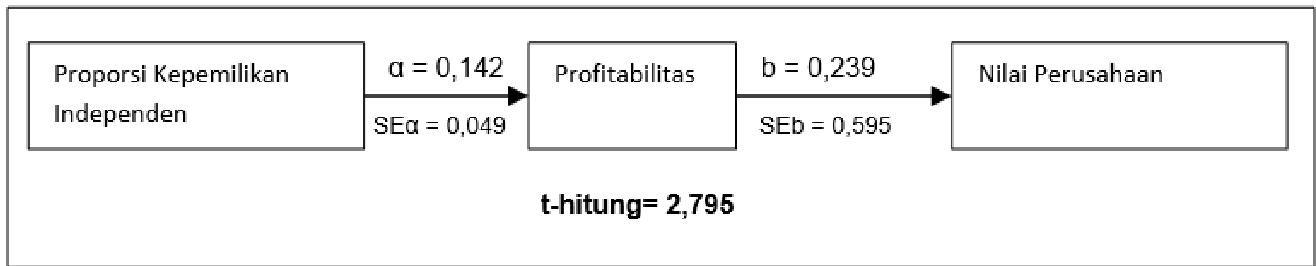
ıdependent variable path to dependent variable

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

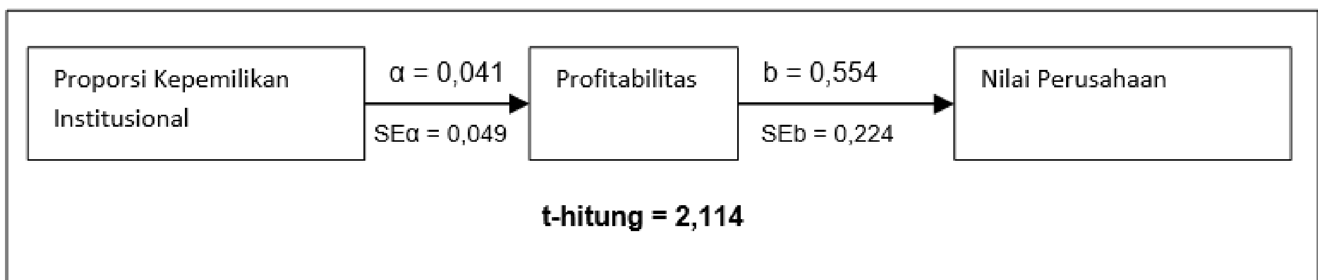
E tandard Error

Testing the Effect of the Proportion of Independent Commissioners on Firm Value with Profitability as an intervening variable



Based on the sixth hypothesis, it states that the proportion of independent commissioners has an indirect effect on firm value through profitability as an intervening variable. The Sobel test results found that t-count > t-table (2.795 > 1.965). Then Ha is accepted and H0 is rejected, meaning that the proportion of Independent Commissioners indirectly significantly affects the value of the company through Profitability.

Testing the Effect of Institutional Ownership Proportion on Firm Value with Profitability as the intervening variable



Based on the seventh hypothesis, it states that the proportion of institutional ownership has an indirect effect on firm value through profitability as an intervening variable. The Sobel test results found that t-count > t-table (2.114 > 1.965). Then Ha is accepted and H0 is rejected, meaning that the proportion of institutional ownership indirectly significantly affects company value through profitability.

Discussion

The Effect of the Proportion of Independent Commissioners on Profitability

The proportion of Independent Commissioners has a significant positive effect on Profitability. The results of this study are in accordance with the first hypothesis in the study. Independent commissioners are not affiliated with other commissioners, directors or management, or any other party so as to provide more optimal oversight and can provide policy input that benefits the company. Independent commissioners also assist management in making decisions in order to improve financial performance, including increasing profits which are supported by proper financial information and other company information. In addition, independent commissioners can reduce agency costs through the role of internal control in evaluating managers' decisions through their skills, knowledge expertise, and their objective attitudes. This research is in line with research conducted by Pandya (2011) and Dehaene et al., (2001) that the proportion of Independent Commissioners has a positive effect on ROE in companies in Belgium. In addition, it is in line with Maryati and Tjahjadi (2013), Abdillah (2015), Laksana (2015),

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm
Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

Pratiwi (2016), and Sarafina and Saifi (2017) which state that independent commissioners have a significant effect on profitability. But contrary to Ramdani & Witteloostuijn (2009) who found that independent commissioners only affect companies with average performance and do not affect companies with below average performance. In addition, Chen et al., (2006) claim that the proportion of Independent Commissioners has no effect on financial performance, namely profitability.

Effect of Institutional Ownership Proportion on Profitability

The proportion of institutional ownership has a significant positive effect on profitability. The results of this study are in accordance with the second hypothesis in the study. Institutional ownership plays a role in influencing company performance through the knowledge and experience possessed. The institution also hands over the oversight function to a special division that is professional in managing investments in the company. By allocating a special division or section that is more competent in overseeing investments, institutional ownership can monitor and mitigate management from making decisions that are detrimental to the company and shareholders so that the resources that have been provided by the shareholders can be maximized in creating company profits. This research is in line with research conducted by Garcia Mecad and Sanchez-Ballesta (2011) who found that institutional ownership has an insignificant relationship with company performance. Likewise, Arifani (2013) has also found the effect of Good Corporate Governance as measured by using the number of audit committees, institutional ownership, managerial ownership, and the proportion of the board of commissioners on financial performance as measured by ROE. However, it is different from research by Sujoko & Soebiantoro (2017) who found a negative effect between institutional ownership and financial performance wherein his research found institutional shareholders would work together to support management to utilize resources for individual interests and ignore minority shareholders.

Effect of the Proportion of Independent Commissioners on Company Value

The proportion of Independent Commissioners has no effect on Company Value. The results of this study are not in accordance with the third hypothesis in the study. This happened because the appointment of independent commissioners was carried out only to fulfill the requirements set out in the Financial Services Authority Regulation (POJK) Number. 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers for Public Companies CHAPTER 3 Article 20 paragraph 2 and Decree of the Directors of the Jakarta Stock Exchange Number: Kep-305/BEJ/07-2004 concerning Regulation Number IA concerning Registration of Shares and Characteristic Securities Equity other than shares issued by the Listed Company in point III regarding the recording requirements of Sub Point 1.4. In addition, the composition of independent commissioners is considered unable to dominate any policies determined by the board of commissioners. For example, ineffective financial reporting supervision will lead to potential management fraud so that it can reduce the perception or level of public trust which has an impact on reducing the company's share value. Inadequate monitoring of management and accountability of the board of commissioners to the company and shareholders can also be a factor in reducing company value. This research is in line with research conducted by Gayatri et al., (2022) which found that independent commissioners in companies listed on the IDX during 2018 – 2021 did not affect company value. The same result was also found by Prastuti and Budiasih (2015) that independent commissioners cannot take over the dominance of the board of directors in setting policy. However, it is different from the results of research by Abbasi et al., (2012), Ou-Yang (2008), Hermalin and Weisbach (1991), and Onasis (2016) which state that the proportion of independent commissioners positively influences firm value. Likewise Kaplan & Reishus (1990) and Millstein & MacAvoy (1998) prove that independent commissioners are able to increase firm value. Besides that, Foo & Zain (2010) found that the proportion of independent commissioners affected company value in companies in Malaysia in 2007. However, it

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm
Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

was different from the results of research conducted by Ciftci et al., (2019) which found that the proportion of independent commissioners had a negative effect on company value. Then Febryawan, et al (2019) found that the board of independent commissioners does not affect company value.

Effect of Institutional Ownership Proportion on Firm Value

The proportion of institutional ownership has no significant positive effect on firm value. The results of this study are not in accordance with the fourth hypothesis in the study. This indicates that the greater the Proportion of Institutional Ownership, the greater the tendency for managers to carry out opportunistic levels by making decisions that only benefit themselves. These results also support agency theory which states that managers are rational economic beings who are prone to being tempted by personal desires so that even though there is high institutional ownership, managers will still take actions that benefit themselves. In addition, potential investors are considered to be careful in investing their capital due to the high proportion of ownership because the voting rights will also be higher at the General Meeting of Shareholders (GMS). This will make the majority shareholders become controllers, which means institutional owners will determine decisions regarding the company, so there is a risk that voting rights will be abused to increase personal welfare by distributing wealth from other parties or in other terms expropriation (Claessens et al., in Wellim & Ch, 2013). Actions that might be taken are not to distribute dividends which will certainly benefit the controlling shareholders and harm non-controlling shareholders because they do not get their rights.

Effect of Profitability on Firm Value

Profitability has a significant positive effect on firm value. The results of this study are in accordance with the fifth hypothesis in the study. The higher the profitability, the higher the company value. These results support that management's ability to earn profits becomes a report that can provide an overview or signal to investors or potential investors in making decisions to invest or not. This is also in line with the agency theory which states that management as an agent who is given a mandate by investors or principals has provided the desired service. This means that with optimal financial performance, it has become a company management achievement that acts according to investor expectations because in the end it provides added value to the stock price and also high dividends. This research is in line with research conducted by Garmayuni (2015), Martini (2014), Dewi and Wirajaya (2013), Johan (2012), Nurmayasari (2012), Susilo (2009) which shows that profitability positively influences firm value. Likewise with Sabrina et al., (2016) who found Return On Equity (ROE) had a significant positive effect on firm value. But different results were found by Herman and Maf'ulah (2014) which stated that there was no effect between financial performance and firm value. Martini (2014), Dewi and Wirajaya (2013), Johan (2012), Nurmayasari (2012), Susilo (2009) which shows that profitability positively affects firm value. Likewise with Sabrina et al., (2016) who found Return On Equity (ROE) had a significant positive effect on firm value. But different results were found by Herman and Maf'ulah (2014) which stated that there was no effect between financial performance and firm value. Martini (2014), Dewi and Wirajaya (2013), Johan (2012), Nurmayasari (2012), Susilo (2009) which shows that profitability positively affects firm value. Likewise with Sabrina et al., (2016) who found Return On Equity (ROE) had a significant positive effect on firm value. But different results were found by Herman and Maf'ulah (2014) which stated that there was no effect between financial performance and firm value.

The Effect of the Proportion of Independent Commissioners on Firm Value with Profitability as an intervening variable

The proportion of Independent Commissioners has a significant indirect effect on Firm Value with Profitability as an intervening variable. The results of this study are in accordance with the sixth research

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

hypothesis. The number of commissioners who have no affiliation with company management will be neutral in carrying out management oversight, thereby optimizing the implementation of Good Corporate Governance so that it is considered capable of overcoming agency conflicts between management and shareholders. Thus, management can optimize the company's assets in generating profits. This will also support the signaling theory in which management will provide instructions to investors or potential investors about how management displays the company's performance and prospects.

Effect of Institutional Ownership Proportion on Firm Value with Profitability as an intervening variable

The proportion of institutional ownership indirectly has a significant effect on firm value with profitability as an intervening variable. The results of this study support the seventh hypothesis in this study. Share ownership owned by institutions has a better, specific, and complex mechanism for overseeing company operations. In fact, usually they delegate the supervisory authority to a special division so that specific supervision is carried out so that management can increase the company's earning power from the assets it owns. So that positive results are obtained by the company to create higher profits and more efficient utilization of assets which in turn increases Company Value. These findings are in line with Nurkhin et al.,

Conclusion

Based on the results of research conducted using the AMOS program concerning Factors Influencing the Value of Manufacturing Sector Companies Listed on the Indonesia Stock Exchange in 2017 – 2021, it can be concluded as follows:

1. Based on the test results it was found that the proportion of Independent Commissioners had a significant positive effect on Profitability. The higher the proportion of Independent Commissioners, the more Profitability will increase. Vice versa.
2. Based on the test results it was found that the proportion of institutional ownership has a significant positive effect on profitability. The higher the proportion of institutional ownership, the higher the profitability. Vice versa.
3. Based on the test results it was found that the proportion of Independent Commissioners has no effect on Company Value. The fluctuation of the Company Value is not affected by the Proportion of Independent Commissioners, and vice versa.
4. Based on the test results it was found that the Proportion of Institutional Ownership did not have a significant positive effect on Firm Value. The higher the Proportion of Institutional Ownership, the lower the Company Value. Vice versa.
5. Based on the test results it was found that Profitability has a significant positive effect on Firm Value. The higher the Profitability, the more the Company Value will increase. Vice versa.
6. Based on the test results it was found that the proportion of Independent Commissioners has a significant indirect effect on Firm Value with Profitability as the intervening variable.
7. Based on the test results it was found that the proportion of institutional ownership indirectly significantly influences firm value with profitability as the intervening variable.

Suggestion

Based on the research results and conclusions, some suggestions are given as follows:

1. For Companies

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

The company implements Good Corporate Governance by increasing the Proportion of Institutional Ownership and the Proportion of Institutional Ownership so as to be able to increase company profitability in this case profitability and. In addition, increasing the proportion of institutional ownership can also increase company value. Meanwhile, the proportion of institutional ownership can be balanced so that it does not become a potential personal benefit for the majority shareholder, which in turn, other potential investors feel benefited from the dividends given each year.

2. For Potential Investors

In assessing and making a decision to invest in a company, potential investors must first look at the Corporate Governance profile of the company such as an independent commissioner, institutional ownership, or other monitoring tools such as an audit committee to be able to ensure that the company is able to provide profits and increase corporate value. which in turn provides added value to shares and dividends.

3. For Further Research

Subsequent research can add other variables that are considered capable of supervising company management so as to reduce the opportunistic potential of managers and implement Good Corporate Governance so that in the end it increases Profitability and Corporate Value.

REFERENCE

1. Abbasi, M., Kalantari, E., and Abbasi. H. (2012) “Impact of Corporate Governance Mechanisms on Firm Value Evidence From the Food Industry of Iran”, Journal of Basic and Applied Scientific Research.
2. Abdillah, A. (2015) "The Influence of GCG Implementation on Financial Performance (Study of Public Companies Winning the Annual Report Award for the 2010-2012 Period Listed on the Indonesian Stock Exchange)", Journal of Business Administration. Malang: Brawijaya University.
3. Afnan, A., & Rahardja, R. (2014) "Size Effect of BOC, and the proportion of Independent Commissioner Against Profitability by Profit Management as an intervening variable", Diponegoro Journal of Accounting, 3 (3), 1.
4. Agrawal, A. and CRK (1996) “Firm Performance and Mechanism to Control Agency Problems Between Managers and Shareholders”, Journal of Financial and Quantitative Analysis, 31, 377-397.
5. Aguilera, Ruth V., and R. Crespi-Cladera. (2016) “Global Corporate Governance: On the relevance of firms' ownership structure”, Journal of World Business 51: 50–57.
6. Akhtaruddin, Muhammad; Monirul Alam Hossain; Mahmud Hossain; Lee Yao. (2009) “Corporate Governance and Voluntary Disclosure in Corporate Annual Reports of Malaysian Listed Firms”, Journal of Applied Management Accounting Research 7(1).
7. Almudehki, N and Zeitun, R. (2012) “Ownership Structure and Corporate Performance: Evidance From Qatar”, Department of Finance and Economics. Qatar University.
8. Bakhtiar, HA, Nurlaela, S., & Hendra, K. (2020) “Managerial Ownership, Institutional Ownership, Independent Commissioners, Audit Committees, and Corporate Values”, AFRE (Accounting and Financial Review), 3(2), 136– 142.
9. Bjuggren, Per-Olof, Johan E. Eklund, and Daniel Wiberg, (2007) “Institutional Owners and Firm Performance: The Impact of Ownership Categories on Investments”, Working Paper, Jonkoping

ISSN 2576-5973 (online), Published by “Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

International Business School (JIBS), and Center of Excellence for Science and Innovation Studies (CESIS). Royal Institute of Technology, Stockholm, Sweden, February, pp 1-26.

10. Brigham, Eugene F., & Houston, Joel F. (2019), Fundamentals of Financial Management, 15e.
11. Brown, LD and Caylor, M. (2006) “Corporate governance and firm valuation”, Journal of Accounting and Public Policy, 25 (4), 409-434.
12. Chen, J., L. Blenman, DHC. (2008) “Institutional Ownership does Create Values? The New Zealand Case”, Quarterly Journal of Finance and Accounting, 47 (4), 109-124.
13. Ciftci, I., Tatoglu, E., Demirbag, M., Zaim, S. (2019) "Corporate governance and firm performance in emerging markets: evidence from Turkey", Int. Business Reviews 28, 90–103.
14. Connelly, JT, Limpaphayom, P., Nguyen, HT, & Tran, TD. (2017) “A Tale of Two Cities: Economic development, corporate governance and firm values in Vietnam”, Research in International Business and Finance, 42 (February), 102-123.
15. Dehaene, A., Vuyst, VD, Ooghe, H., 2001 "Corporate Performance and Board Structure in Belgian Companies". Long Range Planning 34, 383-398.
16. Detthamrong, U., Chancharat, N., & Vithessonthi, C. (2017) “Corporate Governance, Capital Structure and Firm Performance: Evidence from Thailand”, Research in International Business and Finance, 42 (June), 689-709.
17. Dewi, Ayu Sri Mahatma and Ary Wirajaya. (2013) "The Influence of Capital Structure, Profitability and Firm Size on Firm Value", Udayana University Accounting E-Journal, 4(2), 358-372.
18. Edvinsson, L. and M. Malone. (1997) “Intellectual Capital: Realizing Your Company's True Value by Finding Its Hidden Brainpower”. HarperCollins, New York, NY.
19. Eny Maryati & Bambang Tjahjadi. (2013) "CSR and GCG Analysis of Financial Performance Affecting the Value of Manufacturing Companies Listed on the IDX", Journal of Economics and Business, Year XXIII, 1 (59).
20. Fama, EF and MC Jensen. (1983) “Separation of Ownership and Control”, Journal of Law and Economics, 26, 301 – 325.
21. Febryawan, A., & Rahayu, YI, & Alfiana. (2021) “The Influence of Financial Performance on Corporate Value by Disclosure of CSR and GCG as Moderating Variables, Conference on Economic and Business Innovation.
22. Foo, YB & Mat Zain, M. (2010) “Board Independence, Board Diligence and Liquidity in Malaysia”, Journal of Contemporary Accounting & Economics, 6, 92–100.
23. Freeman, R. Edward. (1984) "Stakeholder Theory of the Modern Corporation". General Issues In Business Ethics.
24. Garmayuni, I miss Rika. (2015), “The Effect of Intangible Assets, Financial Performance and Financial Policies on The Firm Value. International”, Journal of Scientific and Technology Research, 4(1), 202-212.
25. Gayatri, ST & Purwaningrum, E. (2022), "Analysis of Good Corporate Governance Mechanisms on Company Value of the Food and Beverage Sub-Sector Listed on the Indonesian Stock Exchange During the Covid-19 Pandemic for Investment Decisions", Journal of the Jakarta State Polytechnic Financial Management Study Program , SNAM 2203114.

ISSN 2576-5973 (online), Published by “Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

26. Ghozali, Faith. (2011) Application of Multivariate Analysis with the SPSS Program. Semarang: Diponegoro University Publishing Agency.
27. Hanafi, Mamduh and Abdul Halim. (2007) Analysis of Financial Statements, Third Edition. Yogyakarta: YKPN College of Management.
28. Hermalin, B and Weisbach, M. (1991) "The effects of board composition and durect incentives on firm performance", Financial Management, Indonesian Institute of Audit Committee". Audit Committee. 20(4):101-112.
29. Indrarini, Silvia. (2019) "Company Value Through Profit Quality (Good Governance and Company Policy)", Surabaya: Scopindo.
30. Israel. C., Mangantar, M., and Saerang, IS (2018) "The Influence of Capital Structure, Institutional Ownership and Company Size on Company Value in Mining Companies Listed on the IDX", Emba Journal. 6(3), 1118-1127.
31. Jennings, William W. (2002) “Further Evidence on Institutional Ownership and Corporate Value”, Working Paper, US Air Force Academy, http://papers. ssrn.com/sol3/papers.cfm?abstract_id=555886, 1-27.
32. Jensen, MC and Meckling, WH (1976) "Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure". Journal of Financial Economics. October, 3, 305-360.
33. Johan, Ruth Prapaska. (2012) "An Analysis of the Influence of Profitability, Investment Decisions, Funding Decisions and Dividend Policy on Firm Value in Manufacturing Companies on the IDX in 2009-2010", Journal of Accounting, 1 (1), 1-12.
34. Kaplan, Steven N, and David Reishus. (1990) “Outside Directorships and Corporate Performance”, Journal of Financial Economics, 27 (2), 389-410.
35. Kankaew, K., Yapanto, L. M., Waramontri, R., & Arief, S. (2021). *Uncertain Supply Chain Management Supply chain management and logistic presentation : Mediation effect of competitive advantage*. *9*, 255–264. https://doi.org/10.5267/j.uscm.2021.3.007
36. Khurram Khan, ARN and MI. (2011) "Impact of Corporate Governance Firms on the value of the Tobacco Industry of Pakistan", Economics International Research Journal of Finance and Economics, (61).
37. Laksana, J. (2015) "Corporate Governance and Financial Performance (Case study of banking companies listed on the IDX for the period 2008 - 2012)", E-Journal of Accounting, 269 - 288.
38. Martini, Ni Nyoman G., Moeljadi, Djumahir and Atim Djazuli. (2014) "Factors Affecting Firms Value of Indonesian Public Manufacturing Firms", International Journal of Business and Management Invention, 3 (2), 35- 44.
39. Millstein, Ira M., and Paul W. MacAvoy. (1998) "The Active Board of Directors and Performance of The Large Publicly Traded Corporation". Columbia Law Review, 98(5): 1283-1322.
40. Monks, Robert AG, and Minow, N. (2003) Corporate Governance. 3rd ed. Blackwell Publishing.
41. Navissi, F. and VN. (2006) "Institutional Ownership and Corporate Value". Managerial Finance, 32(3), 247-256.
42. Onasis, RK. (2016) “Influence of Corporate Governance on Corporate value in the Financial Sector Companies Listed on the Stock Exchange”, Economic Development, 20 (1), 1-22.

ISSN 2576-5973 (online), Published by “Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

43. Ou-Yang, Hou. (2008) “An Empirical Analysis of the Effect Components of the Corporate Governance Index on Firm Value: Evidence from Taiwan's Financial Industry”, The Business Review Cambridge, 10 (1), 119-128.

44. Pandya, H. (2011) "Corporate Governance Structure and Profitability of Selected Indian Banks", Journal of Management & Public Policy. 2(2).4-21.

45. Prastuti, NKK, & Budiasih, IGAN (2015). The Effect of Good Corporate Governance on Corporate Values with Moderation of Corporate Social Responsibility. E-Journal of Accounting, 114-129.

46. Pratiwi, A. (2016) "The Influence of the Quality of Implementation of Good Corporate Governance (GCG) on Financial Performance in Islamic Commercial Banks in Indonesia (Period 2010 - 2015)", Al-Tijary, 2(1), 55 -76.

47. Ramdani, D., Witteloostuijn, AV (2009) “CEO Duality and Firm Performance: A Quantile Regression Analyst for Indonesia, Malaysia, South Korea and Thailand”, Unpublished Thesis. Belgium, University of Antwerp.

48. Sarafina, S., & Saifi, M. (2017) "The Influence of Good Corporate Governance on Financial Performance and Corporate Value (Study of State-Owned Enterprises (BUMN) Listed on the Indonesian Stock Exchange Period 2012 - 2015)" Journal of Business Administration, 50(3), 108 - 117.

49. Sartono, Agus. (2010) Financial Management Theory and Applications. Ed 4, Yogyakarta: BPFE.

50. Siswoyo, H. and Parwoto, W. (2015) Structural Equation Modeling. 1st edn, Dictionary of Statistics & Methodology. 1st edn. Bekasi: PT. Key Personnel Intermediaries. Address. Available at: https://doi.org/10.4135/9781412983907.n1909.

51. Srivastava, M. (2009) “Good Governance - Concept, Meaning and Features: A Detailed Study. Soc. sci. Res. Networks, 1–23.https://doi.org/10.2139/ssrn.1528449.

52. Syafitri, T., Nuzula, NF, & Nurlaily, F. (2018) "Influence of Good Corporate Governance Company Values (Study on Industrial Company Metals and Allied Sectors Sub Listed on the Stock Exchange Period 2012-2016)", Journal of Business Administration (JAB), 56(1), 118-126.

53. Tsorhe, J., Aboagye, A., & Kyereboah - Coleman, A. (2011) "Corporate Governance and Bank Risk Management in Ghana". University of Ghana Business School, 1–22. Retrieved fromhttp://www.csae.ox.ac.uk/conferences/2011 EDiA/papers/651Aboagye.pdf

54. Weston J. Fred and Copeland Thomas E. (1997). Financial management. Volume 2. 8th Edition. Subtitles. PT Glora Aksara Pratama. Jakarta.

55. Zhang, Hong, Shuai Gao, Michael J Seiler, and Jiawei Chen. (2016) “Ownership structure, diversification, and corporate performance based on structure”. equation modeling”, Journal of Real Estate Portfolio Management. 22, 63-73.

56. Yapanto, L. M., Diah, A. M., Kankaew, K., Dewi, A. K., Dextre-Martinez, W. R., Kurniullah, A. Z., & Villanueva-Benites, L. A. (2021). The effect of crm on employee performance in banking industry. *Uncertain Supply Chain Management*, *9*(2), 295–306. https://doi.org/10.5267/j.uscm.2021.3.003

ISSN 2576-5973 (online), Published by “Global Research Network LLC"
under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/