GOOD CORPORATE GOVERNANCE RELATION TO TOBIN’S Q: STUDY ON THE PROPERTY AND REAL ESTATE SUB SECTOR ON THE INDONESIAN STOCK EXCHANGE

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—Abstract—

Good Corporate Governance (GCG) practices aim to create and provide added value for company stakeholders and in a sustainable manner in the long term it is hoped that this will increase company value. This research aims to explain the relationship between GCG and company value as proxied by Tobin's Q and which factors of GCG consist of managerial ownership (MO), institutional ownership (IO), board of commissioners (BC), independent board of commissioners (IBC) and The audit committee (AC) has the most dominant relationship with Tobin's Q. The object of this research is companies in the property and real estate sub-sector on the Indonesia Stock Exchange (IDX) for the 2017-2022 period. By using purposive sampling, 17 companies were obtained as research targets. This research uses descriptive quantitative and multiple regression analysis with SPSS version 23 software. After passing the classical assumption test, from the partial t test it is known that except MO, the other GCG variables namely IO, BC, IBC and AC have a significant relationship with Tobin's Q, with the most dominant factor is the independent board of commissioners (IBC). IBC is the company representative who supervises the board of directors in managing its performance and policies. In other words, IBC's task is to protect the interests of the company, investors, and shareholders. This research shows that the higher the IBC value, the higher the intensity of supervision of the company so that the company will be more controlled and transparent and will increase the company's performance and value. From the simultaneous F test, the results show that overall, the GCG variable has a significant relationship with Tobin's.

Keywords: Good Corporate Governance; Tobin’s Q; Property Real Estate; IDX.
1. INTRODUCTION

The company implements Good Corporate Governance (GCG) practices with the aim of creating and providing added value for all stakeholders in a sustainable manner over a long period of time, namely through improving management performance to increase company value (Tambunan et al., 2017). In addition, with GCG practices, it is hoped that potential conflicts between managers and shareholders can be minimized, thereby minimizing agency costs. The GCG variable is measured through managerial ownership and institutional ownership (Sudrajat, 2020), board of commissioners, and independent board of commissioners as well as the audit committee (Syafitri et al., 2018).

Company value is the price that prospective buyers are willing to pay to buy the company when it is for sale. The higher the company value, the prosperity of company owners and stakeholders will also increase (Husnan & Pudjiastuti, 2015). One method for measuring company value is using Tobin's Q, which was developed by James Tobin (Ross et al., 2019). Tobin's Q shows the relationship between market value and the intrinsic value of a company, and can measure whether a company's shares are cheap (undervalued) or expensive (overvalued) (Hayes, 2023). Tobin's Q is a method that can provide the best information because this method has an important role in various financial interactions, such as the relationship between management share ownership and company value, the relationship between investment opportunities and acquisition responses, and the relationship between management performance and profits from acquisitions (Chung & Pruitt, 1994).

Property and real estate are subsectors of companies listed on the Indonesia Stock Exchange (IDX). Property and real estate are basically land along with objects in the form of buildings and other things that stand permanently on that land. This property and real estate also include areas of land that are still in the program to be used as residential buildings, schools, buildings, and so on. The property and real estate industry is a very influential driving force for the country’s development. Various regions and cities in Indonesia are currently developing land that has not been utilized optimally so that it can be better managed as a real estate, property, and other types of business sector. Currently there are 92 companies operating in the property and real estate sector and in the future the property and real estate business sector is expected to continue to have a major position in efforts to improve the economy.

2. LITERATURE REVIEW

Grand theories that are relevant to the field of Good Corporate Governance (GCG) research studies and Tobin's Q as a measure of company value include signaling theory, which is a theory that explains the actions taken by company management which gives instructions to investors about how management views the company's prospects. This theory provides an explanation of the reasons why companies have the urge to convey
or provide information related to the company's financial reports to external parties. The urge to convey or provide information related to financial reports to external parties is based on the existence of information asymmetry between company management and external parties (Bergh et al., 2014; Rachman & Hendrawan, 2021). An increase in share prices or a high share price of a company is an indication that the company has a high company value (firm value). Signal theory is related to the value of the company, if the company fails or cannot convey its signal well then, the value of the company will experience a mismatch with its position, meaning that the value of the company can be below its true value.

Asymmetric Information Theory according to Brigham and Houston (2006) is a theory that explains a situation where managers have different (better) information about the company's prospects than investors have. This situation allows managers to use the information they know to make decisions, especially regarding company funding decisions. In asymmetric information theory, it explains that company size influences whether a company is closed or open to sharing information with outside parties. Small companies assume that sharing information with lenders or capital requires large costs. This discourages the use of external financing and increases the tendency for small companies to use corporate capital.

According to Jensen and Meckling (2019) agency theory is a relationship or contract between one or more people (principals) involving other people (agents). In a company there is a separation of interests between the principal and the agent. The principal is the person who invests capital in the company, while the agent is the person who works and provides information to the principal. The relationship between principal and agent occurs when the principal gives authority to the agent to make profitable business decisions within the company which will serve as a source of information for the principal in making decisions. Agency theory results in an asymmetrical relationship between owners and managers. To avoid this asymmetrical relationship, a concept is needed, namely the concept of good corporate governance which aims to make the company healthier. The implementation of good corporate governance based on agency theory can be explained through the relationship between management and owners. Management as an agent is morally responsible for optimizing the profits of the owners, and in return will receive compensation in accordance with the contract.

The Cadbury Committee in FCGI (2003) defines corporate governance as a set of regulations that manage relationships between various parties, consisting of shareholders, creditors, company management, employees, government and also other stakeholders. According to Kusmayadi et al. (2015) "Corporate Governance is a series of structured processes used to manage, direct and lead business and corporate efforts with the aim of increasing company value and business continuity. There are several understandings of the meaning of Corporate Governance issued by several parties, both
from a narrow perspective (shareholders) and a broad perspective (stakeholders), but in general they lead to the same understanding. According to Kurniawan (2012) GCG is a set of relationships that occur between management directors, shareholders and other stakeholders such as employees, creditors and the community. According to Agoes (2008) explains that good corporate governance is a set of regulations that regulate the relationship between shareholders, company managers, creditors, government, employees, and other internal and external stakeholders relating to their rights and obligations.

The GCG principles explained by the National Committee for Governance Policy or KNKG (2006b) include: Transparency, Accountability, Responsibility, Independence, Fairness. Meanwhile, the benefits obtained when companies implement the GCG concept are (IFC, 2014): improving performance and efficiency, increasing access to capital markets, minimizing capital costs, building a better company image. The purpose of the CG mechanism is to act as a guarantor and means of control over the corporate governance system in the company so that it runs well (Tambunan et al., 2017). The GCG variable is measured through managerial ownership and institutional ownership (Sudrajat, 2020), board of commissioners, and independent board of commissioners (Debby et al., 2014; Gener, 2022) as well as the audit committee (Sahito et al., 2021; Syafitri et al., 2018).

Managerial ownership (MO) according to Jensen and Meckling (2019) is a mechanism that will reduce agency problems within the company. With the involvement of managers in share ownership, managers are expected to consider all risks that may occur in each of their activities. This is because every decision taken by the manager will have an impact that will be received by shareholders. So that managers who are also shareholders will strive to continue to make maximum efforts to increase the value of the company. The formulation of managerial ownership (MO) according to Sudrajat (2020) is as follows:

$$\text{MO} = \frac{\text{Number of shares owned by management}}{\text{Shares outstanding}} \times 100\%$$

Institutional ownership (IO) is the percentage of shares owned by investors in the form of institutions or institutions (Muryati & Suardikha, 2014). Institutional shareholders are considered active participants in company monitoring (Pillai & Al-Malkawi, 2018). This is because institutions have the resources, expertise and ability to monitor management, thereby preventing managers' self-interested behavior. The existence of institutional ownership in a company will promote increased supervision so that management performance is more optimal. According to Sudrajat (2020), the formulation of institutional ownership (IO) is:
The board of commissioners (BC) plays a central role in the corporate governance framework, where the board is responsible for overseeing management policies and their implementation as well as providing advice to the board of directors (IFC, 2014). The board of commissioners must have the ability and integrity to carry out its responsibilities and to ensure that the company's activities are in accordance with applicable laws and regulations. Supervision by the board of commissioners can restrain management from carrying out actions that can cause losses to shareholders so that losses can be minimized (Li, 2023; Muryati & Suardikha, 2014). According to Arshida (2012), the formulation of the board of commissioners (BC) is:

\[
\text{BC} = \text{Number of commissioners in the company}
\]

Independent commissioners according to the National Committee for Governance Policy (KNKG, 2006a) are members of the board of commissioners who have no affiliation with majority shareholders, other members of the board of commissioners, board of directors, and are free from business relationships or other relationships that could affect the ability of independent commissioners in act independently or act only in the interests of the company. According to Debby et al. (2014) the hope of having an independent board of commissioners is that the task of supervising the company and providing advice to the board of directors will be more objective. According to agency theory, it states that having a large number of independent commissioners can make it easier to control top management and can improve the monitoring function so that the value of the company will increase. According to Arshida (2012), the formulation for an independent board of commissioners (IBC) is:

\[
\text{IBC} = \frac{\text{Number of independent board of commissioners}}{\text{Number of commissioners in the company}} \times 100\%
\]

According to the Indonesian Audit Committee Association (IKAI), an audit committee (AC) is defined as a committee that works independently and professionally, where the board of commissioners forms this audit committee. The aim is to be able to supervise the financial reporting process, risk management, audit implementation and GCG implementation within the company. It is hoped that the presence of an audit committee in the company can improve the quality of the company's internal supervision, and also maximize the company's check and balances mechanism. According to Syafitri et al. (2018), the audit committee (AC) formulation is:
Tobin's Q is a proxy for company value. Company value itself is a form of selling value of the company, which is reflected in the price of shares traded on the capital market for companies that have gone public (Husnan & Pudjiastuti, 2015). According to Debby et al. (2014) company value is important for companies because the company's main goal is to increase the value of the company itself. If the share price is higher, the company value will also be higher. Measuring company value using Tobin's Q was first discovered by a Nobel prize winner from the United States, namely James Tobin. This ratio is measured by adding up the market value of equity and the book value of debt and then comparing it with the value of all capital in total assets. Tobin's Q is considered to provide good information because it includes all company assets and liabilities in its calculations. According to Dewi (2014), all company assets included show that the company does not only focus on one type of investor in the form of shares, but also focuses on creditors. Tobin's Q is measured with the following formulation:

\[
TQ = \frac{(Outstanding \ shares \times CP) + TL}{TA}
\]

Markonah and Prasetyo (2022), from the results of their research on banking companies listed on the Indonesia Stock Exchange, found that Good Corporate Governance (GCG) has a direct and indirect impact on banking financial performance. Improving GCG has an impact on increasing public trust which is reflected in an increase in total assets, as well as an increase in the bank's financial performance.

Meanwhile, according to Novitasari and Bernawati (2020), the results of their research showed that the proportion of the board of commissioners, measurement of the board of commissioners and institutional ownership did not have a significant effect on disclosure of corporate social responsibility. Meanwhile, managerial ownership has a significant effect on corporate social responsibility disclosure.

3. METHODOLOGY

The data used in this research is secondary data in the form of company annual financial reports that are consistently listed in the property and real estate subsector on the IDX. Interval scale data obtained from the company's official website, BEI (www.idx.co.id), Yahoo Finance (finance.yahoo.com) and Idn Financials (www.idnfinancials.com). By using purposive sampling, a total of 17 companies were obtained as research targets during the 2017 - 2022 period. This research is quantitative descriptive research using multiple regression analysis tools assisted by SPSS version 23 software.
4. RESULTS

Based on the data processing that has been carried out, the following descriptive statistical results were obtained:

Table 1. Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobin's Q</td>
<td>102</td>
<td>0.13</td>
<td>972.90</td>
<td>63.5665</td>
<td>79.06760</td>
</tr>
<tr>
<td>Ownership Managerial (OM)</td>
<td>102</td>
<td>0.00</td>
<td>0.48</td>
<td>0.0566</td>
<td>0.12465</td>
</tr>
<tr>
<td>Ownership Institution (OI)</td>
<td>102</td>
<td>0.35</td>
<td>0.91</td>
<td>0.6723</td>
<td>0.17315</td>
</tr>
<tr>
<td>Board of Commissioner (DK)</td>
<td>102</td>
<td>1.00</td>
<td>6.00</td>
<td>3.2843</td>
<td>1.27720</td>
</tr>
<tr>
<td>Independent Board of Commissioner (IBC)</td>
<td>102</td>
<td>0.20</td>
<td>1.00</td>
<td>0.5512</td>
<td>0.21113</td>
</tr>
<tr>
<td>Audit Committee (AC)</td>
<td>102</td>
<td>2.00</td>
<td>5.00</td>
<td>2.9706</td>
<td>0.45502</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>102</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the table above, it is known that the average value of Tobin's Q is 65.5665 (6,556.65%), this value shows that the average market value of companies in the property and real estate sub-sector is much higher 65.5665 times compared to book value company assets. This condition shows the meaning that the market responds to the company's value being much higher than its book value (overvalued), thus providing growth opportunities for the company to be able to generate even greater investment opportunities in the future.

Managerial ownership (MO) obtained an average of 0.0566 (5.66%), this result shows that the percentage of managerial ownership is still very small compared to the total shares in circulation, namely less than 10%. This means that this proportion is not effective enough to suppress agency problems within the company and the management considers share ownership in the company not to be a top priority because they consider that they have received adequate compensation from the salary and benefits provided by the company. There are even some companies whose managers do not own any shares in the company.

Institutional ownership (IO) obtained an average result of 0.6723 (67.23%), meaning that the proportion of shares owned by institutions dominates compared to individual share ownership, namely above 50%. In fact, KIJA shares are 0.96 (96%) with almost 100% share ownership owned by institutions. These results indicate a high level of supervision by institutions because companies are fully capable of being controlled by institutions that have the resources, expertise, and ability to monitor company management in a more professional and optimal manner.
The board of commissioners (BC) has an average value of 3.2843, which means that the average number of members of the board of commissioners is 3 to 4 people. This number is considered adequate, where the average number of BC is 5 people (Putri & Muid, 2017).

The average Board of Independent Commissioners (IBC) is 0.5512 (55.12%). This means that 55.12% of the total board of commissioners is IBC. Hence, with the average number of commissioners being 3 to 4 people, 1.65 to 2.2048 or between 2 and 3 people from the BC are IBC members who are tied to the company, so the power of independent commissioners tends to be more dominant.

Meanwhile, for the Audit Committee (AC) variable, an average of 2.9706 was obtained, which means that companies in the property and real estate sub-sector have an average of 2.9706 or 3 people as members of the audit committee. This figure is in accordance with Indonesian financial services authority regulation number 55/ POJK.04/ 2015 concerning the formation and implementation guidelines for audit committee work where each company must form an audit committee of at least 3 people for one company.

After passing the classical assumption test including the normality test using the Kolmogorov-Smirnov or K-S test, then the multicollinearity test using the Variance Inflation Factor (VIF) value, then the autocorrelation test using the Durbin-Watson test, and finally the heteroscedasticity test using the Glejser test, hence, the results obtained from the multiple linear regression test in this study can be seen in the following table.

### Table 2. Results of Multiple Linear Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance VIF</td>
</tr>
<tr>
<td>(Constant)</td>
<td>-215.278</td>
<td>229.355</td>
<td>-0.939</td>
<td>0.350</td>
<td></td>
</tr>
<tr>
<td>Ownership Managerial (OM)</td>
<td>-15.794</td>
<td>17.410</td>
<td>-0.107</td>
<td></td>
<td>0.367 0.689 1.452</td>
</tr>
<tr>
<td>Ownership Institution (OI)</td>
<td>13.238</td>
<td>104.304</td>
<td>0.015</td>
<td></td>
<td>0.009 0.702 1.424</td>
</tr>
<tr>
<td>Board of Commissioner (BC)</td>
<td>52.932</td>
<td>43.138</td>
<td>0.127</td>
<td></td>
<td>0.023 0.884 1.131</td>
</tr>
<tr>
<td>Independent Board of Commissioners (IBC)</td>
<td>34.038</td>
<td>195.389</td>
<td>0.022</td>
<td></td>
<td>0.002 0.574 1.742</td>
</tr>
<tr>
<td>Audit Committee (AC)</td>
<td>244.337</td>
<td>137.945</td>
<td>0.224</td>
<td>2.671</td>
<td>0.010 0.597 1.675</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Tobin’s Q
Source: SPSS data processing results, 2023.

Based on the table above, a multiple linear regression equation is formed as follows:

\[ TQ = -215.278 - 15.794 \text{ OM} + 13.238 \text{ OI} + 52.932 \text{ BC} + 34.038 \text{ IBC} + 244.337 \text{ AC} + e \]
From this equation it is known that the Audit Committee (AC) has the most dominant positive relationship with Tobin's Q compared to other variables, with the explanation as follows:

1. The constant value is -215,278, indicating that when all independent variables in this study have a value of 0, then the value of Tobin's Q as a measure of company value is negative 215,278 or a decrease in company value of 215,278.
2. The regression coefficient value for the OM (Ownership of Managerial) variable is negative 15,794, indicating that if OM increases by 1 unit, then the value of Tobin's Q as a measure of company value will decrease by 15,794 units assuming the other independent variables are constant.
3. The regression coefficient value of the OI (Ownership Institution) variable is positive 13,238, indicating that if OI increases by 1 unit, then the value of Tobin's Q as a measure of company value will also increase by 13,238 units assuming the other independent variables are constant.
4. The regression coefficient value of the BC (Board of Commissioners) variable is positive 52,932, indicating that if BC increases by 1 unit, then the value of Tobin's Q as a measure of company value will also increase by 52,932 units assuming the other independent variables are constant.
5. The regression coefficient value of the IBC (Independent Board of Commissioners) variable is positive 34,038, indicating that if IBC increases by 1 unit, then the Tobin's Q value as a measure of company value will also increase by 34,038 units assuming the other independent variables are constant.
6. The regression coefficient value of the AC (Audit Committee) variable is positive 244,337, indicating that if AC increases by 1 unit, then the value of Tobin's Q as a measure of company value will also increase by 244,337 units assuming the other independent variables are constant.

From the Koefisien Determination test, the results were obtained:

Table 3. Moldell Summarybl

<table>
<thead>
<tr>
<th>Moldell</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Errrolr oft hel ELstimatel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.292a</td>
<td>0.085</td>
<td>0.38</td>
<td>185.45518</td>
</tr>
</tbody>
</table>

a. Predictolrs: (Colnstant), audit committee (AC), board of commissioners (BC), ownership of institution (OI), ownership of managerial (OM), independent board of commissioners (IBC)
bl. Delpelndelnt Variabllel: Tolblin's Q

Source: SPSS data processing results, 2023

Adjusted R Square is known to be 0.380 (38%), which shows that the magnitude of the relationship between all Good Corporate Governance (GCG) independent variables which include OM, OI, BC, IBC and AC with Tobin's Q as a measure of company value is in the strong category (Hair et al., 2011). Meanwhile, the
remaining 0.620 (62%) is determined by other variables outside the variables studied. The results of the F test show a significance value of 0.000, which means that there is a significant simultaneous relationship between GCG with Tobin's Q as a measure of firm value.

Meanwhile, from the t test the following results were obtained:

**Table 4. Coefficientsa**

<table>
<thead>
<tr>
<th>Moldell</th>
<th>Unstandardized Coefficient</th>
<th>Standardized Coefficient</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
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<td>-0.939</td>
<td>0.350</td>
<td></td>
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<tr>
<td>ownership of managerial (OM)</td>
<td>-15.794</td>
<td>17.410</td>
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<td>0.367</td>
<td>0.939</td>
</tr>
<tr>
<td>ownership of institution (OI)</td>
<td>13.238</td>
<td>104.304</td>
<td>0.015</td>
<td>0.907</td>
<td>0.009</td>
</tr>
<tr>
<td>board of commissioners (BC)</td>
<td>52.932</td>
<td>43.138</td>
<td>0.127</td>
<td>0.884</td>
<td>0.702</td>
</tr>
<tr>
<td>Independent board of commissioners (IBC)</td>
<td>34.038</td>
<td>195.389</td>
<td>0.022</td>
<td>0.574</td>
<td>0.131</td>
</tr>
<tr>
<td>audit committee (AC)</td>
<td>244.337</td>
<td>137.945</td>
<td>0.224</td>
<td>0.452</td>
<td>1.452</td>
</tr>
</tbody>
</table>

Source: SPSS data processing results, 2023

From the table above it is known that the significance value of OM is 0.367, which means that OM does not have a significant relationship with Tobin's Q. The significance value of OI is 0.009, which means that OI has a positive and significant relationship with Tobin's. The significance value of BC is 0.023, which means that BC has a positive and significant relationship with Tobin's. The significance value of IBC is 0.002, which means that IBC has a positive and significant relationship with Tobin's. And the significance value of AC is 0.010, which means that AC has a positive and significant relationship with Tobin's.

5. DISCUSSION

**Relationship between Ownership of Managerial (OM) and Tobin's Q**

The results of this research show that OM does not have a significant relationship with Tobin's Q, so this research rejects the first hypothesis. This result contradicts the theory put forward by Jensen and Meckling (2019) which states that OM is a corporate governance mechanism that can reduce agency conflicts. However, the results of this research are in line with the results of research conducted by Dewi (2014), Onasis and Robin (2016) and Debby et al. (2014) which states that management considers it unimportant to consider how large a proportion of shares management owns from the company's total shares, because for them this is not a top priority because they feel they have received adequate compensation from the salary and benefits provided by the company.
Relationship between Ownership of Institution (OI) and Tobin's Q

The results of this research show that OI has a positive and significant relationship with Tobin's Q, so this research has proven the second hypothesis. The results of this research are in accordance with research which states that the existence of OI in the share ownership structure of a company will have a strong influence on the level of supervision because the company is fully capable of being controlled by institutions that have the resources, expertise, and ability to monitor company management in a professional and more optimal manner. The results of this research are in accordance with research conducted by Tambunan et al. (2017), Muryati and Suardikha (2014), and Sudrajat (2020) state that institutional ownership has a positive and significant relationship with Tobin's Q as a measure of company value.

Relationship between the Board of Commissioners (BC) and Tobin's Q

The results of this research show that BC has a positive and significant relationship with Tobin's Q, so this research has proven the third hypothesis. The results of this research show the importance of the position of the Board of Directors, which is the highest mechanism in the company's organizational structure which has the task of controlling company activities and supervising management policies. This monitoring process makes the company's operational activities better and has an impact on increasing the Tobin's Q value as a measure of company value. The results of this research are in accordance with research conducted by Azizah and Sutjipto (2018) and Suryaningsih et al. (2018), that if BC has a large number, it will reduce the level of fraud in financial reporting and be able to improve its quality. This condition causes investors to become more confident in investing capital in the Company and will ultimately have an impact on increasing the value of the Company.

Relationship between the Independent Board of Commissioners (IBC) and Tobin's Q

The results of this research show that IBC has a positive and significant relationship with Tobin's Q, so this research has proven the fourth hypothesis. The results of this research show that IBC is the variable that has the greatest positive influence and relationship with Tobin's Q. IBC is a member of the board of commissioners who works independently. By having its independent nature, IBC will work more professionally and independently which will improve the Company's performance. The results of this research are in accordance with research conducted by Muryati and Suardikha (2014) and Dewi (2014), which stated that the presence of IBC makes a big contribution to the process of preparing quality financial reports. Apart from that, agency conflict can be minimized with effective monitoring by IBC prove company performance and company value.
Relationship between the Audit Committee (AC) and Tobin's Q

The results of this research show that AC has a positive and significant relationship with Tobin's Q. The results of this research have proven the fifth hypothesis. The results of this research show that with the AC, the supervisory function related to audit implementation, financial reporting, GCG implementation and risk management will run more effectively and more efficiently. The availability of clear and transparent financial information will reduce errors in presenting information so that it will increase investor confidence and company value (Onasis & Robin, 2016). The results of this study are in line with the results of research conducted by Onasis and Robin (2016) and Syafitri et al. (2018). According to Syafitri et al. (2018), in determining the number of audit committee members in a company, it must be adjusted to the company's level of complexity and pay attention to effectiveness in the decision-making process, so as to contribute to company value and the quality of financial reports.

6. RESEARCH IMPLICATIONS

Ownership of Managerial (OM) does not have a significant relationship with Tobin's Q, so this research rejects the first hypothesis. This happens because the management considers it unimportant to consider how large a proportion of shares management owns from the company's total shares, because for them this is not a top priority because they feel they have received adequate compensation from the salary and benefits provided by the company.

Ownership of Institution (OI) has a positive and significant relationship with Tobin's Q, so this research has proven the second hypothesis. The results of this research show that the presence of KI in a company's share ownership structure will have a strong influence on the level of supervision because the company is fully capable of being controlled by institutions that have the resources, expertise, and ability to monitor company management in a professional and more optimal manner.

The Board of Commissioners (BC) has a positive and significant relationship with Tobin's Q, so this research has proven the third hypothesis. The results of this research show the importance of the position of the Board of Directors, which is the highest mechanism in the company's organizational structure which has the task of controlling company activities and supervising management policies. This monitoring process makes the company's operational activities better and has an impact on increasing the Tobin's Q value as a measure of company value. This condition causes investors to become more confident in investing capital in the Company and will ultimately have an impact on increasing the value of the Company.

The Independent Board of Commissioners (IBC) has a positive and significant relationship with Tobin's Q, so this research has proven the fourth hypothesis. The
results of this research show that DKI is the variable that has the greatest positive influence and relationship with Tobin's Q. IBC is a member of the board of commissioners who works independently. By having its independent nature, IBC will work more professionally and independently which will improve company performance. IBC's presence makes a big contribution to the process of preparing quality financial reports. Apart from that, agency conflict can be minimized with effective monitoring by IBC which will ultimately improve company performance and company value.

The Audit Committee (AC) has a positive and significant relationship with Tobin's Q. The results of this research have proven the fifth hypothesis. The results of this research show that with the AC, the supervisory function related to audit implementation, financial reporting, GCG implementation and risk management will run more effectively and more efficiently. The availability of clear and transparent financial information will reduce errors in the presentation of information, thereby increasing investor confidence and the value of the Company.

7. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

For company management, the results of this research show information regarding the importance of companies in implementing the concept of good corporate governance properly and appropriately because of its ability to increase company value as measured by Tobin's Q, especially the role of the Independent Board of Commissioners (IBC) which has a relationship highest positive.

For further research, it is hoped that a longer research time period will be used, so that more research sample data will be obtained, and it is hoped that the research results will be more comprehensive.

For further research, it is recommended to add other good corporate governance mechanism variables, such as the quality of the independent board of commissioners, the size of the board of directors, and the relationship between audit quality and company value, to see which one has a more significant impact on company value.

REFERENCES


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