

CHAPTER V

CONCLUSION AND IMPLICATION

A. Conclusion

Based on the results of the tests that have been carried out, the conclusions that can be drawn according to the problems and objectives that have been formulated are as follows:

1. Independent boards of commissioners have a positive and significant effect on firm value in companies indexed in the SRI-KEHATI index on the Indonesia Stock Exchange. The more the proportion of independent commissioners owned by the company, the more effective control and supervision of top management will be. Effective supervision from an independent board of commissioners will help minimize agency conflicts that exist within the company which will increase firm value.
2. The board of directors has a negative and significant effect on the company value of companies indexed in the SRI-KEHATI index on the Indonesia Stock Exchange. Too many directors in the company cause the communication and coordination process to be ineffective because there are many ideas and opinions from all members of the board of directors which will prolong decision making. The size of a small board of directors is believed to be able to increase the value of the company because a small board of directors shows a level of effectiveness in communicating within the board and making management decisions faster.

3. Corporate social responsibility disclosure has no effect on firm value in companies indexed in the SRI-KEHATI index on the Indonesia Stock Exchange. This happens because the company has not been precise in conveying CSR information, so investors also consider CSR to be something that does not need to be considered. This is because investors consider financial factors more than non-financial factors, especially in conditions of uncertainty.
4. Intellectual capital disclosure moderates the effect of independent commissioners on the firm value of companies indexed in the SRI-KEHATI index on the Indonesia Stock Exchange. The greater the number of commissioners in the company, with a positive and significant moderating direction or supported by a large amount of intellectual capital disclosure, the more effective the control and monitoring activities of top management will be, and investors will view the company as having good corporate governance and also minimizing agency conflicts.
5. Intellectual capital disclosure moderates the effect of the board of directors on firm value in companies indexed in the SRI-KEHATI index on the Indonesia Stock Exchange. The greater the proportion of the board of directors in the company, the role of reducing firm value. With a negative and significant moderating direction, the existence of high intellectual capital disclosure weakens the influence of the board of directors on firm value but makes the effect not too low.

6. Disclosure of intellectual capital moderates the effect of CSR on the company value of companies indexed in the SRI-KEHATI index on the Indonesia Stock Exchange. Disclosure of intellectual capital gives a negative and significant direction. The existence of high intellectual capital disclosure weakens the effect of CSR on firm value but makes the effect not too low. Thus, the greater the level of CSR in a company and supported by high disclosure of intellectual capital, the effect of CSR on firm value becomes lower but not as low as before. This is because the CSR and ICD carried out by the company has not become a tendency for investors to invest and the company has not been precise in conveying CSR and ICD information, so that investors also perceive it as something that does not need attention.

B. Implication

1. Theoretical Implications

The relationship between the variables of Good Corporate Governance (GCG), Corporate Social Responsibility (CSR), and Intellectual Capital Disclosure can provide development in the field of financial accounting related to companies on the Indonesia Stock Exchange, especially those indexed in the SRI-KEHATI index. This is indicated by the existence of a good corporate governance mechanism that does not necessarily increase the firm value. In addition, being included in the SRI-KEHATI index does not necessarily increase the firm. Thus, the test results are expected to provide theoretical and empirical studies on the development

of agency theory, stakeholder theory, and signal theory related to firm value and the factors that can influence it.

2. Practical Implications

a. For Companies

The results of this research are expected to provide suggestions and considerations for companies listed on the IDX, especially those indexed in the SRI-KEHATI index, to optimize their roles and functions in the good corporate governance mechanism, which includes independent commissioners and directors. Optimizing this function, it will increase the firm value. In addition, the importance of evaluating the implementation and disclosure of CSR in the context of caring for the community and the environment around the company, as well as the need to optimize the resources owned, especially intangible assets (intellectual capital), especially in this increasingly sophisticated era, which will later be taken into consideration in maintaining and improving the performance and firm's value, both when the company is faced with normal situations and when faced with internal and external crises.

b. For Investors

The results of this research are expected to be taken into consideration by investors and potential investors in analyzing, determining, and making decisions about which companies they will choose to invest their capital in, especially investors who invest in SRI-KEHATI indexed companies, by not only considering financial aspects

but by looking at whether the company has good governance and has concern for the social and environmental surroundings of the company.

C. Limitations and Research Suggestions

1. Research Limitations

The limitation of this research is the reduced number of samples from 33 companies to 29 companies. This reduction is because at the time of data collection, it was found that there were several sample companies that in their CSR disclosures still used GRI G4, which was published in 2013. Thus, these companies had to be excluded from the sample because the CSR index measurement in this study used the GRI Standard or the latest standard from GRI, which is a standard published in 2018.

2. Research Suggestions

- a. Future researchers are expected to be able to take samples of companies not only indexed in the SRI-KEHATI index but also certain sector companies listed on the IDX, so that it can obtain a large number of samples and generalize.
- b. Future research is expected to expand the research variables by using good corporate governance proxies that are more varied, such as institutional ownership, audit committees, and diversity of the board of directors.
- c. Further research can use other independent and moderating variables to provide a broader picture of firm value.