Jurnal Penelitian dan Pengembangan Sains dan Humaniora
Volume 7, Number 3, Tahun 2023, pp. 360-369
P-ISSN: 1979-7095 E-ISSN: 2615-4501
Open Access: https://doi.org/10.23887/jppsh.v7i3.73854

The Influence of Good Corporate Governance, CEO Tenure, and Corporate Financial Performance on Company Value

I Gusti Made Priyambhada Putra[1*], Sunitha Devi[2]

[1,2] Economics and Accounting , Ganesha University of Education, Singaraja, Indonesia

ARTICLE INFO

Article history:
Received August 22, 2023
Accepted October 10, 2023
Available online October 25, 2023

Kata Kunci:
Tata kelola, Masa jabatan CEO, Kinerja keuangan, Nilai perusahaan.

Keywords:
Governance, CEO Tenure, Financial Performance, Firm Value.

This is an open access article under the CC BY-SA license.

Copyright © 2023 by Author. Published by Universitas Pendidikan Ganesha.

ABSTRAK

Nilai perusahaan sangat penting dalam organisasi karena terkait dengan sejahteranya investor. Nilai perusahaan yang semakin tinggi menyebabkan perusahaan memiliki gambaran yang superior dan nilai sumber daya yang diklaim oleh perusahaan dapat menjadi kesan nilai perusahaan. Namun dalam masyarakat, terdapat fenomena dan kecenderungan perilaku individu dalam pemilihan untuk berinvestasi. Penelitian ini bertujuan untuk mengetahui pengaruh tata kelola perusahaan yang baik, masa jabatan CEO, dan kinerja keuangan perusahaan terhadap nilai perusahaan. Jenis penelitian adalah penelitian kuantitatif. Penelitian ini menggunakan data sekunder dari Bursa Efek Indonesia. Populasi dalam penelitian ini adalah perusahaan sektor transportasi yang terdaftar di Bursa Efek Indonesia tahun 2016-2020 yang berjumlah 8 perusahaan. Teknik pengambilan sampel menggunakan teknik side purposive. Variabel terikat dalam penelitian ini adalah nilai perusahaan yang diukur dengan Tobins'q. Variabel independen dalam penelitian ini adalah tata kelola perusahaan yang baik yang diproksikan dengan komite audit, sekretaris perusahaan, dan komite remunerasi, masa jabatan CEO, dan kinerja keuangan perusahaan yang diproksikan dengan ROA. Hasil penelitian ini menunjukkan bahwa (1) sekretaris perusahaan berpengaruh terhadap nilai perusahaan, (2) komite audit berpengaruh terhadap nilai perusahaan, (3) komite remunerasi berpengaruh terhadap nilai perusahaan, (4) masa jabatan CEO memiliki pengaruh terhadap nilai perusahaan, dan (5) ROA berpengaruh terhadap nilai perusahaan pada berbagai sub sektor industri yang terdaftar di BEI tahun 2016-2020. Hasil penelitian ini mengharapkan investor hendaknya harus selalu memperhatikan elemen internal dan eksternal pada penilaian organisasi yaitu bumi, sosial dan keuntungan financial, yang mana ketiga hal ini harus diseimbangkan.

ABSTRACT

Firm value is very important in an organization because it is related to the welfare of investors. The higher the company value causes the company to have a superior image and the value of the resources claimed by the company can be an impression of the company's value. But in society, there are phenomena and tendencies of individual behavior in choosing to invest. This study aims to determine the effect of good corporate governance, CEO tenure, and company financial performance on firm value. This type of research is quantitative research. This study uses secondary data from the Indonesia Stock Exchange. The population in this study are transportation sector companies listed on the Indonesia Stock Exchange in 2016-2020, totaling 8 companies. The sampling technique uses a side purposive technique. The dependent variable in this study is firm value as measured by Tobins'q. The independent variables in this study are good corporate governance which is proxied by the audit committee, company secretary, and remuneration committee, CEO tenure, and the company's financial performance which is proxied by ROA. The results of this study indicate that (1) the corporate secretary affects firm value; (2) the audit committee affects firm value; (3) the remuneration committee has an effect on firm value; (4) CEO tenure has an influence on firm value; and (5) ROA affects company value in various industrial sub-sectors listed on the IDX in 2016-2020. The results of this study expect that investors should always pay attention to internal and external elements in organizational valuation, namely the earth, social and financial benefits, which these three things must be balanced.

*Corresponding author.
E-mail addresses: priyambhada@undiksha.ac.id (I Gusti Made Priyambhada Putra)

1. INTRODUCTION

The value of the company is very important in the organization because it is related to the welfare of investors. Organizational value is crucial because the goal of financial administration is to increase organizational value. The ideal organizational award is a goal that the organization has wanted to achieve since its founding. The ideal company value shows the owner's welfare is also ideal which will be reflected in the stock market price (Feviana & Supatmi, 2021; Hapsari, 2018; Purbawangsa et al., 2020). High expansion in organizational rewards is a goal to be achieved by the organization which will be reflected in the target price of the stock because the evaluation of the organization's financial support can be seen through the development of share costs carried out in stock trading for organizations that have opened themselves to the world. The business competition is getting stronger due to the improving economic conditions. Growing owners and investors through expanding organizational value is a goal for every company. The value of the company is the value that if the company is sold, potential investors (buyers) are willing to pay (Agung et al., 2021; Bon & Hartoko, 2022; Murniati et al., 2019). The higher the value of the organization causes the organization to have a superior image which becomes the impression of the value of the organization. Organizational value is a significant perspective because high investor abundance is influenced by high organizational rewards (Jihadi et al., 2021; Murniati et al., 2019). Organizational value is often linked to the cost of exchanging securities. The high appreciation of the organization shows the prosperity of high shareholders so that this is a hope for investors with the aim that the value of the organization continues to grow.

However, in society, there are phenomena and tendencies of individual behavior in choosing to invest. People often make investment choices based on profit, without considering the risks that may arise. In the capital market, investors will generally sell their share when the organization reports misfortune for the monetary year and buy shares when the organization reports profits for the monetary year. Actually the misfortunes and benefits expressed by the organization are influenced by different elements. One of them is the regional advantage in choosing a business, and the organization always tries to appear in very good condition. Organizational attention on the one hand creates problems because the center of the organization is not complete in the frame of mind to increase organizational self-esteem. In the procedure of increasing the value of the company, problems such as information imbalance, information asymmetry, conflicts of interest in the company, and environmental problems due to the company's lack of attention to the environment often occur. Manipulation of financial statements is carried out to present good company performance and cover up the actual situation. These issues can have a long-term impact on the company's image, so companies need to pay attention to every aspect. GCG is applied in the organization to avoid clashes that occur between superiors and company owners due to differences in interests because the information held is not equal.

Good GCG implementation should have options to realize the ideal organizational implementation, so that it has an impact on the expansion of organizational assessment. In this study, the GCG intermediaries used are the Audit Committee, the Remuneration Committee and the Corporate Secretary. Based on OJK Regulation No.55/PJOK.04/2015, the audit committee is a panel formed and can be relied upon by the Board of Commissioners in supporting the completion of the obligations and elements of the board of commissioners. The ownership of the audit committee in public companies is mandatory and is formed and dismissed by the Board of Commissioners. The commissioner is free to chair the audit committee and consists of parties outside the issuer or public company. Based on OJK Regulation Number 34/PJOK.04/2014 Article 2 states that issuers must have a compensation panel. Compensation is a gift that is not wholly set and awarded to individuals from the directorate and individuals from a distinguished group of judges in view of the positions and jobs assigned to them according to the duties, obligations and individual specialists of the top managerial staff and individuals of the leading group of leaders. The company's board of commissioners establishes a compensation panel to assist in the proper execution of the duties and responsibilities of the group of commissioners. A good company is a company that has a corporate secretary in managing and storing company documents. This is because, in making decisions, interested parties use company documents. Corporate secretary is a financial support relationship, consistency officer, and liaison officer as well as supervising and keeping organizational records, not limited to the Register of Shareholders, the Special Register of the Company and the minutes of the highest leadership meeting and *RUPS* (Kostruba et al., 2020; Setyahadi & Narsa, 2020). According to previous study GCG is an administrative framework within the organization to oversee significant stakes determined to meet its business objectives through expanding the value of the business issued by financial backers and safeguarding organizational resources (Dasuki & Lestari, 2019; Nur'ainy et al., 2013; Sugiarto, 2017). Another study refers to that the presence of GCG in the organization is to control the relationship between investors and company executives in this case the group of leaders and leading directorates to prevent major mistakes in organizational techniques, and ensure errors that occur are handled immediately (Listyaningsih et al., 2018; Mukhtaruddin et al., 2019; Sudarmanto et al., 2021). Organizations that can meet GCG standards, especially acceptance, responsibility, obligation, autonomy, and fairness are organizations that are said to have good GCG implementation. GCG can be utilized by the Company's organs to further develop business achievements and corporate responsibilities by implementing GCG standards, including; openness, accountability, responsibility, independence, and fairness with due regard to regulations and related moral qualities. Another research stated that referencing the audit committee as an intermediary for GCG can have an impact on organizational values (Luthan & Satria, 2016; Regoliosi & D'Eri, 2014; Salloum et al., 2014).

Other research shows that GCG as measured through the audit committee has no impact on company value (Kurnia et al., 2020; Regoliosi & D'Eri, 2014; Tandean & Winnie, 2016). Other research also shows that the corporate secretary as an intermediary for GCG which stated that there was no influence from the corporate secretary on the value of the entity (Aisyah et al., 2021; Anik et al., 2021; Irawanto et al., 2017). Other researchers examines GCG represented by the compensation panel which states that the value of the organization is influenced by the compensation board (Deschenes et al., 2015; Munisi & Randøy, 2013; Shank et al., 2013). Therefore, it is possible to reason that GCG proxies by GCG guidelines can decide whether GCG has an impact on organizational values. Research on CEO Tenure on company value also tracks various results. Another study shows CEO Tenure doesn't find company value (Bouaziz et al., 2020; Setiawan et al., 2021). Another research get various results and these results indicate that organizational value is influenced by CEO tenure (Fiordelisi & Ricci, 2014; Oh et al., 2018). Several studies have been directed towards the impact of CFP on company value. Similar research found ROA, which is a reflection of financial performance, has an influence on company value (Devie et al., 2020; Luthfiah & Suherman, 2018). Meanwhile Padmayanti et al. (2019) mentioning ROA and leverage as a reflection of financial performance does not have an impact on company value (Isidro & Sobral, 2015; Saidat et al., 2019).

2. METHOD

This research is a quantitative examination, especially exploration where the information is in the form of numbers. The information in this research is secondary information obtained from the organization's annual reports which are collected using a documentation strategy. The total population in this examination are various industrial sector entities listed on the BEI in 2016-2020. Determination of the sample using a purposive testing strategy that brought 8 selected organizations. This examination involves multiple linear regression using SPSS rendition 20 for Windows application tools to answer the exploratory problem plan and to test speculations. Before multiple linear regressions are performed, you must pass the traditional hypothesis tests, which include tests for normality, heterogeneous variance, multicollinearity, and autocorrelation. This research uses company value as the independent variable, and GCG reported by the company secretary, audit committee and remuneration committee, CEO tenure and company performance reported by ROA as independent variables. The value of an organization in this research is estimated through Tobin's Q. The proportion of Tobin's Q is estimated by entering the final cost of bidding and the number of bids with the obligations of the entire organization, then the aggregate is partitioned by the total wealth of the organization. Assuming a value of Q<1 the executives should have failed in handling organizational resources, whereas if the value of Q=1 is a stationary organization administration in handling organizational resources, and Q> 1 then the organization's administration has succeeded in managing organizational resources. The Audit Committee is a board formed by a group of prominent leaders who are determined to regulate monetary disclosure, oversee external supervisors to remain independent, and conform to the organization's internal control framework (Michelon et al., 2015; Pangaribuan et al., 2019). Its total membership in the organization is used to measure the audit committee. The compensation committee was measured using a dummy variable through a real scale, it expressed 1 if the organization has a compensation committee and 0 if the organization does not have one. The corporate secretary in this research is estimated to use a dummy variable with a real scale. Expressed 1 when the organization has a company secretary, and 0 if the organization does not have a company secretary without a concurrent position. CEO Tenure, after three years, the CEO began to gain power and it turned out to be the bigger stronghold. Therefore, CEO Tenure is estimated to use a dummy variable, which is a value of 1 when the CEO Tenure is above three years, and 0 in the case of the opposite. Return on Assets is net profit after tax separated by absolute resources and then multiplied by 100 percent. An increase in ROA shows a better presentation of the organization in making a profit, while a lower ROA value shows a worsening of the organization's performance in making a profit.

3. RESULTS AND DISCUSSION

Results

Analisis Deskriptif. Variabel Tobin's Q sebagai nilai perusahaan memperlihatkan nilai paling tereduksi 0,32 dan tertinggi 289,33 dengan rerata 11,226 dan standar deviasi 47,579.

Table 1. Test Results of Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
X1	40	3,00	5,00	3,125	,463
X2	40	,00	1,00	,575	,500
X3	40	,00	1,00	,825	,384
X4	40	,00	1,00	,375	,490
X5	40	,01	65,90	7,663	14,064
Y	40	,32	289,33	11,226	47,579
Valid N (listwise)	40				

The audit committee variable with a minimum score of 3.00 and the highest value of 5.00 with a mean of 3.125 and a standard deviation of 0.463. The average shows that the average company has 3 audit committees. The remuneration committee variable has the lowest score of 0.00 and the highest of 1.00 with a mean of 0.575 and a standard deviation of 0.500. The corporate secretary variable has the lowest value of 0.00 and the highest value of 1.00 with a mean of 0.825 and a standard deviation of 0.384. The standard deviation shows the average deviation of the variable value to the mean of 48.718%. CEO Tenure variable. The results of descriptive statistics on the CEO Tenure variable show N is 40, with the lowest price of 0.00; a maximum of 1.00; an average of 0.375 with a standard deviation of 0.490 shows the standard deviation value is above which means the data is heterogeneous, because the data is varies. The ROA variable has the lowest value 0.01 and the highest value is 65.90, the mean is 7.6630 and the standard deviation is 14.06483. Normality test. Based on the normality test using the Kolmogorov-Smirnov (K-S) obtained a significance value of 0.335 (0.335> 0.05) so that the data is normally distributed.

Table 2. Normality Test Results

		Unstandardized Residual
N		40
Normal Parameters[a, b]	Mean	0E-7
	Std. Deviation	,419
Most Extreme Differences	Absolute	,149
	Positive	,149
	Negative	-,117
Kolmogorov-Smirnov Z		,944
Asymp. Sig. (2-tailed)		,335

a. Test distribution is Normal.
b. Calculated from data.

Multicollinearity Test. The VIF of the audit committee is 2,412, the remuneration committee is 3,484, corporate secretary is 3,236. CEO Tenure of 1,485, and ROA of 2,382. Tolerance from audit committee is 0.415, remuneration committee is 0.287, corporate secretary is 0.309. CEO Tenure worth 0.673, and ROA worth 0.420. VIF of the independent variable is below 10 and tolerance is above 0.10, which shows that in the regression model there are no symptoms of multicollinearity.

Table 3. Multicollinearity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	5,442	,469		11,596	,000		
X1	1,807	,145	,569	12,447	,000	,415	2,412
X2	1,938	,267	,399	7,269	,000	,287	3,484
X3	2,011	,256	,417	7,869	,000	,309	3,236

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
X4	,384	,174	,079	2,209	,034	,673	1,485
X5	,222	,025	,404	8,900	,000	,420	2,382
a. Dependent Variable: Y							

Autocorrelation. Durbin-Watson is worth 1.544. At 5% significance, the sample is 40, and the independent variables are 5. Durbin Watson must be between -2 and 2 to pass, and 1.544 meets this criterion so that the regression model does not have atocorrelation.

Table 4. Autocorrelation Test Results

Model Summary[b]						
Model	Change Statistics					Durbin-Watson
	R Square Change	F Change	df1	df2	Sig. F Change	
1	,971	224,048	5	34	,000	1, 544
a. Predictors: (Constant), X5, X3, X4, X1, X2						
b. Dependent Variable: Y						

Heteroscedasticity Test. The significance value of the audit committee is 0.268, the remuneration committee is 0.166, the corporate secretary is 0.501. CEO Tenure 0.796, and ROA 0.194. In this test, the significance value of each independent variable is above 0.05 so that it is concluded that there is no heteroscedasticity symptom in the research model.

Table 5. Heteroscedasticity Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,492	,255		1,927	,062
	X1	-,089	,079	-,275	-1,127	,268
	X2	,205	,145	,414	1,414	,166
	X3	-,095	,139	-,192	-,680	,501
	X4	-,025	,095	-,050	-,260	,796
	X5	,018	,014	,321	1,326	,194
a. Dependent Variable: ABS_RES						

F-test Model Feasibility Test. The F-test displays a significance value of 0.000. The significance value below 0.05 shows that the audit committee, remuneration committee, corporate secretary, CEO tenure, and ROA simultaneously impact the company's value.

Table 6. Feasibility Test Results Model F-Test

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	226,141	5	45,228	224,048	,000[b]
	Residual	6,864	34	,202		
	Total	233,005	39			
a. Dependent Variable: Y						
b. Predictors: (Constant), X5, X3, X4, X1, X2						

Coefficient of Determination Test. Based on the test results obtained R2 value of 0.966 shows the impact of the independent variable on the dependent variable of 96.6%. The rest is influenced by variables outside this research model. The t-test of 2.03011 was obtained from Df = 35 (40-5) and a significance of 5%. Based on the results of the regression analysis, it was obtained that tcount > ttable, namely 12,447, 7,269, 7,869, 2,209, and 8,900 > 2,03011 Significance value (sig) 0,000, 0,000, 0,000, 0,034, and 0,000 <

0,05 concluded Ha is accepted so it means audit committee perception (X1), remuneration committee (X2), corporate secretary (X3), and CEO Tenure (X4) and ROA (X5) have a significant impact on company value (Y).

Table 7. Determination Test Results

Model Summary[b]				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	,985[a]	,971	,966	,44930

a. Predictors: (Constant), X5, X3, X4, X1, X2
b. Dependent Variable: Y

Table 8. t Test Results

Coefficients[a]					
Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	B	**Std. Error**	**Beta**		
(Constant)	5,442	,469		11,596	,000
X1	1,807	,145	,569	12,447	,000
X2	1,938	,267	,399	7,269	,000
X3	2,011	,256	,417	7,869	,000
X4	,384	,174	,079	2,209	,034
X5	,222	,025	,404	8,900	,000

a. Dependent Variable: Y

Discussion

The first hypothesis in this research shows that the audit committee has a significant positive impact on company value. Based on the partial test, the audit committee (X1) has a regression coefficient of 1.807 and tcount is 12,447 which is worth above ttable 2.03011, so it can be concluded that the audit committee variable (X1) partially has an impact on company value (Y). With a significance value of 0.000 which is below 0.05. So based on this test, H1 is accepted, namely the audit committee variable has a significant positive impact on company value. The results of this research are in line with previous research of which shows the audit committee has an impact on company value (Al-ahdal & Hashim, 2022; Chaudhry et al., 2020). The adit committee that points upward causes the value of the company to be higher too, then this also happens the other way around. The review board can provide the candor in the organization announced by the executives in view of the fact that the review panel functions independently so that the report obtained by the financial proponents is a quality report. The presence of a review panel can increase the confidence of financial supporters in the organization in view of the fact that the Review Board can overshadow the needs of the owners of the organization from the profits made by the executive activities of the organization. Assuming the breakdown of fiscal reports is carried out independently by reviewers, the level of candor of the budget summary will be higher so that open trust in the organization can increase. This level of certainty of financial backers causes the interest that organizations offer to build because of the evaluation of financial backers in securities exchanges.

Influence of the Remuneration Committee on Company Value

The second hypothesis shows that the remuneration committee has a significant positive impact on company value. Judging from the results of hypothesis testing in the partial test, the remuneration committee variable (X2) has a regression coefficient of 1.938 and a t-value of 7.269, the value is above ttable 2.03011 so it can be concluded that the remuneration committee variable (X2) has an impact on company value (Y). The significance value is 0.000 which is below 0.05. So based on the test results, H2 is accepted, namely the remuneration committee has a significant positive impact on company value. The results of this research are in line with the previous research which stated that the remuneration committee has an impact on company value (Deschenes et al., 2015; Munisi & Randøy, 2013). The remuneration committee that is directed upward causes the value of the company to be higher too, then this also happens the other way around. OJK Regulation Number 34/PJOK.04/2014 article 2 states that every public company is required to carry out the remuneration function. Remuneration within the company is important in order to align the rights of the company's directors in accordance with their obligations. So that the balance can minimize the personal interests of the company's management. The existence of a remuneration committee in the company can have an impact on the inspiration for the work of organizational organs in achieving organizational goals, because every organ of the company has received returns that have been adjusted to their duties.

Influence of Corporate Secretary on Company Value

The third hypothesis shows that the corporate secretary has a significant positive impact on company value. The results of the partial test of corporate secretary (X3) have a regression coefficient value of 2.011 and obtained tcount of 7.869, the value above ttable is 2.03011, it can be concluded that the corporate secretary variable (X3) partially has an impact on the value of the company (Y). The significance value is 0.000 which is below 0.05. So based on the test results, H3 is accepted, namely the corporate secretary variable has a positive and significant impact on company value. Corporate secretary that is directed upward causes the value of the company to be higher too, then this also happens the other way around. OJK Regulation No.35/PJOK.04/2014 concerning corporate secretaries who state that issuers are obliged to have an organizational secretary strengthen the results of this research. This is on the grounds that the Secretary of the Organization can refresh data on the guidelines that correspond to each guarantor and provide data to partners, so that this data can build client certainty within the organization. Then, based on OJK No.35/PJOK.04/2014 article 5 (c) which basically explains the company secretary has an assignment to assist the Directorate and the Commissioner in carrying out company administration that combines data exposure to the general public, considering the accessibility of data for the organization's website. This is kind of the use of the main rules of GCG, especially directness. This is what makes corporate secretaries influence the value of the organization, arguing that any data claimed by the organization is handled by the corporate secretary and ultimately recognized by the general public and closely involved individuals.

The influence of CEO Tenure on company value

The fourth hypothesis of this research shows that the CEO Tenure variable has a significant positive impact on company value. Based on the partial test of CEO Tenure (X4), the regression coefficient is 0.384 and tcount is 2.209, this value is above ttable 2.03011, so it is concluded that the CEO Tenure variable (X4) has an impact on company value (Y). With a significance of 0.034 which is below 0.05. So based on the test results, H4 is accepted, namely CEO Tenure has a significant positive impact on company value. This research, according to Kirana's research (2018), suggests that CEO tenure has a positive impact on company value. In addition, according to Prasantya (2016) also states that CEO tenure has a positive effect on company value. CEO Tenure that is pointing up causes the value of the company to be higher too, then this also happens the other way around. CEO who has credibility, skills, high knowledge, track record, and ability to gather resources and strong relationships with stakeholders (Konadu et al., 2020; Muttakin et al., 2018).

The Effect of Return On Assets on Company Value

The last hypothesis shows that ROA has a significant positive impact on company value. The ROA test results (X5) obtained a regression coefficient of 0.222 and tcount of 8.900 which is below ttable 2.03011, it can be concluded that the ROA variable (X5) has an impact on company value (Y). With a significance value of 0.000 which is below 0.05. So based on the test results, H5 is accepted, namely ROA has a positive and significant impact on company value. ROA that is pointing up causes the value of the company to be higher, then this also happens the other way around. ROA can show the level of feasibility of utilizing organizational resources in generating profits. Given the consequences of this research, the results show that the results are in accordance with the hypothesis that the higher the ROA price, the better the organizational performance in controlling resources in obtaining profits (Ahmed Sheikh et al., 2013; Delen et al., 2013). This is what attracts the company to investors because financial supporters choose the business considering the rate of profit from speculation made. This research is in line with previous study which generates ROA has an impact on company value (Jihadi et al., 2021; Machmuddah et al., 2020). Puts forward investors reviewing an organization by looking at the company's financial proportions, because this is used as a tool for assessing equity participation (Machmuddah et al., 2020; Suprayitno & Hardiani, 2021). If investors want to know the amount of return generated from the investment invested, investors can see it from the proportion of profitability represented by ROA in research.

4. CONCLUSION

Based on the results of research and discussion, the conclusions are as follows: 1) The audit committee has an impact on company value; 2) The remuneration committee has an impact on the value of the company; 3) Corporate secretary has an impact on company value; 4) CEO Tenure impact on company value; 5) ROA has an impact on the value of transportation sector companies listed on the BEI for 2016-2020.

5. ACKNOWLEDGE

Based on a series of previous presentations, the author can provide several suggestions including (1) Investors should always pay attention to internal and external elements in the organization's assessment, namely earth, social and financial benefits, in which these three things must be balanced; (2) Entities should have the option of considering organizational requirements in framing the Compensation Board, arguing that the development of a Compensation Board that does not match the complexity of the organization may affect the productivity of the organization. Companies need to maintain the sustainability of their business environment in a sustainable manner. Ensure the accessibility of normal assets in an appropriate manner, ensure the welfare of the organization's environment, ensure the organization's waste treatment, and reliably fulfill the company's social obligations; (3) This research only uses data up to 2020, thus, it is determined for further researchers to take advantage of more recent information, namely after 2020. The results of this study cannot be used in assessing other sectors, so it is recommended that further researchers be able to use different sectors or expand the object of research by adding sectors or using all sectors on the BEI. This research only uses organs outside the company's top management in measuring GCG, so that further researchers can add other company organs such as top management to complete the results and provide perfection for further research so as to produce wider useful outcomes.

6. REFERENCE

Agung, G., Hasnawati, S., & Huzaimah, R. F. (2021). The effect of investment decision, financing decision, dividend policy on firm value. *Jurnal Bisnis Dan Manajemen*, *17*(1). https://doi.org/10.23960/jbm.v17i1.189.

Ahmed Sheikh, N., Wang, Z., & Khan, S. (2013). The impact of internal attributes of corporate governance on firm performance: Evidence from Pakistan. *International Journal of Commerce and Management*, *23*(1), 38–55. https://doi.org/10.1108/10569211311301420.

Aisyah, S., Hariadi, B., & Mardiati, E. (2021). The effect of Islamic intellectual capital, corporate governance, and corporate social responsibility disclosure on maqashid sharia performance, with reputation as a moderating variable. *International Journal of Research in Business and Social Science*, *10*(4), 75–84. https://doi.org/10.20525/ijrbs.v10i4.1233.

Al-ahdal, W. M., & Hashim, H. A. (2022). Impact of audit committee characteristics and external audit quality on firm performance: evidence from India. *Corporate Governance: The International Journal of Business in Society*, *22*(2), 424–445. https://doi.org/10.1108/CG-09-2020-0420.

Anik, S., Chariri, A., & Isgiyarta, J. (2021). The effect of intellectual capital and good corporate governance on financial performance and corporate value: A case study in Indonesia. *The Journal of Asian Finance, Economics and Business*, *8*(4), 391–402. https://doi.org/10.13106/jafeb.2021.vol8.no4.0391.

Bon, S. F., & Hartoko, S. (2022). The effect of dividend policy, investment decision, leverage, profitability, and firm size on firm value. *European Journal of Business and Management Research*, *7*(3), 7–13. https://doi.org/10.24018/ejbmr.2022.7.3.1405.

Bouaziz, D., Salhi, B., & Jarboui, A. (2020). CEO characteristics and earnings management: empirical evidence from France. *Journal of Financial Reporting and Accounting*, *18*(1), 77–110. https://doi.org/10.1108/JFRA-01-2019-0008.

Chaudhry, N. I., Roomi, M. A., & Aftab, I. (2020). Impact of expertise of audit committee chair and nomination committee chair on financial performance of firm. *Corporate Governance: The International Journal of Business in Society*, *20*(4), 621–638. https://doi.org/10.1108/CG-01-2020-0017.

Dasuki, R. E., & Lestari, A. (2019). Implementation of Good Corporate Governance to the Value of Cooperative Company. *Journal of Economic Empowerment Strategy (JEES)*, *2*(1), 24–41. https://doi.org/10.30740/jees.v2i1.33.

Delen, D., Kuzey, C., & Uyar, A. (2013). Measuring firm performance using financial ratios: A decision tree approach. *Expert Systems with Applications*, *40*(10), 3970–3983. https://doi.org/10.1016/j.eswa.2013.01.012.

Deschenes, S., Boubacar, H., Rojas, M., & Morris, T. (2015). Is top-management remuneration influenced by board characteristics? *International Journal of Accounting & Information Management*, *23*(1), 60–79. https://doi.org/10.1108/IJAIM-11-2013-0062.

Devie, D., Liman, L. P., Tarigan, J., & Jie, F. (2020). Corporate social responsibility, financial performance and risk in Indonesian natural resources industry. *Social Responsibility Journal*, *16*(1), 73–90. https://doi.org/10.1108/SRJ-06-2018-0155.

Feviana, D. L., & Supatmi, S. (2021). Good corporate governance affects company value with earnings management as intervening variables in BUMN. *International Journal of Social Science and Business*, *5*(1), 16–25. https://doi.org/10.23887/ijssb.v5i1.31530.

Fiordelisi, F., & Ricci, O. (2014). Corporate culture and CEO turnover. *Journal of Corporate Finance*, *28*, 66–82. https://doi.org/10.1016/j.jcorpfin.2013.11.009.

Hapsari, A. A. (2018). Pengaruh good corporate governance (GCG) dan corporate social responsibility terhadap nilai perusahaan. *Jurnal Bakti Masyarakat Indonesia*, *1*(1). https://doi.org/10.24912/jbmi.v1i1.1900.

Irawanto, D. W., Gondomono, H., & Hussein, A. S. (2017). The effect of intellectual capital on a company's performance moderated by ITS governance and IT strategy integration employed by bank listed in Indonesian stock exchange. *The South East Asian Journal of Management*, *11*(2), 1. https://doi.org/10.21002/seam.v11i2.8522.

Isidro, H., & Sobral, M. (2015). The effects of women on corporate boards on firm value, financial performance, and ethical and social compliance. *Journal of Business Ethics*, *132*, 1–19. https://doi.org/10.1007/s10551-014-2302-9.

Jihadi, M., Vilantika, E., Hashemi, S. M., Arifin, Z., Bachtiar, Y., & Sholichah, F. (2021). The effect of liquidity, leverage, and profitability on firm value: Empirical evidence from Indonesia. *The Journal of Asian Finance, Economics and Business*, *8*(3), 423–431. https://doi.org/10.13106/jafeb.2021.vol8.no3.0423.

Konadu, R., Owusu-Agyei, S., Lartey, T. A., Danso, A., Adomako, S., & Amankwah-Amoah, J. (2020). CEOs' reputation, quality management and environmental innovation: The roles of stakeholder pressure and resource commitment. *Business Strategy and the Environment*, *29*(6), 2310–2323. https://doi.org/10.1002/bse.2504.

Kostruba, A., Maydanyk, R. A., & Luts, V. V. (2020). Bonum requirements of the beneficiary in the corporate rights protection system in Ukraine: Implementing best practices. *The Asian International Journal of Life Sciences*, *22*(1), 1–19. https://hal.science/hal-02910169v1/document.

Kurnia, P., Darlis, E., & PUTR, A. A. (2020). Carbon emission disclosure, good corporate governance, financial performance, and firm value. *The Journal of Asian Finance, Economics and Business*, *7*(12), 223–231. https://doi.org/10.13106/jafeb.2020.vol7.no12.223.

Listyaningsih, E., Dewi, R., & Baiti, N. (2018). The effect of good corporate governance on corporate social responsibility disclosure on Jakarta Islamic index. *Indonesian Journal of Business and Entrepreneurship (IJBE)*, *4*(3), 273–273. https://doi.org/10.17358/ijbe.4.3.273.

Luthan, E., & Satria, I. (2016). The effect of good corporate governance mechanism to earnings management before and after IFRS Convergence. *Procedia-Social and Behavioral Sciences*, *219*, 465–471. https://doi.org/10.1016/j.sbspro.2016.05.021.

Luthfiah, A. A., & Suherman, S. (2018). The effects of financial performance toward firm value with ownership structure as moderating variable (the study on manufacturing companies listed in Indonesia Stock Exchange in the period of 2012-2016). *Journal of Business and Behavioural Entrepreneurship*, *2*(1), 18–27. https://doi.org/10.21009/JOBBE.002.1.03.

Machmuddah, Z., Sari, D. W., & Utomo, S. D. (2020). Corporate social responsibility, profitability and firm value: Evidence from Indonesia. *The Journal of Asian Finance, Economics and Business*, *7*(9), 631–638. https://doi.org/10.13106/jafeb.2020.vol7.no9.631.

Michelon, G., Bozzolan, S., & Beretta, S. (2015). Board monitoring and internal control system disclosure in different regulatory environments. *Journal of Applied Accounting Research*, *16*(1), 138–164. https://doi.org/10.1108/JAAR-03-2012-0018.

Mukhtaruddin, M., Ubaidillah, U., Dewi, K., Hakiki, A., & Nopriyanto, N. (2019). Good corporate governance, corporate social responsibility, firm value, and financial performance as moderating variable. *Indonesian Journal of Sustainability Accounting and Management*, *3*(1), 55â – 64. https://doi.org/10.15562/ijsam.v3i1.74.

Munisi, G., & Randøy, T. (2013). Corporate governance and company performance across Sub-Saharan African countries. *Journal of Economics and Business*, *70*, 92–110. https://doi.org/10.1016/j.jeconbus.2013.08.003.

Murniati, S., Mus, H. A. R., Semmaila, H. B., & Nur, A. N. (2019). Effect of investment decisions, financing decisions and dividend policy on profitability and value of the firm. *International Journal of Accounting & Finance in Asia Pasific (IJAFAP)*, *2*(1). https://doi.org/10.32535/ijafap.v2i1.359.

Muttakin, M. B., Khan, A., & Mihret, D. G. (2018). The effect of board capital and CEO power on corporate social responsibility disclosures. *Journal of Business Ethics*, *150*, 41–56. https://doi.org/10.1007/s10551-016-3105-y.

Nur'ainy, R., Nurcahyo, B., Sri Kurniasih, A., & Sugiharti, B. (2013). Implementation of Good Corporate Governance and Its Impact on Corporate Performance: The Mediation Role of Firm Size (Empirical Study from Indonesia). *Global Business & Management Research*, *5*(2), 91–104.

Oh, W. Y., Chang, Y. K., & Jung, R. (2018). Experience-based human capital or fixed paradigm problem? CEO tenure, contextual influences, and corporate social (ir) responsibility. *Journal of Business Research*, *90*, 325–333. https://doi.org/10.1016/j.jbusres.2018.05.034.

Pangaribuan, H., Donni, R. W. P., Popoola, O. M. J., & Sihombing, J. (2019). Exploration disclosures of internal control as the impact of earnings quality and audit committee. *Indian-Pacific Journal of Accounting and Finance*, *3*(1), 4–22. https://doi.org/10.52962/ipjaf.2019.3.1.61.

Purbawangsa, I. B. A., Solimun, S., Fernandes, A. A. R., & Mangesti Rahayu, S. (2020). Corporate governance, corporate profitability toward corporate social responsibility disclosure and corporate value (comparative study in Indonesia, China and India stock exchange in 2013-2016). *Social Responsibility Journal*, *16*(7), 983–999. https://doi.org/10.1108/SRJ-08-2017-0160.

Regoliosi, C., & D'Eri, A. (2014). "Good" corporate governance and the quality of internal auditing departments in Italian listed firms. An exploratory investigation in Italian listed firms. *Journal of Management & Governance*, *18*, 891–920. https://doi.org/10.1007/s10997-012-9254-1.

Saidat, Z., Silva, M., & Seaman, C. (2019). The relationship between corporate governance and financial performance: Evidence from Jordanian family and nonfamily firms. *Journal of Family Business Management*, *9*(1), 54–78. https://doi.org/10.1108/JFBM-11-2017-0036.

Salloum, C., Azzi, G., & Gebrayel, E. (2014). Audit committee and financial distress in the middle east context: Evidence of the Lebanese financial institutions. *International Strategic Management Review*, *2*(1), 39–45. https://doi.org/10.1016/j.ism.2014.09.001.

Setiawan, M. R., Susanti, N., & Nugraha, N. M. (2021). Pengaruh Struktur Modal, Perputaran Modal Kerja, dan Ukuran Perusahaan Terhadap Nilai Perusahaan. *Owner: Riset Dan Jurnal Akuntansi*, *5*(1), 208–218. https://doi.org/10.33395/owner.v5i1.383.

Setyahadi, R. R., & Narsa, I. (2020). Corporate governance and sustainability in Indonesia. *The Journal of Asian Finance, Economics and Business*, *7*(12), 885–894. https://doi.org/10.13106/jafeb.2020.vol7.no12.885.

Shank, T., Paul Hill, R., & Stang, J. (2013). Do investors benefit from good corporate governance? *Corporate Governance: The International Journal of Business in Society*, *13*(4), 384–396. https://doi.org/10.1108/CG-03-2010-0027.

Sudarmanto, E., Susanti, E., Revida, E., Pelu, M. F. A., Purba, S., Astuti, A., & Krisnawati, A. (2021). *Good Corporate Governance (GCG)*. Yayasan Kita Menulis.

Sugiarto, I. (2017). The Significance of Good Corporate Governance Principles in The Company Law of 2007. *MIMBAR: Jurnal Sosial Dan Pembangunan*, *33*(1), 37–45. https://doi.org/10.29313/mimbar.v33i1.2067.

Suprayitno, E., & Hardiani, R. M. (2021). A spatial analysis of non-performance financing determinants in Islamic banks in Indonesia. *Jurnal Ekonomi & Keuangan Islam*, *7*(2). https://doi.org/10.20885/jeki.vol7.iss2.art7.

Tandean, V. A., & Winnie. (2016). The effect of good corporate governance on tax avoidance: An empirical study on manufacturing companies listed in IDX period 2010-2013. *Asian Journal of Accounting Research*, *1*(1), 28–38. https://doi.org/10.1108/AJAR-2016-01-01-B004