

The Influence of Good Corporate Governance, Corporate Social Responsibility, and Diversity on Board of Directors on Firm Value (Empirical Study on Property and Real Estate Companies Listed on the Indonesia Stock Exchange from 2017 to 2020)

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Abstract

This study examined the influence of Good Corporate Governance, Corporate Social Responsibility, and Diversity on Boards of Directors on Firm Value. This study uses secondary data from the IDX website. The population of this quantitative study is the annual report of Property and Real Estate companies listed on the Indonesia Stock Exchange from 2017 to 2020. The sample consisting of the annual reports of Property and Real Estate companies listed on the Indonesia Stock Exchange from 2017 to 2020 was obtained through purposive sampling. The data was collected on March 1, 2022. Multiple linear regression analysis was used to analyze the data. The results of the study prove that the existence of independent commissioners has a significant influence on firm value, audit committee has a significant influence on firm value, and corporate social responsibility disclosure has a significant influence on firm value. The proportion of women and people over 40 on the board of directors has no influence on firm value. The education level of the board of directors has no influence on the firm value.

Keywords: Good Corporate Governance, Independent Commissioners, Audit Committee, Corporate Social Responsibility, Diversity on Boards of Directors, Firm Value.

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INTRODUCTION

Corporate responsibility is concerned with the social and environmental context in which the business operates. It is a type of management synergy effort aimed at improving shareholder welfare, one of which is an increase in firm value (FV). FV is a measure of the success of management performance. Moelyadi, Triningsih, and Supriyati (2017) explain the order and classification in increasing FV such as exogenous factors of Corporate Social Responsibility (CSR), Good Corporate Governance (GCG) and Firm Size, and endogenous factor (Firm Value) and intervening factor (Profitability) with the proposition that exogenous factors affect endogenous factors through intervening variables, profitability. Given that human resource factors are the most important in the company management system, exogenous factors in this study are

proxied by GCG, CSR, and Board Diversity. Many studies examining the influence of GCG and CSR on FV have been conducted, but the results are still mixed.

Studies on the influence of GCG on FV have been carried out by numerous scholars (e.g., Amirudin *et al.*, 2017; Iwan *et al.*, 2016; Leksono & Vhaley, 2018; Sigit, 2015; Sigit & Winwin, 2016). Previous studies reveal that GCG has no influence on FV (e.g., Hoje & Maretno, 2011; Leksono and Vhaley, 2018; Siahaan, 2013; Suryanto & Meisa, 2016). In contrast, previous studies on the influence of CSR on FV yielded significant positive results (e.g., Alan & Julie, 2013; Hoje & Maretno, 2011; Iwan *et al.*, 2016). GCG had no influence on firm value (Amirudin *et al.*, 2017), and CSR will have an influence once it has passed a certain transition limit determined by the calculated score (Roger *et al.*, 2017). Studies related to the influence of

the diversity on the board of directors on FV are found in the research conducted by scholars such as Ferreira (2002) in Ferreira and Daniel (2010), Farrell and Herch (2005), Hilman *et al.*, (2007), and Adams and Ferreira (2009) in Ferreira and Daniel (2010).

Catalyst, a non-profit organization that promotes women in business, discovered the same thing: there is a positive correlation between the presence of women on boards of directors and performance. Meanwhile, studies with age proxies were discovered in D'Ewart's (2015) research, with the results that managers under 40 years old have a negative influence on FV and managers over 40 years old have a positive influence on firm value. This contradicts Robbins' (2003) claim that performance declines with age. Meanwhile, studies using a proxy of education level have found that education level has no influence on FV (Ayaba & Hosea, 2012; Harmini, 2006). According to Wirawan, Bagia, and Susila (2016), there is an influence, whereas according to organizational behavior theory, there should be a positive influence between the level of education and company performance.

LITERATURE REVIEW

Agency Theory

Agency theory is related to agency problems and strategies to overcome them (Jensen & Meckling, 1976; Ross, 1973). Problems with the agency arise when the company owner (principal) is unable to manage his own business and appoints another party (agent) to do so. This problem arises due to differences in interests between the principal and the agent, where the agent's income reduces the portion of the principal, all benefits for the agent are costs for the principal and in some cases, and the agent receives improper benefits as a result of this position. In practice, an agent is a member of management with the authority to make business decisions in a company led by a top manager, the CEO (Berk, Jonathan & Peter, 2011). Meanwhile, the primary goal of shareholders is to maximize the return on their investment; thus, the appointment of an agent is with the goal of maximizing that return (Brigham *et al.*, 2004), one of which is the firm value.

Stakeholder Theory

Stakeholder is any group or individual who can affect or is affected by the Achievement of the organization objectives" (Freeman, 1984). Customers, employees, local communities, suppliers and distributors, and company owners are all stakeholders, i.e. all parties with an interest in the company. To maximize firm value, management must consider these stakeholders. Stakeholder theory is concerned with management strategies that address stakeholders' interests (Friedman & Miles, 2006).

Firm Value

Firm value is the worth of a company as an operating business (2017). Firm value is an investor's evaluation of the company's level of success, which is linked to its share price (Suffah & Ridwan, 2016). Suad Husnan and Pudjiastuti (2012) define firm value as the price that prospective buyers are willing to pay if the company is sold; the greater the value of the company, the greater the prosperity that the owner will receive. Various approaches to firm value can also be seen; for example, Brigham (1999) states that firm value is determined by the market perception of the sustainability of the firm's performance as seen in the market price of the outstanding shares on a specific date. Another approach is Tobin's Q, which calculates the firm value as the ratio of the book value of debt plus the market value of equity divided by the book value of equity (Sallagan, 2006). Tobin's Q is also used as a proxy for firm value in this study.

Good Corporate Governance (GCG)

GCG is a system that regulates and controls the company in creating value added for all stakeholders (Monks, 2003), which is theoretically based on the following principles: Transparency (openness of information), Accountability, Responsibility, independence, and Fairness (equality and fairness) (Richard, 2000). The five basic principles of GCG must be present in all company systems to increase added value for all stakeholders. Given that management is the party that implements GCG principles, supervision is required, which can be characterized in practice by the existence of an independent board and institutional ownership. In this study, the existence of an Independent Commissioner and an Audit Committee serves as a proxy for the GCG mechanism.

Corporate Social Responsibility

CSR aims to ensure that businesses conduct themselves ethically by taking into account the impact of their business activities on the community in the form of cooperating with local communities, spending social funds, developing cooperation with trade unions and customer groups, and concern for environmental protection and sustainability disclosed in sustainability reporting. Environmental care actions are responded to by both investors and customers which in turn will increase the value of the company. According to Utami (2015), there is a link between the quality of CSR disclosure and FV; thus, the CSR proxy in this study is CSR disclosure in company reports. CSR can briefly be interpreted as corporate social responsibility to stakeholders. Employees, shareholders, consumers, the public, the press, and the government are examples of stakeholders who have an interest in the company's existence or activities, either directly or indirectly. Wineberg and Rudolph (2004) define CSR as "*The contribution that a company makes in society through its core business activities, its social investment and*

philanthropy programs, and its engagement in public policy”.

Diversity of the Board of Directors

To increase the value of the company through the allocation of various economic resources with a composition that can maximize the value of the company, whose responsibility lies with the board of commissioners/top directors (top executive officer or chief executive officer/CEO), the appointment of a CEO is a strategic decision that shareholders must make. Owners/investors' interests are those who can run the company to produce the best results with the accompanying basic characteristics, such as gender, age, and education level. According to organizational behavior theory, gender, age, and education level should all have a positive impact on firm performance and value. Gender, age, and education level are proxies for Board Diversity in this study.

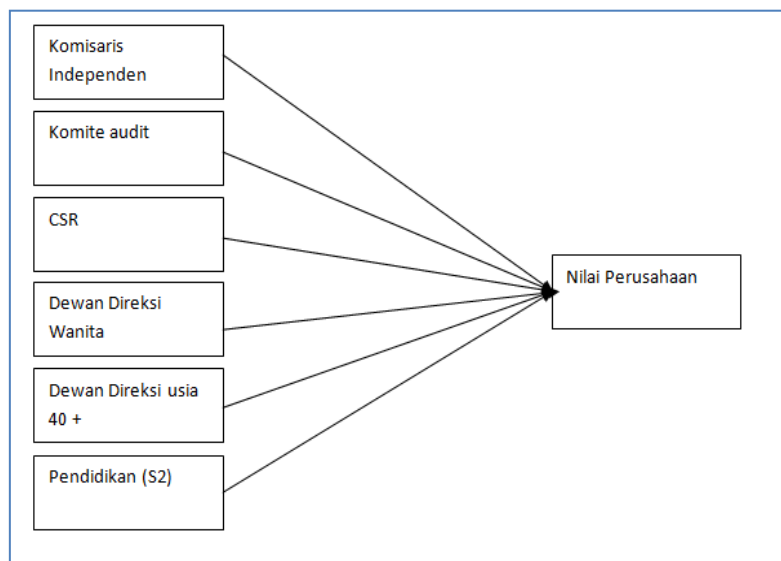
Conceptual Framework

In theory, the use of GCG through its mechanism, which appears in the presence of Independent Commissioners and the Audit Committee, will increase the firm value. This is supported by previous studies (Amirudin *et al.*, 2017; Black *et al.*, 2008; Iwan *et al.*, 2016; Joe & Harjoto, 2011; Sigit, 2015; Sigit & Winwin, 2016). Because it has been

stated that GCG (with proxy Independent Commissioners and Audit Committee) has an impact on firm value.

In theory, companies that engage in environmentally friendly activities (CSR) receive positive feedback from investors and customers, which is expected to increase the company's value. This is empirically supported by scholars (e.g., Alan & Julie, 2013; Black *et al.*, 2008; Iwan *et al.*, 2016; Joe & Harjoto, 2011; Hoje & Maretno, 2011). Therefore, it can be argued that CSR disclosure has an influence on firm value.

According to the theory of organizational behavior age, education level, and gender of employees should have a positive influence on company performance. Previous studies support this idea, for example, studies carried out by Ferreira (2002) in Ferreira, Daniel (2010), Farrell and Herch (2005), Hilman *et al.*, (2007), and Adams and Ferreira (2009) in Ferreira and Daniel (2010) that women in the board of directors has an influence on FV. D'Ewart (2015) states that managers over 40 have a positive influence on FV. Wirawan, Bagia, and Susila (2016) argue that the level of education has an influence on FV. Thus, the framework of this study is as follows:



The following research hypotheses can be formulated using the previously stated framework:

H1: The existence of an independent commissioner has a significant influence on firm value.

H2: The existence of the audit committee has a significant influence on firm value.

H3: Corporate social responsibility disclosure has a significant influence on firm value.

H4: The proportion of women on the board of directors has a significant influence on firm value.

H5: The age of the Board of Directors has a significant influence on firm value.

H6: The level of education of the Board of Directors has an influence on the value of the company.

METHOD

The data used in this study is secondary data (from financial statements of the Indonesia Stock Exchange from 2017 to 2020). The study employs a quantitative approach, that is, research that employs numbers or data that has been converted into numbers.

From 2017 to 2020, the research subjects or population in this study are property and real estate companies listed on the Indonesia Stock Exchange (IDX). In this study, the purposive sampling method was used, with the following criteria:

- 1) From 2017 to 2020, property companies were listed on the Indonesia Stock Exchange,
- 2) Property companies that report their financial statements using the rupiah currency from 2017 to 2020,
- 3) For four consecutive years there is no change in the composition of the members of the board of commissioners and the board of directors, c) Information related to the educational background

and age of the board of commissioners and directors is available in the issuer's publications.

- 4) The data used is secondary data from property companies listed on the Indonesia Stock Exchange between 2017 and 2020, which can be accessed via the websites www.idx.co.id or www.sahamok.com. Data collection techniques in this study were carried out through Library Research, which involved gathering information from a variety of sources (textbooks, journals, and relevant previous studies to be studied, analyzed, and concluded). SPSS version 16.0 was used for data analysis.

Variable Operation

VARIABLE	INDICATOR	SCALE
GCG	Independent Commissioner	Ratio
GCG	Audit Committee	Ratio
CSR	Disclosure	Ratio
Diversity Board of Directors	Proportion of Gender	Ratio
Board Diversity	Proportion of employee Aged 40	Ratio
Board Diversity	Education Level	Ratio
Firm Value	Proportion of Book Value of Debt + Market Value of Equity/Book Value of Equity	Ratio

Based on the parameters, this study identified 33 companies to serve as samples. Table 3.1 shows the sample selection using the aforementioned parameters.

Table 3.1: Sampling Criteria Parameters

Criteria	Total
Property and Real Estate Companies from 2017 to 2020	65
Property and Real Estate Companies issuing incomplete AR reports from 2017 to 2020	-30
Number of Property and Real Estate Companies from 2017 to 2020 that did not disclose CSR in AR reports	-2
Number of Property and Real Estate Companies from 2017 to 2020 according to criteria	33
Research Year	4
Number of Samples (33 x 4)	132
Data Outliers	(56)
Number of Research Samples	76

DATA ANALYSIS

Table 4.1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
IC	76	.33	.67	.4147	.09447
AC	76	2	3	2.97	.161
CSR	76	.01	.21	.1020	.05687
Gender	76	.00	.50	.1629	.17010
Age	76	.00	.50	.0492	.10870
ED	76	.00	1.00	.4095	.24423
FV	76	.22	1.53	.7368	.27366
Valid N (listwise)	76				

Table 4.1 can be interpreted as follows:

1. Data of Independent Commissioner for four years. A minimum value of 0.33 was obtained with 29 data from 76 samples and a maximum value of 0.67 was obtained with 4 data from 76 samples. The average obtained value is 0.4147, with a standard deviation of 0.09447.
2. Data of the Audit Committee for four years a minimum score of 2 was obtained with two data from 76 samples and a maximum value of 3 with 74 data from 76 samples while the average is 2.97, with a standard deviation of 0.161.
3. Data of CSR for four years obtained a minimum value of 0.01 with a total data of 1 of 76 samples

and a maximum value of 0.21 with a total data of 4 of 76 samples. While the average value obtained is 0.1020 with a standard deviation of 0.05687.

4. Data for Woman (Gender) for four years obtained a minimum value of 0.00 with a total of 31 data from 76 samples and a maximum value of 0.50 with a total data of 8 from 76 samples. While the average value obtained is 0.1629 with a standard deviation of 0.17010.
5. The data on the age of the board of directors of less than 40 years (Age) for four years. A minimum value of 0.00 is obtained with a total of 60 data from 76 samples and a maximum value of 0.50 with a total of two data from 76 samples. While the average value obtained is 0.0492 with a standard deviation of 0.10870.
6. Data on Educational background of the board of directors for four years obtained a minimum value

of 0.00 with a total of 6 data from 76 samples and a maximum value of 1.00 with a total data of 5 from 76 samples. While the average value obtained is 0.4095 with a standard deviation of 0.24423

7. Data of firm value for four years obtained a minimum value of 0.22 with a total data of 1 of 76 samples and a maximum value of 1.53 with a total data of 1 of 76 samples. The average value obtained is 0.7368 with a standard deviation of 0.27366.

Classical Assumption Test

Normality Test

The results obtained are the value of Asymp. Sig. (2-tailed) of 0.181 > 0.05. Thus, it is said that the data is distributed normally as depicted in Table 4.4.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		76
Normal Parameters ^a	Mean	.0000000
	Std. Deviation	.22785076
Most Extreme Differences	Absolute	.126
	Positive	.126
	Negative	-.061
Kolmogorov-Smirnov Z		1.096
Asymp. Sig. (2-tailed)		.181

a. Test distribution is Normal.

Multicollinearity Test

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	IC	.863	1.158
	KA	.948	1.055
	CSR	.751	1.331
	Gender	.843	1.186
	Age	.816	1.225
	ED	.904	1.107

a. Dependent Variable: FV

The Tolerance value is above 0.10 and the Variance Inflation Factor (VIF) value is less than 10. It can be concluded that the regression model in this study does not show multicollinearity.

Heteroscedasticity Test

Based on the above results, the sig value > 0.05 indicates that there is no heteroscedasticity symptom.

Autocorrelation Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.554 ^a	.307	.246	.23755	1.151

a. Predictors: (Constant), ED, AC, Gender, IC, Age, CSR

b. Dependent Variable: FV

The value of Durbin Watson is 1.151. The decision to see whether there is autocorrelation in the data studied is through the theory which states that if

the D-W value is between -2 to +2, there is no autocorrelation.

Multiple Linear Regression Analysis

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.885	.552		-1.604	.113
IC	.634	.313	.219	2.027	.047
AC	.389	.175	.229	2.225	.029
CSR	1.742	.556	.362	3.131	.003
Gender	.019	.376	.006	.051	.960
Age	-.401	.279	-.159	-1.435	.156
ED	.106	.118	.094	.896	.373

a. Dependent Variable: FV

$$Y = -0.885 + 0.634 IC + 0.389 KA + 1.742 CSR + 0.019 Gender - 0.401 Age + 0.106 ED$$

The results of the multiple linear regression analysis equations can be explained through the following descriptions:

- 1) A constant of (-0.885) means that if Independent Commissioner, Audit Committee, CSR, Gender, Age, and ED have a value of zero, then the firm value is -0.885.
- 2) The coefficient of the variable of Independent Commissioner is 0.634. This indicates that if other variables are constant, then every 1 Independent Commissioner increase will be followed by an increase in firm value of 0.634.
- 3) The coefficient of the Audit Committee variable is 0.389. This indicates that if the other variables are constant, then every increase of 1 unit of Audit Committee will be followed by an increase in firm value of 0.389
- 4) The coefficient of the variable of Corporate Social Responsibility is 1.742. This indicates that if other

variables are constant, then every increase of 1 Corporate Social Responsibility unit will be followed by an increase in firm value of 1,742.

- 5) The coefficient of the variable of Gender is 0.019. This indicates that if other variables are constant, then every 1 unit increase in Gender will be followed by an increase in firm value of 0.019.
- 6) The coefficient of the variable Age is -0.401. This indicates that if the other variables are constant, then every 1 unit increase in Age will be followed by a decrease in firm value of 0.401.
- 7) The coefficient of the variable of educational level is 0.106. This indicates that if other variables are constant, then every 1 unit increase in educational level will be followed by an increase in firm value of 0.106

Hypothesis Testing

Coefficient of Determination Test (R^2)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.554 ^a	.307	.246	.23755

a. Predictors: (Constant), ED, AC, Gender, IC, Age, CSR

b. Dependent Variable: FV

The value of Adjusted R Square is 0.246. 24.6% of the firm value variance can be explained by the variables of independent commissioner, audit committee, Corporate Social Responsibility, Gender, Age, and educational level, while the rest 75.4% is

influenced or can be explained by other variables not included in this research model.

Model Feasibility Test (F Test)

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.723	6	.287	5.089	.000 ^a
	Residual	3.894	69	.056		
	Total	5.617	75			

a. Predictors: (Constant), ED, AC, Gender, IC, Age, CSR

b. Dependent Variable: FV

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.885	.552		-1.604	.113
	IC	.634	.313	.219	2.027	.047
	AC	.389	.175	.229	2.225	.029
	CSR	1.742	.556	.362	3.131	.003
	Gender	.019	.376	.006	.051	.960
	Age	-.401	.279	-.159	-1.435	.156
	ED	.106	.118	.094	.896	.373

65	0.67828	1.29471	1.66864	1.99714	2.38510
66	0.67823	1.29451	1.66827	1.99656	2.38419
67	0.67817	1.29432	1.66792	1.99601	2.38330
68	0.67811	1.29413	1.66757	1.99547	2.38245
69	0.67806	1.29394	1.66724	1.99495	2.38161
70	0.67801	1.29376	1.66691	1.99444	2.38081
71	0.67796	1.29359	1.66660	1.99394	2.38002
72	0.67791	1.29342	1.66629	1.99346	2.37926

Individual Parameter Significance Test (t-Test)

1. Independent Commissioner

The t-count is 2.027, with the t-table being 1.667. n is 76 and df with the formula $n-k$ or $76-6=70$. The significant level is 0.047 which is < 0.05 . It confirms that t-count 2.027 is $>$ t-table of 1.667. Thus, H1 is accepted. Independent commissioner has a significant influence on firm value.

2. Audit Committee

The t-count is 2.225, with a t-table of 1.667. n is 76 and df with the formula $n-k$ or $76-6 = 70$. The significant level is 0.029 (< 0.05). Thus, the t-count of 2.225 is $>$ the t-table of 1.667. H2 is accepted. The audit committee has a significant influence on firm value.

3. CSR

The t-count is 3.131, with a t-table of 1.667. n is 76 and df with the formula $n-k$ or $76-6 = 70$. The significant level is 0.003, which is < 0.05 . The t-count of 3.131 is $>$ t-table 1.667. H3 is accepted. This means that Corporate Social Responsibility has a significant influence on firm value.

4. The Proportion of Women (Gender)

The t-count is 0.051, with a t-table of 1.667. n is 76 and df with the formula $n-k$ or $76-6 = 70$. The significant level is 0.960 (> 0.05). It confirms that t-count of 0.051 is $<$ t-table 1.667. H4 is rejected. Hence, the proportion of women (Gender) does not have a significant influence on firm value.

5. Proportion of Managers Aged 40 (Age)

The t-count is -1.435, with a t-table of 1.667. n is 76 and df with the formula $n-k$ or $76-6 = 70$. The significant level is 0.156 > 0.05 . The t-count (-1.435) is $<$ t-table 1.667. H5 is rejected. The proportion of

managers Aged 40 does not have a significant influence on firm value.

6. Proportion of Educational Levels (Education)

The t-count is 0.896, with the t-table being 1.667. n is 76 and df with the formula $n-k$ or $76-6 = 70$. The significant level is 0.373 > 0.05 . The t-count 0.896 $<$ t-table 1.667. H6 is rejected. Educational background does not have a significant influence on the firm value.

The following is an explanation of the summary of the hypothesis testing results:

RESULTS AND DISCUSSION

The Influence of Independent Commissioners on Firm Value

The results show that the Independent Commissioner has a significant influence on firm value. The Independent Commissioner is the controller who directly supervises management's work to ensure that it is always in accordance with GCG principles to achieve the best performance and increase firm value. The controller is a component of the GCG system, which regulates and supervises the company's efforts to create value for all stakeholders (Monks, 2003) which is theoretically based on several principles such as transparency, accountability, responsibility, independence, and fairness (Richard, 2000). This is in line with the study conducted by Erna (2019) that from 2013 to 2016, the Indonesian board of commissioners' expertise has increased, which means that increased professionalism can encourage management to improve performance, increasing firm value. The results of this study also confirm previous studies (e.g., Amirudinel *et al.*, 2017; Black *et al.*, 2008; Iwanel *et al.*, 2016; Joe & Harjoto, 2011; Leksono & Vhaley, 2018; Sigit, 2015; Sigit & Winwin, 2016).

The Influence of the Audit Committee on Firm Value

The results show that the Audit Committee has a significant influence on firm value. It is in line with the general theory of GCG. The audit committee's task is to ensure that operations follow SOPs, and the audit committee encourages management to comply with regulations to improve performance and add value to the company. This study corroborates previous studies (Amirudinel *et al.*, 2017; Black *et al.*, 2008; Iwanel *et al.*

al., 2016; Joe & Harjoto, 2011; Leksono & Vhaley, 2018; Sigit, 2015; Sigit & Winwin, 2016).

The Influence of Corporate Social Responsibility on Firm Value

The findings indicate that CSR has a significant impact on firm value, as explained by Chen (2019), who defines CSR as a company model that enables companies to fulfill their social obligations. Investors and customers respond positively to the company's environmental care activities, increasing the firm value. This verifies previous studies conducted by Hoje and Maretno (2011), Alan and Julie (2013), Iwan *et al.*, (2016), Black *et al.*, (2008), Joe and Harjoto (2011), Utami (2015), and Roger *et al.*, (2017).

The Influence of the Proportion of Women on Firm Value

Statistical results show that the proportion of women on the board does not have a significant influence on firm value. This is because the proportion of women is insufficient to be a driving factor in increasing firm value. To increase the firm value, an additional proportion of women must be added.

The Influence of the Proportion of Managers Aged 40 on Firm Value

The results show that the proportion of managers aged 40 does not have a significant influence on firm value. This is probably because the majority of the members of the board of directors are dominated by those aged over 40 years or golden age (above 50 years). It validates the statement that as people grow older, they gain more experience, which becomes a driving force in increasing firm value. This is in accordance with the study of D'Ewart (2015) that senior managers under the age of 40 have a negative impact on firm value, while those over the age of 40 have a positive impact.

The Influence of Educational Background on Firm Value

The results show that, as seen in the raw data, the proportion of background levels has no significant influence on firm value, with a minimum value of 0.000 and a maximum value of 1.00, but the average value is 38%, indicating no variability that drives firm value. Higher education may imply superior competence, but in the property industry, it appears that experience is more likely to increase firm value.

CONCLUSION

The study's conclusions are as follows:

- Independent Commissioner has a significant influence on firm value
- The Audit Committee has a significant influence on firm value
- CSR disclosure has a significant influence on firm value.

- The proportion of women on the Board of Directors has no significant influence on firm value.
- The proportion of managers aged 40 years has no significant influence on firm value.
- Education level and background have no significant influence on firm value.

SUGGESTION

- Future researchers are suggested to re-examine the variables whose hypothesis has not been proven to obtain additional information on the direction of the theory in terms of its influence on firm value. These variables are the existence of women on the board of directors and level of education.
- The management of the company should consider that the presence of women on the board of directors, the age and level of education of the manager to increase the firm company passing the baton to the younger generation in leading the company because these variables together have a significant influence on the company's value because these variables have a significant influence on the value of the company.
- Policymakers are advised to re-examine CSR activities carried out by companies to obtain input related to increasing the legalization of CSR activities that are proven to increase environmental benefits while increasing firm value.

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