CHAPTER V

CONCLUSION AND IMPLICATION

A. Conclusion

The conclusions that can be drawn:

1. Board of Director (BoD) has no influence on Company Value**.** The research indicates that the number of board directors does not significantly impact company value, indicating that companies should consider both quantity and quality. Large boards may cause issues, increasing agency costs and inappropriate relationships.

2. The independent board of commissioner (BIC) has a positive influence on the value of the company. The study reveals that the size of independent commissioners positively influences company value, as they effectively supervise management, reduce moral hazard, and increase company profits. This aligns with agency theory, reducing agency costs, boosting company value, and reducing fraud in financial reporting.

3. The Institutional Ownership (INSO) has a positive influence on Company Value. Institutional ownership positively influences firm value, as it supervises and disciplines managers more than individual ownership. A higher concentration of institutional share ownership leads to more effective supervision and improved management. This aligns with Agency Theory and supports good corporate governance, reducing agency costs and increasing company value.

4. The Managerial ownership (MNJO) has a positive influence on company value. Managerial ownership allowing management and shareholders to optimize value. This aligns with Agency Theory, as managerial share investment reconciles conflicts of interest. Also, it encourages discipline management to maximizes profits and increase company value.

5. Committee Audit (CA) negatively influence company value. This indicating that it should improve the quality of financial reports. However, some audit committees may only ensure government compliance and avoid tax sanctions, reducing the company's value. The audit committee's role is crucial for good corporate governance, but investors and the public may not fully understand its effectiveness.

6. Audit Quality (AQ) has no influence on Company Value. Audit quality does not significantly impact company value due to clear transparency and the use of Big Four CAP to enhance brand and highlight processes. Human error can influence audit quality.

7. Corporate Social Responsibility Disclosure (CSRD) has no influence on Company Value. Corporate Social Responsibility Disclosure (CSRD) does not impact company value despite its disclosure in financial reports. This is due to the market's lack of preparedness and investors' negative views on CSR activities. The findings contradict stakeholder theory, as investors often respond negatively to CSR disclosures.

B. Implication

In accordance with the findings and discussion in Chapter IV, In the future, investors and companies in the LQ45 Index may find use for the following implications when making decisions:

1. Given that these elements have been shown to impact company value positively, companies are expected to consider and enhance these aspects of the Good Corporate Governance mechanism, particularly the representation of independent directors on the board of commissioners, managerial ownership, and institutional ownership.

2. To protect stakeholders, companies must comply with the Financial Services Authority Regulations (POJK), which regulate good company management, such as the Board of Directors, Independent Commissioners, Institutional Ownership, Manager Ownership, Committee Audit, and Quality Audit.

3. Companies are expected to carry out and improve corporate social responsibility disclosure. As well as paying attention to the provisions of the latest GRI standards.

4. It is anticipated that companies will continue to push the boundaries of Good Corporate Governance implementation to gain the public's and investors' confidence. As a consequence, the company's value will increase.

5. When making an investment decision, investors should consider the company's financial condition and the quality of good corporate

governance. A healthy financial condition minimizes investment risks and ensures proper implementation of good corporate governance, which increases the company's value. Additionally, investors should consider the company's size and ROA.

C. Research Limitations

1. The research population is only companies listed on the LQ45 index. Suggestions for further research are expected to expand the research population. For example, on the IDX High Dividend 20 or IDX30 Index to obtain more valid results.

2. This research only uses five years, from 2018 to 2022. To improve the quality of research results, it is hoped that further research will cover a more extended period.

3. Analytical tools for this research's social responsibility disclosure analysis still refer to GRI Standard 4.0. It is hoped that future research will use the latest GRI or other social responsibility disclosure standards.

4. In this research, there are still variables that were omitted when running the data, namely the audit quality variable. It is hoped that in future research we can carry out research with a more mature selection of variables and research models so that it is better.

5. This research uses the control variables ROA and Size. For further research, it is recommended to add control and moderating variables to the research results that are not yet available.