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The Mechanism of Good Corporate Governance, Company Size, and Leverage on The Value of Indonesian State-Owned Enterprises

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ABSTRACT

Business is growing rapidly, influenced by economic, socio-political, and technological factors. Indonesia's economic growth is reflected in the increasing number of companies listed on the Indonesia Stock Exchange. This study aims to analyze the impact of the Independent Board of Commissioners, Institutional Ownership, Audit Committee, Firm Size, and Leverage on Firm Value in Indonesian state-owned enterprises (SOEs). The research employs panel data regression analysis using a purposive sampling method on 16 SOEs listed on the Indonesia Stock Exchange from 2019 to 2023. The results show that the Independent Board of Commissioners, Institutional Ownership, and Audit Committee have no significant impact on firm value, while Firm Size and Leverage have a positive and significant effect. These findings suggest that corporate governance in SOEs may not yet be optimal, while larger companies with well-managed debt tend to have higher value. In practice, SOEs should focus on growth through business expansion, operational efficiency, and proper debt management. Additionally, corporate governance evaluation is necessary to enhance effectiveness in improving firm value and attracting investors.

Keywords: Good Corporate Governance, Company Size, Leverage. Firm Value

ABSTRAK

Bisnis berkembang pesat dengan pengaruh ekonomi, sosial politik, dan teknologi. Perkembangan ekonomi Indonesia terlihat dari semakin banyaknya perusahaan yang terdaftar di Bursa Efek Indonesia. Penelitian ini bertujuan untuk menganalisis pengaruh Dewan Komisaris Independen, Kepemilikan Institusional, Komite Audit, Ukuran Perusahaan, dan Leverage terhadap Nilai Perusahaan pada BUMN di Indonesia. Penelitian ini menggunakan analisis regresi data panel dengan metode purposive sampling pada 16 BUMN yang terdaftar di Bursa Efek Indonesia periode 2019-2023. Hasil penelitian menunjukkan bahwa Dewan Komisaris Independen, Kepemilikan Institusional, dan Komite Audit tidak berpengaruh signifikan terhadap nilai perusahaan, sedangkan Ukuran Perusahaan dan Leverage berpengaruh positif dan signifikan. Temuan ini menunjukkan bahwa tata kelola perusahaan di BUMN mungkin belum optimal, sementara perusahaan yang lebih besar dan memiliki manajemen utang yang baik cenderung memiliki nilai lebih tinggi. Dalam praktiknya, BUMN perlu fokus pada pertumbuhan melalui ekspansi, efisiensi operasional, dan pengelolaan utang yang baik. Evaluasi tata kelola juga diperlukan agar lebih efektif dalam meningkatkan nilai perusahaan dan menarik investor.

Kata Kunci: Good Corporate Governance, Ukuran Perusahaan, Leverage, Nilai Perusahaan

Introduction

Business growth in the modern era is influenced by economic, social, political, and technological advances. In Indonesia, economic growth is indicated by the increasing number of companies listed on the Indonesia Stock Exchange (IDX). Companies going public not only pursue profits but also must increase the company's value. Company value is an important indicator that shows business prospects and attracts investors. Companies aim to achieve maximum profit, which directly increases the company's value and is reflected in its stock price. The higher the stock price, the higher the market's perception of the company's performance and prospects, which ultimately increases investor confidence. Investors tend to choose companies with good financial performance, bright prospects, and increasing stock values. This makes companies compete to improve their competitiveness to attract investment capital.

Corporate value is the investor's perception of the quality of a company, often measured by its stock price. A company with a high value reflects good performance and bright prospects in the future. The company's ability to attract external capital is an important factor in business growth and competitiveness. Stocks as a sign of capital participation allow their holders to receive rewards from the investment made.

Companies that go public provide the public with the opportunity to own part of the ownership through shares. Share prices are influenced by market forces, namely supply and demand, as well as company performance. Stock valuation involves book value, market value, and intrinsic value, all of which are important for investors to make informed investment decisions.

BUMN is a business entity whose capital is mostly owned by the state, with the main objective of generating profits or providing public services. Several BUMN have become public companies, allowing their shares to be owned by the public. Data on the value of BUMN companies listed on the IDX during 2018-2022 shows an important trend in reflecting company performance.

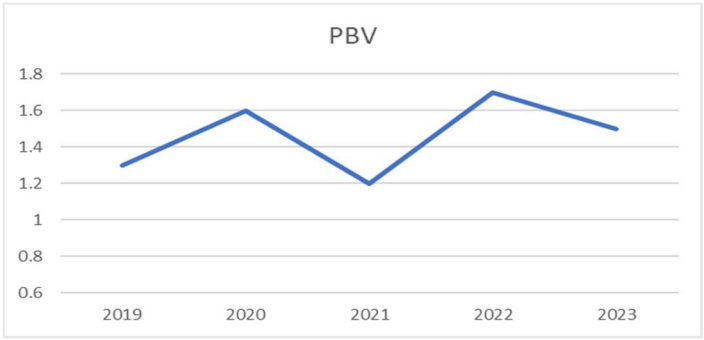
In Table 1 the company value indicator is calculated using Price to Book Value (PBV). Based on the table above, a graph can be produced that shows the development of the average value of BUMN companies listed on the Indonesia Stock Exchange for the period 2019 - 2023.

Table 1. Value of State-Owned Enterprises Listed on the IDX with PBV for the Period 2019-2023

No	Stock Code	PBV					Average per 5 Years
		2019	2020	2021	2022	2023	
1	ADHI	0.6	0.3	0.6	0.5	0.4	0.5
2	ANTM	1.1	2.4	2.6	2.3	1.9	2.1
3	GIAA	1.4	-0.3	-0.1	-0.1	-0.2	0.1
4	INAF	0.1	0.4	0.1	9.4	9.8	4.0
5	JSMR	1.6	1.4	1.1	1.0	1	1.2
6	KAEF	0.9	3.3	1.9	1.1	0.6	1.6
7	KRAS	1.1	1.2	1	0.9	0.5	0.9
8	PGAS	1	0.9	0.7	0.8	0.6	0.8
9	PTBA	1.6	1.9	1.3	1.8	1.5	1.6
10	PTPP	0.7	0.8	0.4	0.4	0.2	0.5
11	SMBR	1.3	3.1	1.8	1.4	1.1	1.7
12	SMGR	2.1	2.1	1.1	1.1	1	1.5
13	TINS	1.2	2.2	1.7	1.7	1	1.6
14	TLKM	4	3.2	3.3	3.1	2.6	3.2
15	WIKA	0.9	1.1	0.6	0.5	0.3	0.7
16	WSKT	0.7	1.7	1.1	0.9	0.5	1.0
Amount		26.6	31.6	24.3	33.1	29.4	29.0
Average		1.3	1.6	1.2	1.7	1.5	1.5

Source: data processed

Figure 1. Average development of the value of state-owned companies listed on the Indonesia Stock Exchange for the period 2019-2023



Source: Data Processed

Figure 1 shows the change in the value of state-owned enterprises listed on the IDX in 2019–2023, measured by the PBV ratio (comparison of stock market price to book value per share). The PBV value of state-owned enterprises fluctuated significantly during the period, with some periods experiencing increases and decreases. These fluctuations are influenced by internal and external factors, and can have a negative impact on companies

and investors, such as decreasing investor confidence, difficulty in funding, and financial instability of the company.

Company value is influenced by several main factors. First, Good Corporate Governance (GCG), Company value is influenced by various factors, one of which is Good Corporate Governance (GCG). In Indonesia, the implementation of GCG in BUMN began with a government decree through Decree No. 23/M-PM.PBUMN/2000 concerning the development of good governance practices. The latest regulation, Regulation of the Minister of BUMN No. Per-2/Mbu/03/2023, requires BUMN to implement GCG principles at all levels of the organization. GCG aims to create transparency, accountability, fairness, and the involvement of all employees in company development (Rachmawati et al., 2021). According to Yadiati in Karinda (2018), GCG is a system that regulates the functions and relationships between internal and external parties of the company for the benefit of shareholders and other stakeholders. Good implementation of GCG supports the achievement of optimal financial performance. One important element in GCG is the Independent Board of Commissioners, which plays a role in overseeing the company's strategy and ensuring that management works to improve performance and achieve company goals. The second factor that influences Company Value is Company Size. According to Harmono (2014), company size has an effect because financial managers need to find the optimal financial combination to assess company performance. Companies can be categorized as large, medium, or small. Large and growing companies usually have higher profit opportunities and are easier to obtain funding, which can increase the company's value and attract investors (Eko, 2014). Therefore, information about company size is very important for investors in making decisions (Shelita & Dermawan, 2024). Third, Leverage, Leverage refers to the risk that a company has related to the use of debt. In general, investors tend to avoid companies with high leverage because the higher the debt ratio, the greater the risk that must be borne, especially if the company fails to meet its debt obligations on time. Leverage is directly related to the company's financing decisions which aim to generate profits without experiencing losses (Husna & Satria, 2019). Excessive use of debt can be high risk, especially if the company has difficulty paying its debts. Therefore, companies need to consider the amount of debt and its ability to generate profits (Pratama & Wiksuana, 2016). Sutama and Lisa (2018) said that companies with greater debt than equity tend to have high leverage levels. In this study, the authors used the Debt to Equity Ratio (DER), which is a ratio that measures the comparison between a company's debt and equity. The higher this ratio, the higher the financial risk faced by the company.This ratio is

also used to determine how much equity is used as collateral for debt. From the several factors above, there is a phenomenon that appears in studies on the influence of company value. Several previous studies have shown different results related to the relevant variables in this study. This can be seen in the Research Gap summary table in Table 2. The table shows that many factors are suspected of influencing company value, but the results of previous studies are still inconsistent. Therefore, this study was conducted to re-examine these variables and provide clearer information than previous studies.

Based on the above criteria, state-owned companies in the banking sector listed on the Indonesia Stock Exchange (IDX) include PT Bank Negara Indonesia (Persero) Tbk, PT Bank Rakyat Indonesia (Persero) Tbk, PT Bank Tabungan Negara (Persero) Tbk, and PT Bank Mandiri (Persero) Tbk. Therefore, the sample of this study consists of 16 Indonesian state-owned companies for the 2019-2023 period that meet these criteria. The following is a list of companies used is in Table 4.

Table 2. Research Gap

Information	Previous Research	Research result
The Influence of the Independent Board of Commissioners on Company Value.	Siti Muntahanah and Heru Cahyo (2022)	negative and not significant
	Julianan Nasution, Riska Adwiyah Hasibuan, Kharisa Abdi (2023)	positive and significant
	Joko Purwanto Nugroh and, Afifah Nur Aini (2023)	positive and significant
The Influence of Institutional Ownership on Firm Value.	Siti Muntahanah, Heru Cahyo (2022)	positive and significant
	Dini Yusvarani and Gayatria Oktalina Medinal (2022)	negative and not significant
	Julianan Nasution, Riska Adwiyah Hasibuan, Kharisa Abdi (2023)	positive and not significant
The Influence of the Audit Committee on Company Value.	Siti Muntahanah, Heru Cahyo (2022)	Negative and Not Significant
	Julianan Nasution, Riska Adwiyah Hasibuan, Kharisa Abdi (2023)	Positive and Insignificant
	Dini Yusvarani and Gayatria Oktalina Medinal (2022)	Negative and Not Significant
The Influence of Company Size on Company Value.	Jessica Carmen Tanaya and Hendra Wiyanto (2022)	Negative and Significant
	Melati Efesia Putri and Sunarto (2022)	Positive and Significant
	The Last Supper (2020)	Negative and Significant
The Effect of Leverage on Company Value.	Jessica Carmen Tanaya and Hendra Wiyanto (2022)	Positive and Significant
	Johannes and Jonnardi (2024)	Positive and Significant
	Rizqia Muharramah and M. Zulman Hakim (2021)	Significant Negative

(Source: articles, journals, and processed)

Table 3. Sample Determination Criteria

Criteria	Amount
State-owned companies listed on the Indonesia Stock Exchange for the 2019-2023 period	20
State-owned companies in the banking sub-sector listed on the Indonesia Stock Exchange	(4)
Number of Samples	16

Source: Data Processed

Table 4. Research Sample

No	Issuer Code	Company name
1	ADHI	PT Adhi Karya (Persero) Tbk
2	ANTM	PT Aneka Tambang (Persero) Tbk
3	GIAA	PT Garuda Indonesia (Persero) Tbk
4	INAF	PT Indofarma (Persero) Tbk
5	JSMR	PT Jasa Marga (Persero) Tbk
6	KAEF	PT Kimia Farma (Persero) Tbk
7	KRAS	PT Krakatau Steel (Persero) Tbk
8	PGAS	PT National Gas Company (Persero) Tbk
9	PTBA	PT Bukit Asam (Persero) Tbk
10	PTPP	PT. Housing Development (Persero) Tbk
11	SMBR	PT Semen Baturaja (Persero) Tbk
12	SMGR	PT Semen Indonesia (Persero) Tbk
13	TINS	PT Timah (Persero) Tbk
14	TLKM	PT Telekomunikasi Indonesia (Persero) Tbk
15	WIKA	PT Wijaya Karya (Persero) Tbk
16	WSKT	PT Waskita Karya (Persero) Tbk

Source: Data Processed

Research Methods

This study was conducted on Indonesian state-owned companies listed on the Indonesia Stock Exchange for the 2019-2023 period via the internet by accessing the official website of the Indonesia Stock Exchange, namely www.idx.co.id and through the official websites of Indonesian state-owned companies. This study uses a quantitative research method by emphasizing its analysis on numerical data (numbers) processed using statistical methods using Eviews10. The analysis technique used in this study is panel data regression analysis, with the equation $Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \varepsilon$. The panel data regression test is used to analyze the relationship between independent and dependent variables.

This research is associative in nature and aims to identify the extent of the influence of variable X (independent variable) which consists of the independent variables in this research, namely the Independent Board of Commissioners (X1), An independent commissioner is defined as someone who is not affiliated in any way with the controlling shareholder, has no affiliation with the board of directors or the board of commissioners and does not serve as a director in a company related to the owner company (Fadillah, 2017). Institutional Ownership (X2), is the percentage of shares owned by institutions such as investment companies, banks, insurance companies or other companies that can reduce costs in agency matters. Audit Committee (X3), is a committee that works professionally and independently formed by the board of commissioners, thus its task is to assist and strengthen the function of the board of commissioners or supervisory board in carrying out the supervisory function of the financial reporting process. Company Size (X4), is one variable considered in determining the value of a company Nurminda, et al. (2017).

Leverage (X5), is how much a company depends on creditors in financing the company's assets owned. Against Company Value (Y) as the Dependent variable in this study. The determination of the sample was carried out using the purposive sampling technique using the following criteria:

Result and Discussion

The analysis of the variable descriptions of the 16 samples in this study can be seen in the Table 1.

Table 1. Descriptive Statistics

	PBV	DKI	KI	KA	UP	LEV
Mean	1.32	0.42	0.65	0.63	31.30	2.02
Median	0.98	0.41	0.65	0.66	31.63	1.46
Maximum	9.77	1.00	0.90	1.25	33.29	8.53
Minimum	-0.34	0.20	0.34	0.25	27.35	-11.58
Std. Dev.	1.58	0.14	0.12	0.195	1.26	2.95
Skewness	3.68	1.16	0.19	0.707	-1.116	-1.20
Kurtosis	19.29	4.88	2.65	3.487	4.092	8.39
Jarque-Bera	1065.84	29.96	0.91	7.46	20.60	116.29
Probability	0.00	0.00	0.63	0.02	0.000	0.00
Sum	106.32	34.20	52.44	51.11	2504.24	162.04
Sum Sq. Dev.	197.79	1.58	1.11	3.03	127.23	685.85
Observations	80	80	80	80	80	80

Source: Eviews (processed data)

The Company Value (Price to Book Value) variable has an average of 1.32, with a range between 9.77 (maximum) and -0.34 (minimum). The Independent Board of Commissioners variable has an average of 0.42, with a range between 1.00 (maximum) and 0.20 (minimum). Institutional Ownership has an average of 0.65, while the Audit Committee has an average of 0.63, showing little variation in both. The Company Size has an average of 31.30, with a range between 33.29 and 27.35. Lastly, Leverage has an average of 2.02 with a very wide range, from -11.58 to 8.53, indicating significant fluctuations in the company's debt ratio.

Table 2. Correlation Test

	PBV	DKI	KI	KA	UP	LEV
PBV	1,000,000	-0.075715	0.155577	-0.135245	-0.320544	0.010033
DKI	-0.075715	1,000,000	0.005777	0.289430	0.157909	-0.212481
KI	0.155577	0.005777	1,000,000	-0.114921	-0.576252	0.101080
KA	-0.135245	0.289430	-0.114921	1,000,000	0.028707	0.414507
UP	-0.320544	0.157909	-0.576252	0.028707	1,000,000	0.044499
LEV	0.010033	-0.212481	0.101080	0.414507	0.044499	1,000,000

Source: Eviews (processed data)

Based on the correlation analysis, the relationship between Company Value (Price to Book Value) and related variables has a very low correlation level. Independent Board of

Commissioners (-0.075715) and Audit Committee (-0.135245) show a negative relationship, meaning that changes in these variables are in the opposite direction to changes in Company Value. Institutional Ownership (0.155577) and Leverage (0.010033) have a positive correlation, indicating a unidirectional relationship although very weak. Company Size (-0.320544) also shows a very low negative correlation. Overall, the relationship between these variables shows a weak correlation level, both in positive and negative directions, so that its influence on Company Value is considered small or insignificant.

The selection of the estimation model used in this study is the Common Effect Model (CEM). This model combines time series and cross-section data without considering differences in time or individuals, so it is assumed that the company data is the same in each time period. The results of the Common Effect Model (CEM) test can be seen in Table 3.

*Fixed Effect Model*used to overcome weaknesses*Common Effect Model*which does not produce different intercepts between individuals and time. The results of the Fixed Effect Model (FEM) test can be seen in Table 4.

This model estimates panel data with disturbance variables that may be interrelated across time and individuals. The results of the Random Effect Model (REM) test can be seen in Table 5.

The Chow test is used to determine the best model between the Common Effect Model and the Fixed Effect Model. By comparing the Cross Section F value with the significance level (α = 0.05), the result shows that the Cross Section F value is 0.0000, which is smaller than 0.05. This means the best model to choose is the Fixed Effect Model.

Based on the results of the Hausman Test, the Cross Section Random value of 0.0068 is smaller than the significance level of 0.05. This indicates that the best model chosen for this study is the Fixed Effect Model. Thus, the Fixed Effect Model is more appropriate to use because it can accommodate individual heterogeneity in the data and provide more accurate estimates compared to the Random Effect Model.

Next, a classical assumption test is conducted to ensure the validity of the regression model, one of which is through a multicollinearity test. This test is conducted by examining the Variance Inflation Factor (VIF) value of each variable. The test results show that all variables have a VIF value <10, which means that this regression model is free from multicollinearity problems. Thus, there is no high linear relationship between independent variables in the model, so that the regression estimation results can be considered valid and reliable.

Table 3. Common Effect Model Test Results

Dependent Variable: Y
Method: Panel Least Squares
Date: 12/25/24 Time: 20:23
Sample: 2019 2020
Periods included: 2
Cross-sections included: 40
Total panel (balanced) observations: 80

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	18.64417	6.354285	2.934110	0.0045
DKI	0.956379	1.446049	0.661374	0.5104
KI	-1.572837	1.902484	-0.826728	0.4110
KA	-1.814179	1.115413	-1.626465	0.1081
UP	-0.501494	0.176133	-2.847244	0.0057
LEV	0.081177	0.073222	1.108636	0.2712
R-squared	0.136023	Mean dependent variable		1.329013
Adjusted R-squared	0.077646	SD dependent var		1.582312
SE of regression	1.519641	Akaike information criterion		3.746864
Sum squared residual	170.8888	Black criterion		3.925516
Log likelihood	-143.8745	Hannan-Quinn critter.		3.818490
F-statistic	2.330084	Durbin-Watson stat		0.488931
Prob(F-statistic)	0.050702			

Source: Eviews (processed data)

Table 4. Fixed Effect Model Test Results

Dependent Variable: Y
Method: Panel Least Squares
Date: 12/25/24 Time: 20:57
Sample: 2019 2020
Periods included: 2
Cross-sections included: 40
Total panel (balanced) observations: 80

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-12.01209	6.763488	-1.776020	0.0844
DKI	0.086670	0.831616	0.104219	0.9176
KI	0.938785	1.771552	0.529922	0.5995
KA	-0.654188	0.601107	-1.088305	0.2839
UP	0.412483	0.193249	2.134462	0.0399
LEV	0.096113	0.039939	2.406467	0.0215
	Effects Specification			
Cross-section fixed (dummy variables)				
R-squared	0.951350	Mean dependent variable		1.329013
Adjusted R-squared	0.890189	SD dependent var		1.582312
SE of regression	0.524342	Akaike information criterion		1.844975
Sum squared residual	9.622699	Black criterion		3.184865
Log likelihood	-28.79901	Hannan-Quinn critter.		2.382175
F-statistic	15.55500	Durbin-Watson stat		3.902439
Prob(F-statistic)	0.000000			

Source: Eviews (processed data)

Table 5. Random Effect Model Test Results

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 12/25/24 Time: 21:13
Sample: 2019 2020
Periods included: 2
Cross-sections included: 40
Total panel (balanced) observations: 80
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.733257	5.186776	0.141370	0.8880
DKI	0.688321	0.762330	0.902918	0.3695
KI	-0.359590	1.454381	-0.247246	0.8054
KA	-0.668060	0.568627	-1.174864	0.2438
UP	0.027152	0.146846	0.184900	0.8538
LEV	0.056335	0.036046	1.562857	0.1224
	Effects Specification			
			SD	Rho
Random cross section			1.402341	0.8773
Idiosyncratic random			0.524342	0.1227
	Weighted Statistics			
R-squared	0.036482	Mean dependent variable		0.339706
Adjusted R-squared	-0.028620	SD dependent var		0.554193
SE of regression	0.562068	Sum squared residual		23.37812
F-statistic	0.560380	Durbin-Watson stat		1.827473
Prob(F-statistic)	0.729972			
	Unweighted Statistics			
R-squared	-0.017240	Mean dependent variable		1.329013
Sum squared residual	201.2031	Durbin-Watson stat		0.212337

Source: Eviews (processed data)

Table 6. Chow Test Results

Effects Test	Statistics	df	Prob.
Cross-section F	15.040063	(39.35)	0.0000
Cross-section Chi-square	230.151067	39	0.0000

*Source:*Eviews (processed data)

Table 7. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. df	Prob.
Random cross section	16.031656	5	0.0068

*Source:*Eviews (processed data)

After going through the Chow test and the Hausman test, the best model chosen for panel data regression is the Fixed Effect Model.

Table 8. Fixed Effect Model Test Results

Dependent Variable: Y				
Method: Panel Least Squares				
Date: 12/25/24 Time: 20:23				
Sample: 2019 2020				
Periods included: 2				
Cross-sections included: 40				
Total panel (balanced) observations: 80				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	18.64	6.35	2.93	0.0045
DKI	0.95	1.44	0.66	0.5104
KI	-1.57	1.90	-0.82	0.4110
KA	-1.81	1.11	-1.62	0.1081
UP	-0.50	0.17	-2.84	0.0057
LEV	0.081	0.07	1.10	0.2712
R-squared	0.136023	Mean dependent variable		1.329013
Adjusted R-squared	0.077646	SD dependent var		1.582312
SE of regression	1.519641	Akaike information criterion		3.746864
Sum squared residual	170.8888	Black criterion		3.925516
Log likelihood	-143.8745	Hannan-Quinn critter.		3.818490
F-statistic	2.330084	Durbin-Watson stat		0.488931
Prob(F-statistic)	0.050702			

*Source:*Eviews (processed data)

Table 9. Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
DKI	2.091086	14.67654	1.435661
KI	3.619288	55.61358	1.738840
KA	1.244170	19.23027	1.634390
UP	0.031021	1054.728	1.709175
LEV	0.005362	2.354480	1.592379
C	40.37485	1398.654	NA

*Source:*Eviews (processed data)

The heteroscedasticity test using the Glejser method aims to detect the presence of heteroscedasticity problems in the model. The probability value of ObsR-squared > 0.05, so the model is declared free from heteroscedasticity problems. Thus, the error variance in the regression model is constant, which means that the model meets the classical assumptions and can be used for further analysis with valid results.

Table 10. Heteroscedasticity Test Results

Heteroskedasticity Test: Glejser			
F-statistic	4.566514	Prob. F(5,74)	0.0011
Obs*R-squared	18.86354	Chi-Square Prob.(5)	0.0020
Scaled explained SS	29.91826	Chi-Square Prob.(5)	0.0000

*Source:*Eviews (processed data)

Table 11. Panel Data Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-12.01209	6.763488	-1.776020	0.0844
DKI	0.086670	0.831616	0.104219	0.9176
KI	0.938785	1.771552	0.529922	0.5995
KA	-0.654188	0.601107	-1.088305	0.2839
UP	0.412483	0.193249	2.134462	0.0399
LEV	0.096113	0.039939	2.406467	0.0215
Effects Specification				

Cross-section fixed (dummy variables)			
R-squared	0.951350	Mean dependent variable	1.329013
Adjusted R-squared	0.890189	SD dependent var	1.582312
SE of regression	0.524342	Akaike information criterion	1.844975
Sum squared residual	9.622699	Black criterion	3.184865
Log likelihood	-28.79901	Hannan-Quinn critter.	2.382175
F-statistic	15.55500	Durbin-Watson stat	3.902439
Prob(F-statistic)	0.000000		

*Source:*Eviews (processed data)

The table above shows the results of panel data regression using Eviews., then the data regression equation is obtained as follows:

$$Y= -12.01209 + 0.086670DKI + 0.938785KI - 0.654188KA + 0.412483UK + 0.096113LEV$$

The linear regression equation above describes the relationship between the dependent variable, namely Firm Value (PBV), with five independent variables: Independent Board of Commissioners (DKI), Institutional Ownership (KI), Audit Committee (KA), Company Size (UK), and Leverage (LEV). The constant of -12.01209 indicates that when all independent variables are zero, the company value will be at the level of -12.01209. The coefficient of each variable indicates the direction and magnitude of the influence on the company value. DKI, KI, UK, and LEV have positive coefficients, which means that every one unit increase in these variables will increase the company value by 0.086670, 0.938785, 0.412483, and 0.096113, respectively, assuming other variables remain constant. Conversely, KA has a negative coefficient of -0.654188, indicating that a one unit increase in this variable will decrease the company value by 0.654188. This equation shows that good management of company size and leverage can have a positive impact on company value, while increasing the audit committee needs to be reviewed further because it has the potential to have a negative impact.

Based on the regression results, the coefficient of determination value of 0.951350 indicates that 95.13% of the variation in the dependent variable can be explained by the independent variables in the research model. The remaining 4.87% is explained by other factors outside the model. Furthermore, the partial significance test (t-test) is used to measure the influence of each independent variable on the dependent variable. If the probability value (p-value) is less than 0.05, then the independent variable has a significant influence on the dependent variable, indicating that its influence is acceptable in the research model.

The results of the panel data regression test with the Fixed Effect Model estimation can be explained as follows: first, the Independent Board of Commissioners does not have a

significant effect on the company's value (Price to Book Value), because the t-count value is smaller than the t-table (0.104219 < 1.66600) and the probability value is greater than 0.05 (0.9176), so the null hypothesis is accepted. The results of this study are similar to the research of Nuryono, Wijayanti, and Samrotun (2019), which found that the Independent Board of Commissioners did not have a significant effect on company value. Although the proportion of independent commissioners is high, their supervision is ineffective, unable to influence policy, and lacks management supervision. This can trigger fraud and conflict, which ultimately reduces the value of the company.

Second, Institutional Ownership also does not have a significant effect on the company's value, with a t-count value smaller than the t-table (0.529922 < 1.66600) and a probability value approaching 0.05 (0.05995), which leads to the acceptance of the null hypothesis. The results of this study are in line with the research of Tambalean, Manossoh, and Runtu (2018) which found that institutional ownership has no significant effect on firm value. Although institutional shareholders can monitor managers because of their large investments, this supervision is ineffective, and their involvement in managerial decisions is minimal, so it does not affect firm value.

Third, the Audit Committee also shows an insignificant effect on the company's value with a t-count value smaller than the t-table (-1.088305 < 1.66600) and a probability value of 0.2839 which is greater than 0.05. The results of this study are similar to the research of Gusriandari, Rahmi, and Putra (2022), which found that the Audit Committee had no significant effect on company value. This is because the audit committee is less effective in supervising management, including in examining financial statements, internal control, and legal compliance. As a result, the lack of management transparency reduces investor confidence and makes the audit committee have no significant impact on company value.

Fourth, Company Size has a positive and significant effect on company value, because the t-count value is greater than the t-table (2.134462 > 1.66600) and the probability value is smaller than 0.05 (0.0399), which leads to the acceptance of the alternative hypothesis. The results of this study are similar to those of Rossa, Susandya, and Suryandari, who found that company size has a positive effect on company value. Larger companies are more likely to obtain funding and attract more investors, which can increase stock prices and company value.

Finally, Leverage also has a positive and significant effect on company value, with the t-count value being greater than the t-table (2.406467 > 1.66600) and the probability value

being smaller than 0.05 (0.0215), which leads to the acceptance of the alternative hypothesis. This study is in line with research by Suryandari and colleagues which shows that leverage has a positive effect on firm value. Increasing debt indicates the company's ability to grow and attract investors, which can increase the company's value, as long as debt is managed well to support expansion and tax reduction.

Conclusion

Based on the results of the panel data regression analysis, it can be concluded that the Independent Board of Commissioners, Institutional Ownership, and Audit Committee do not have a significant effect on company value in state-owned companies listed on the Indonesia Stock Exchange for the 2019-2023 period. However, Company Size and*Leverage*has a positive and significant effect on company value.

This study has several limitations, including being limited to the 2019-2023 time period, only covering five variables (Independent Board of Commissioners, Institutional Ownership, Audit Committee, Company Size, and*Leverage*), and only focuses on non-bank state-owned companies. Therefore, it is recommended that companies pay attention to the debt ratio to reduce debt burden and increase equity. Further research can extend the research period to obtain more representative data, and consider the addition of other variables that can affect company value, such as Current Ratio, Profitability, and Dividend Policy.

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