BAB 5
CONCLUSION AND IMPLICATION

A. Conclusion

The following is the conclusion drawn from the findings of the study "The Influence of Good Corporate Governance and Tax Planning on the Value of Financial Sector Companies Listed on the Indonesia Stock Exchange in 2023":

a. Good Corporate Governance has an effect on company value, the research findings show that:

- Independent commissioners, has a positive and significant effect on company value. This indicates that the presence of independent commissioners can provide objective oversight and reduce conflicts of interest between management and shareholders, thus increasing company value.
- Institutional ownership, has a positive but not significant effect on company value. This indicates that the level of institutional ownership in the firms studied may not be strong enough to influence managerial decisions or improve monitoring effectively.
- Audit committee, has a negative effect on company value. This result may reflect inefficiencies in the committee's performance, limitations in its monitoring function, or

inadequate implementation of audit committee responsibilities within the companies examined.

b. Tax planning, has a positive effect but not significant effect on company value. Accordingly, tax planning (as indicated by the Effective Tax Rate, or ETR) may contribute to a higher company value, although the impact is marginal and not statistically significant. The study indicates that the majority of businesses pay comparatively little in taxes.

B. Implication

Hopefully, these results can give helpful input for readers. Here are the implication as follows:

a. Theoretical Implications

This study supports agency theory by showing how good corporate governance can increase a company's value. The advantages of independent commissioners show how their oversight of management reduces shareholder conflicts of interest and enhances company performance. The outcomes for audit committees and institutional ownership, however, differ. Institutional ownership has little effect, and the audit committee even indicates that the value of the company is negatively impacted. This implies that different governance mechanisms function in different ways. Their impact may be determined by other internal company factors or by how well they are implemented. Therefore, this study advances the theory by showing that the circumstances can influence the effectiveness of corporate governance.

However, it was discovered that tax planning had no appreciable effect on company value. Nevertheless, this realization advances scholarly understanding by demonstrating that tax management initiatives do not always have a direct impact on a financial company's market value.

b. Practical Implications

The findings of this study have important implications for companies and regulators. The significant positive effect of independent commissioners shows that companies should prioritize the quality and independence of their board members to improve company value. It is important to appoint commissioners who are truly independent and capable of overseeing management effectively. On the other hand, since institutional ownership and audit committees did not show the expected positive impact, companies should evaluate how these elements are implemented. Regulators and companies need to ensure that institutional owners are actively involved and that audit committees have the necessary skills, independence, and authority to function effectively. This can help improve governance practices and increase company performance in the long run.

The findings also provide valuable input for regulators and investors, highlighting that a company’s value is more influenced by its governance practices than by its tax planning efforts.

C. Research Limitations & Suggestions

Based on the discussion, this study has several limitations:

1. Only secondary data from financial sector companies listed on the Indonesia Stock Exchange (IDX) in 2023 is used in this study. Due to the existence of significant outliers in the dataset, the original sample of 104 companies was further narrowed to 88 after applying selection criteria and to 77 after natural logarithm transformation. Future studies are encouraged to increase the number of observations by including multiple years of data.

2. Only three indicators can be used to measure good corporate governance (GCG): audit committees, independent commissioners, and institutional ownership. The larger idea of good corporate governance (GCG) is not adequately represented by these metrics. Since the current study only employs audit committees, independent commissioners, and institutional ownership as proxies for good corporate governance, future researchers may incorporate additional governance variables. Examples include board size, gender diversity, ownership concentration, CEO duality, and audit quality.

3. Because of the existence of extreme outliers that could not be fixed by data transformation, SPSS for Windows eliminated one independent variable, that is managerial ownership from the multiple linear regression analysis.

4. Because the study only looks at companies in the financial sector that were listed on the Indonesia Stock Exchange (IDX) in 2023, the results cannot be applied to other industries. As this study focuses only on financial sector companies listed on the Indonesia Stock Exchange (IDX) in 2023, future studies may broaden the scope to other industries to compare the effect of GCG and tax planning on firm value across sectors.