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Factors that Influence Company Value (Empirical Study on Mining Companies Listed on the Indonesia Stock Exchange (BEI) for the 2016 – 2020 Period)

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ABSTRACT: The aim of the research is to determine and analyze the factors that influence the company value of mining companies listed on the Indonesia Stock Exchange 2016 - 2020. The population of all companies listed on the Indonesia Stock Exchange is 47, sampling using the proportional sampling method of 12 companies for 5 years. (2016 to 2020) processed with Eviews 10.0. The research results show that partially environmental performance, disclosure of environmental information, institutional ownership, proportion of independent commissioners, company size have a negative and significant effect on company value. Medium Low Cost Strategy has a positive and significant influence on Company Value. Meanwhile, the company value R Square = 0.239 shows that the influence of environmental performance, environmental information disclosure, institutional ownership, proportion of independent commissioners, low cost strategy, and company size together have a significant effect on company value, 23.9%. Meanwhile, the remaining 76 .1 is influenced by other variables

KEYWORDS: Environmental Performance, Environmental Information Disclosure, Institutional Ownership, Proportion of Independent Commissioners, Low Cost Strategy, Company Size and Company Value.

I. BACKGROUND

Company value can provide maximum shareholder prosperity if share prices increase. The higher the share price of a company, the higher the prosperity of shareholders. Company value can provide maximum shareholder prosperity if share prices increase. The higher the share price of a company, the higher the prosperity of shareholders. Company value is the amount that must be paid to buy or take over a company. Company value can be measured by share price or price to book value (PBV). Company value can be influenced by many factors, including: Profitability, Return on Assets, leverage, company size, institutional ownership, environmental performance, CSR, GCG, low cost strategy and many more.Based on the research results of Syafitri et al (2018) and Marundha (2019), it is known that the audit committee has a positive and significant effect on company value. Meanwhile, Marius & Masri (2017), the audit committee, has a negative and significant effect on company value.Apart from implementing GCG, a company's business strategy can also influence shareholder reactions through profit sensitivity and company value. One of the company's business strategies that influences profit sensitivity and company value is a low cost strategy. The company implements a low cost strategy with the aim of increasing market share and shareholder trust. The research results of Fernando et al. (2016) show that a low cost strategy can increase a company's share price. Marundha's (2019) research results show that low cost strategy has a negative and significant effect on company value.Company size is also predicted to influence company value. Rahmawati et al (2015) company size describes the size of the assets owned by a company and can be said to be the company's ability to provide the number and variety of production capacities and services. Based on the research results of Pratama & Wiksuana (2016) and Lestari & Wirawati (2018), company size has a significant positive effect on company value. The results of research by Sari & Sayadi (2020), company size has a significant influence on company value.

Based on the existing description, we are interested in reviewing and analyzing "Factors that Influence Company Value: Empirical Study of Mining Companies Listed on the Indonesia Stock Exchange (BEI) for the 2014-2020 Period".

1.1. Formulation of the problem

The background and identification of these problems indicate that this research is important to carry out. Therefore, to answer the research phenomenon, it is necessary to describe the problem formulation as follows:

1. Does Environmental Performance partially affect Company Value?
2. Does Environmental Information Disclosure partially affect Company Value?
3. Does Institutional Ownership partially affect Company Value?
4. Does the proportion of independent commissioners partially influence company value?
5. Does Low Cost Strategy partially affect Company Value?
6. Does company size partially affect company value?
7. Do Environmental Performance, Environmental Information Disclosure, Institutional Ownership, Proportion of Independent Commissioners, Low Cost Strategy, and Company Size jointly or simultaneously influence Company Value?

II. LITERATURE REVIEW AND FRAMEWORK OF THINKING

2.1. Grand Theory

2.1.1. Stakeholders Theory

Azheri (2012:112) explains that stakeholders are attachments based on certain interests. Thus, stakeholder theory is a theory that discusses matters related to the interests of various parties

2.1.2. Legitimacy Theory

Legitimacy theory was put forward by Lindblom (1984), Guthrie and Paker (1989) and Patten (1992). The basic premise of this theory is that organizations will continue to exist if society realizes that the organization operates for a value system commensurate with society's own value system.

2.1.3. Agency Theory

According to Jensen and Meckling (1976), agency theory has a concept that explains the relationship between principals and agents. An agency relationship arises when the principal gives power or delegates decision- making authorization to an agent to perform several services in order to fulfill the principal's interests. In this relationship, there may be a conflict of interest between the owner and the agent

2.2. Variable Theory

2.2.1. Environmental Performance

Environmental performance is the company's performance in creating a good environment (Suratno et al., 2012). This means that the company does not only prioritize financial performance. However, the company takes environmental performance into account in managing its operational activities. Measurement of company environmental performance through PROPER scores issued by the Ministry of the Environment. The aim of this research is to encourage companies to manage the environment through information instruments. The PROPER performance rating system includes ranking companies in five colour categories that are scored sequentially. The five colour categories are as follows: 1) The Gold rating is given a score of 5, namely, companies that have successfully implemented efforts to control pollution or environmental damage or implemented clean production and have achieved satisfactory results. 2). Green Rating is given a score of 4, namely, companies that have implemented efforts to control environmental pollution or damage and achieved better results than the specified requirements as regulated by applicable legislation. 3). Blue Rank is given a score of 3, namely, companies that have implemented efforts to control environmental pollution or damage and achieved results in accordance with the minimum requirements as regulated by applicable legislation. 4). Red Rank is given a score of 2, namely, companies that have implemented efforts to control pollution or environmental damage, but have not been able to reach the minimum requirements as regulated by applicable legislation. 5). Black Rating is given a score of 1, namely, companies that have not implemented significant efforts to control pollution or environmental damage. 6) .Do not follow PROPER carried out by the Ministry of Environment (KLH). Based on the PROPER rating issued by the Ministry of the Environment (KLH) in the range of 0-5, researchers calculated the company's environmental performance using the following formula: Score = (PROPER Rating)/5

2.2.2. Disclosure of Environmental Information

Corporate Social Responsibility (CSR) is defined as a form of action or concept carried out by a company as a form of responsibility for the environment around which the company operates. The measurement of CSR variables in this research uses environmental information disclosure items or the Corporate Social Responsibility Index (CSRI). The CSRI measurement instrument in this research refers to the standards/instruments contained in the 2016 Global Reporting Initiative (GRI) indicators. This standard focuses more on disclosure of the company's economic, social and environmental performance with the aim of improving the quality and utilization of sustainability reports. The 2016 GRI indicators group CSR information related to the environment into eight aspects, namely materials (three indicators), energy (five indicators), water (three indicators), biodiversity (four indicators), emissions (seven indicators), effluent and waste (five indicators) , environmental compliance (one indicator), and supplier assessment of the environment (two indicators). The approach to calculating CSRI basically uses a dichotomy approach, namely each CSRI item in this research instrument is given a value of 1 if it is disclosed and a value of 0 if it is not disclosed (Hanifa & Cooke, 2005). Next, the scores for each item are added up to obtain an overall score for each company. The CSRI calculation formula is as follows:

$$CSRI_j = \frac{\sum xy}{nj}$$

$CSRI_j$ = Corporate Social Responsibility Disclousere Index for company j

$\sum xy$ = Dummy variable = 1 if the item is disclosed; 0 if item I is not disclosed

Nj = Number of items for company j, nj ≤ 30, so 0 ≤ $CSRI_j$ ≤1

2.2.3. Institutional Ownership

Institutional ownership structure is the number of outstanding shares owned by an institution or body. The institutions in question are other business entities, both domestic and foreign, financial institutions, foundations, and the government. Institutional ownership is an important part of corporate governance. The aim is to monitor the behavior of managers so that they act in accordance with the interests of shareholders. Institutions are expected to be able to carry out better supervision of manager policies. Institutional ownership can carry out better supervision, because in terms of economic scale, institutions have more advantages in obtaining information and analyzing everything related to manager policies. Institutional ownership is measured using the following equation. Proportion of Institutional Ownership=(Number of shares owned by institutions)/(Number of outstanding shares)

2.2.4. Proportion of Independent Commissioners

According to Financial Services Authority regulation Number 55/POJK.04/2015 concerning the Establishment and Guidelines for the Implementation of Audit Committee Work, Article 1 Paragraph (2) states that independent commissioners are members of the Board of Commissioners who come from outside the Issuer or Public Company and fulfill the requirements as intended in the Regulations. Financial Services Authority. Law Number 40 of 2007 concerning Limited Liability Companies Article 120 Paragraph (1) states that the company's articles of association can regulate the existence of 1 (one) or more independent commissioners and 1 (one) delegate commissioner and Paragraph (2) states that independent commissioners as referred to in Paragraph (1) are appointed based on the decision of the GMS from parties who are not affiliated with the main shareholders, members of the Board of Directors and/or other members of the Board of Commissioners. Independent commissioners are an important part of corporate governance which aims to supervise managers' actions in managing the company's operational activities. Through independent commissioners, managers are expectedact in accordance with the interests of shareholders, thereby reducing conflicts of interest. The measurements of independent commissioners are as follows. Proportion of Independent Commissioners = (Number of Independent Commissioners)/(Number of Commissioners) x10

2.2.5. Audit Committee Proportion

According to Financial Services Authority regulation Number 55/POJK.04/2015 concerning the Establishment and Implementation Guidelines for the Work of the Audit Committee Chapter II Article 1 Paragraph (1) states that the audit committee is a committee formed by and responsible to the Board of Commissioners in helping to carry out its duties and functions. Board of Commissioners. Furthermore, in Chapter II

Article 4 states that the audit committee consists of at least 3 (three) members from Independent Commissioners and parties from outside the Issuer or Public Company. As a form of corporate governance mechanism, the audit committee is expected to be able to reduce fraudulent practices committed by managers by upholding the principles of transparency, fairness, accountability, responsibility and independence. The audit committee is measured using a ratio scale through the percentage of audit committee members who come from outside the audit committee to all audit committee members. Audit Committee Proportion= (Number of Outside Audit Committee Members)/(Number of All Audit Committee Members) x10

2.2.6. Low Cost Strategy (Low Cost Strategy).

Asdemir et al. (2003) stated that a low cost strategy is carried out by a company by producing products or services at lower costs compared to its competitors. Porter (1980:25) states that one form of business strategy is a low cost strategy. Companies tend to adopt a low cost strategy because customers who are more price-oriented will choose products with lower prices on the assumption that the product remains high quality, thereby allowing the company to increase market share and be superior to competing companies. The aim is to achieve sales optimization in order to increase company profits. The low cost strategy measurement was adapted from research by Gani & Jeremias (2006). Low Cost Strategy = Sales/(Total Assets)

2.2.7. Company Size.

Dogan (2013) stated that the company size indicators used in his research were total assets, total sales and total employees. Akbar et al (2020) explain that company size is a measure of classification in various ways including total assets, log size, stock market value, and others. In this research, company size is seen based on the size of the total assets owned by the company. Assets show assets used for operational activities of the company, which in this case is a mining company. An increase in assets followed by an increase in operating results will further increase external parties' confidence in the company, making it possible for creditors to be interested in investing funds into the company (Weston and Brigham, 1994, in Jaelani and Inrdu, 2001). Measurement of company size uses the formula from Hartono (2000:254), namely: Company Size (Size) = Ln Total Assets

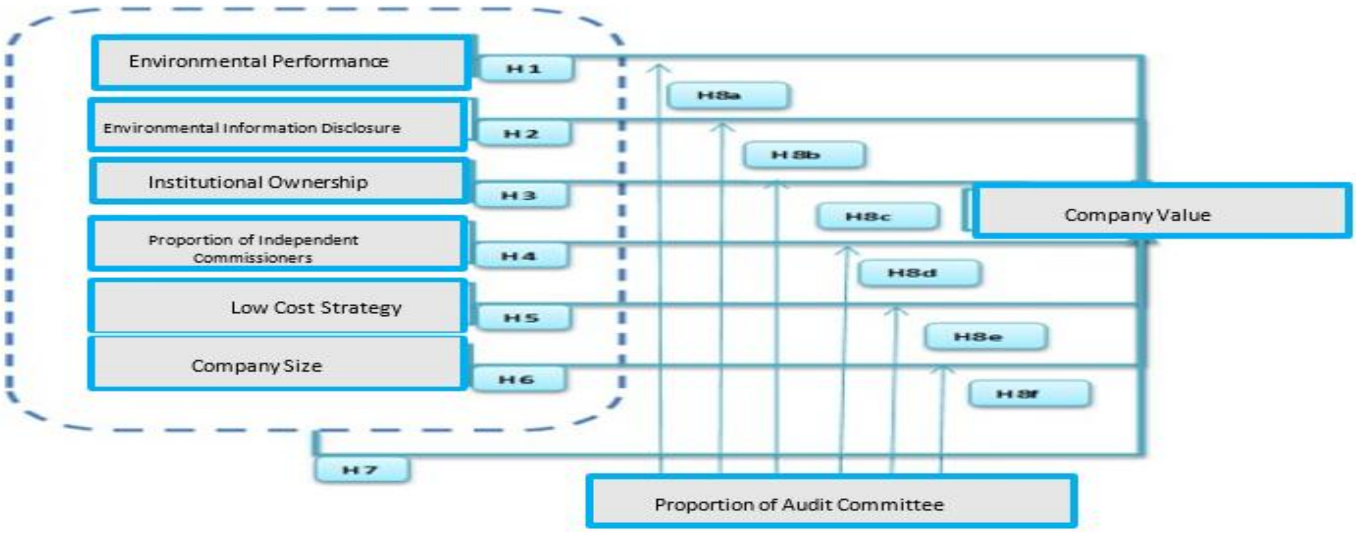
2.2.8. Company Value.

Company value is the shareholder's perception of the quality of company performance which is reflected in the share price. This means that a high share price indicates that the shareholder's response to the quality of the company's performance is increasing. This research uses Tobin's q to measure company value. Tobin's q was chosen as an indicator to measure company value based on market value adapted from research by Mc Connell & Servaes (1990) and Morck et al. (1988). These two researchers stated that Tobin's q is an important and widely accepted measure for measuring the quality of company performance. In addition, Anderson & Reeb (2003) and Demesetz & Villalonga (2002) use Tobin's q as the main indicator to measure company performance in estimating the company's market value. Sukamulja (2004) states that Tobin's q as an indicator of company performance is considered to provide the best information because it includes all elements of debt and share capital of the company, not only ordinary shares and company equity but also all of the company's assets. Apart from that, Brealey & Myers (2000:508) stated that companies with high Tobin's q usually have a good brand image. The equation for calculating Tobin's q value is as follows:

TQ= (EMV+DEBT)/(EBV+DEBT)
Information:
TQ= Company Value
EMV = Equity Market Value (Closing price X Number of outstanding shares) DEBT = Total book value of debt

2.3. Framework.

This research uses six independent variables, namely: Environmental Performance, Environmental Information Disclosure, Institutional Ownership, Proportion of Independent Commissioners, Low Cost Strategy, and Company Size with the dependent variable being its implications for Company Value, as well as one moderating variable, namely the Audit Committee Portion.
A hypothesis framework for these variables was developed as follows:



Hypothesis:

H1: The Influence of Environmental Performance on Company value.

H2: Environmental Information Disclosure partially influences company value. H3 : Institutional Ownership partially influences Company Value

H4: The proportion of Independent Commissioners partially influences company value H5 : Low Cost Strategy partially influences company value

H6: Company Size partially influences Company Value

H7: Environmental performance, environmental performance disclosure, environmental information, institutional ownership, proportion of independent commissioners, proportion of audit committee, low cost strategy and company size together influence company value.

H8: (a,b,c,d,e,f): The effect of audit committee proportion as a moderating variable on the relationship between environmental performance, environmental information disclosure, institutional ownership, proportion of independent commissioners, low cost strategy, and company size and company value

III. RESEARCH METHODOLOGY

This research is causality research, where Sugiyono (2014:11) explains in his book that quantitative researchers in looking at the relationship of variables to the object under study are more cause and effect (causal), so that in their research there are dependent, independent and moderating variables.The population in this research is mining sector companies. The number of mining companies listed on the Indonesia Stock Exchange (BEI) as of 2020 is 47 companies. Sampling was carried out using a non-probability sampling technique with a purposive sampling method, namely sampling with the following criteria:

1) Mining sector companies listed on the Indonesian Stock Exchange (BEI) for the 2014-2020 period (seven years). And has published an annual report during the 2014-2020 period.
2) Mining sector companies that have financial reports in rupiah and have been audited by a Public Accounting Firm (KAP). And which disclose the data required in this research in full for the 2014-2020 period. And following PROPER in the 2014- 2020 period.

Only 12 companies that met the requirements were taken as follows:

No	Kode Emiten	Nama Emiten
1	ADRO	Adaro Energy Tbk.
2	ANTM	Aneka Tambang Tbk.
3	BUMI	Bumi Resources Tbk.
4	BYAN	Bayan Resources Tbk.
5	DKFT	Central Omega Resources Tbk.
6	ESSA	Surya Esa Perkasa Tbk.
7	GEMS	Golden Energy Mines Tbk.
8	INCO	Vale Indonesia Tbk.
9	ITMG	Indo Tambangraya Megah Tbk.
10	PTBA	Bukit Asam Tbk.
11	TINS	Timah Tbk.
12	TOBA	Toba Bara Sejahtra Tbk.

III. DISCUSSION OF RESULTS

Table 1

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Sample: 2014 2020
Periods included: 7
Cross-sections included: 12
Total panel (balanced) observations: 84
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7.948317	2.194248	3.622342	0.0005
X1	-0.163832	0.589970	-0.277696	0.7820
X2	-0.274060	0.301137	-0.910085	0.3657
X3	-1.483619	0.580808	-2.554408	0.0126
X4	-1.700245	0.550855	-3.086559	0.0028
X5	0.553594	0.203795	2.716424	0.0082
X6	-0.326877	0.127626	-2.561201	0.0124
Z	0.309004	0.442332	0.698579	0.4869

Effects Specification

	S.D.	Rho
Cross-section random	0.426575	0.4970
Idiosyncratic random	0.429114	0.5030

Weighted Statistics

R-squared	0.239487	Mean dependent var	0.510750
Adjusted R-squared	0.169439	S.D. dependent var	0.482107
S.E. of regression	0.439369	Sum squared resid	14.67143
F-statistic	3.418929	Durbin-Watson stat	1.405048
Prob(F-statistic)	0.003136		

Unweighted Statistics

4.1. The Influence of Environmental Performance on Company Value.

Research findings X1= -0.1638 indicate that environmental performance partially has a negative and significant effect on company value. The performance of a company is not only related to financial performance. However, holistically it is related to environmental performance. Environmental performance according to Suratno et al (2006) is the performance of companies that care about the environment. Thus, environmental performance is an important part in improving the Company's performance. One form of company environmental performance assessment in Indonesia is the PROPER score issued by the Ministry of the Environment (KLH). The PROPER score shows that the company has succeeded in implementing efforts to control pollution or environmental damage. A high company environmental performance score can reflect that the company has achieved environmental management achievements. The company is considered to pay attention to environmental management in the company's operational activities so that it will increase the positive response of stakeholders, especially the public. This positive response will increase the company's reputation and shareholders will be more interested in companies that have a good reputation in society. This is what the company hopes for 4.1. The Influence of Environmental

4.2. Performance on Company Value.

Research findings X1= -0.1638 indicate that environmental performance partially has a negative and significant effect on company value. The performance of a company is not only related to financial performance. However, holistically it is related to environmental performance. Environmental performance according to Suratno et al (2006) is the performance of companies that care about the environment. Thus, environmental performance is an important part in improving the Company's performance. One form of company environmental performance assessment in Indonesia is the PROPER score issued by the Ministry of the Environment (KLH). The PROPER score shows that the company has succeeded in implementing efforts to control pollution or environmental damage. A high company environmental performance score can reflect that the company has achieved environmental management achievements. The company is considered to pay attention to environmental management in the company's operational activities so that it will increase the positive response of stakeholders, especially the public. This positive response will increase the company's reputation and shareholders will be more interested in companies that have a good reputation in society. This is what the company hopes for Disclosure of environmental information is measured through indicators that are in accordance with the 2016 Global Reporting Initiative (GRI) Sustainable Reporting Guidelines. These guidelines provide a framework for reporting economic, social and environmental performance in an organization. Environmental information disclosure items will be compared with indicators according to these guidelines. The low level of disclosure items shows that there is still low compliance in disclosing environmental information and a lack of compliance in following existing GRI guidelines. Disclosure of environmental information is still limited to following regulations and is limited to showing the company's concern for the community. This shows that disclosure of environmental information is still not a strong attraction for companies to attract the public in making decision.The results of this research support research conducted by Tipto & Junairto (2016) and Marundha (2019) which shows that environmental information disclosure has a significant effect on company value. However, there is research conducted by Donati (2011) which states that disclosure of environmental information has a weak negative effect on company value. This result is also consistent with research by Nurlela and Islahuddin (2008) which states that social responsibility disclosure has no effect on company value.

4.3. The Effect of Institutional Ownership on Company Value.

Research findings X3= -1.48 indicate that environmental performance partially has a negative and insignificant effect on company value. Institutional ownership has an important meaning as an effort to monitor shareholders regarding management actions in managing the company. By monitoring managers' actions that tend to be opportunistic, it is hoped that there will be harmony between the interests of managers and the interests of shareholders. Institutional ownership as an instrument for monitoring shareholders can enable managers to continue to consider the impact that institutional shareholders will receive when making important decisions. This will give rise to a tendency for compromise or partiality by managers towards majority shareholders which can result in neglect of minority shareholders. Based on these conditions, the supervisory function of institutional ownership does not have a significant influence in monitoring the performance of managers in carrying out company activities. The results of this research support research conducted by Syafitri (2018) that managerial ownership has no significant effect on company value and Marundha (2019) stated that institutional ownership has no significant effect on company value.

4.4. Proportion of Independent Commissioners to Company Value.

Research findings X4= -1.700 indicate that environmental performance partially has a negative and significant effect on company value. In organizational activities, conflicts of interest often arise between company management and shareholders. The emergence of a conflict of interest can indicate that the delegation of shareholder authority through the General Meeting of

Shareholders to company management to manage the company in order to increase shareholder prosperity has not been carried out effectively. One of the causes according to Jensen & Meckling, 1976; Fama & Jensen, 1983) is that company management tends to act opportunistically to fulfill its interests rather than the interests of shareholders. To monitor the opportunistic actions of company management, a board of commissioners was formed. In Law Number 40 of 2007 concerning Limited Liability Companies, the board of commissioners is responsible for supervising the company in good faith and prudence for the interests of the company and in accordance with the company's aims and objectives. In the composition of the board of commissioners there are independent commissioners, where independent commissioners are members of the board of commissioners who are not affiliated with management, other members of the board of commissioners, and shareholders controlling interest, and free from business or other relationships that could affect his ability to act solely to obtain benefits from the company. In the results of this research, the influence of the proportion of Independent Commissioners on company value shows that the proportion of Independent Commissioners has a negative effect on company value and has a significant effect. Consistent with the research results of Agri Putra (2016) that the proportion of Independent Commissioners has an influence on company value. However, this research creates inconsistencies with Marundha's (2019) research which shows that the proportion of independent commissioners has no significant effect on company value. The results of this research show that the independent board of commissioners has had an impact on company performance so that in the end it has resulted in a decrease in company value. Even though there is a possibility that the presence of independent commissioners is still limited to fulfilling formal requirements, the majority shareholder still plays an important role in company policy.

4.5. The Effect of Low Cost Strategy on Company Value

Research findings X5 = 0.553 indicate that environmental performance partially has a positive but not significant effect on company value. Implementing a low cost strategy provides shareholders with information that the company can run its business in a very effective way and has competitiveness with its competitors. With cost efficiency, shareholders receive positive signals from management regarding optimizing company profits. Low cost strategies tend to be applied to companies to control market share. This is because there is a tendency for consumers to choose products with lower prices, so that companies implementing this strategy can increase market share compared to their competitors. To achieve cost advantages, companies can carry out activities better than their competitors with efficient internal value chain activities and managing factors that can reduce the costs of value chain activities. Apart from that, companies can also change the value chain by cutting or skipping production cost activities which makes them more concise and ultimately lower costs. Thus, companies prefer low cost strategies to improve performance in accordance with the research results of Marundha (2019) which show that low cost strategies are significant for company value.

4.6. The Effect of Company Size on Company Value.

Research findings X6 = -0.326 indicate that environmental performance partially has a negative and significant effect on company value. The larger the company size, the smaller the company value will be. This is because the assessment of company size is assessed from the total assets owned by the company in its operational activities. Therefore, the larger the size of the company, the greater the funds required for its operations. According to Amalia Dewi R, et al (2015), one source of company funding is debt to external parties, so it can be concluded that the larger the company size, the greater the debt. The greater the debt, the risk it can pose to shareholders. The results of this research are not consistent with research by Mislinawati, Annisa Fahira, Cut Faradilla, and Cut Yunina Eriva (2021) which states that the company size variable has a negative and insignificant effect on company value. This research was conducted on textile and garment industry companies listed on the Indonesia Stock Exchange in 2018-2020. However, this is different from Lumapow and Tumiwa (2017), in their research on manufacturing companies listed on the Indonesia Stock Exchange in 2008-2014, concluding that company size has a positive and significant effect on company value.

4.7. The Influence of Environmental Performance, Environmental Information Disclosure, Institutional Ownership, Proportion of Independent Commissioners, Proportion of Audit Committee, Low Cost, and Company Size together on Company Value.

Research findings R Square = 0.239 indicate that the influence of environmental performance, environmental information disclosure, institutional ownership, proportion of independent commissioners, low cost strategy and company size together have a significant effect on company value by 23.9%, while the remainder is influenced by other variables. . With company value as a parameter to evaluate prosperity for shareholders, where shareholders obtain profits from each share of the investment they make. The increasing company value indicates that shareholder prosperity will also increase. Company value shows the consequences of manager behavior in making business decisions. The behavior of managers in running a company is not only known from the aspect of financial performance but also non-financial performance. From the non-financial performance aspect, to face changes in the managerial environment and increasing competition, non-financial measurements are important to carry out. Forms of implementation of non-financial performance such as corporate governance, disclosure of environmental information, company size, and low cost strategies. Research by Pratiwi et al (2016) shows that institutional ownership has a significant effect on company value. Furthermore, Hidayat & Utama, Muryati & Suardhika (2014), and Perdana & Raharja (2014) show that the proportion of independent commissioners has a significant effect on company value. Meanwhile, the audit committee has a significant influence on company value in research by Marundah (2019), Syafitri et al (2018), Almaqoushi & Powel (2017) and Zabojuikova (2016).Regarding environmental performance, according to research by Lingga **&** Suaryana (2017), Marundha (2019), Fransiskus E. Daromes & Medeleen Florencia Kawilarang (2020) shows that environmental performance has a significant effect on company value. Furthermore, for environmental information disclosure, according to the research results of Marundha (2019) and Dewi & Sanica (2017) show that environmental information disclosure has a significant effect on company value.

4.8. Effect of Environmental Performance on Company Value with Audit Committee Proportion as Moderating Variable (M1)

Research findings show that the Audit Committee Proportion can partially moderate the relationship between Environmental Performance and Company Value. In principle, the audit committee has the task of assisting the Board of Commissioners in carrying out its supervisory function. The duties of the audit committee are also closely related to reviewing the risks faced by the company, as well as compliance with regulations. With the existence of an audit committee, companies are encouraged to comply with regulations related to environmental management that have been set by the government.

IV. CONCLUSIONS AND RECOMMENDATIONS.

5.1. Conclusion

From the results of testing the factors that determine or have implications for company value, namely in the form of Environmental Performance, Environmental Information Disclosure, Institutional Ownership, Proportion of Independent Commissioners, Low Cost Strategy and Company Size and Audit Committee Proportion as moderating factors can be concluded as follows:

1. Environmental performance partially has a negative and significant effect on company value, which is not in accordance with research by Marundha (2019), and Lingga & Suaryana (2017) showing that environmental performance has a positive and significant effect on company value. Daromes & Kawilarang (2020) also concluded that environmental performance influences company value, both directly and through environmental disclosure.
2. Disclosure of environmental information partially has a negative and significant effect on company value, in accordance with Marundha (2019) which shows that disclosure of environmental information has a negative and significant effect on company value.
3. Institutional ownership partially has a negative and insignificant effect on company value, in accordance with Syafitri (2018) managerial ownership does not have a significant effect on company value. Marundha (2019) and Sari et al (2021) state that institutional ownership has no significant effect on company value. Meanwhile, Agri Putra (2016) stated that institutional ownership influences company value.
4. The proportion of Independent Commissioners partially has a negative and significant effect on company value, in accordance with Syafitri et al (2018) which states that the board of commissioners partially has a significant negative effect on company value.
5. Low Cost Strategy partially has a positive and significant effect on company value in accordance with research by Marundha (2019) which shows that low cost strategy has a significant effect on company value.
6. Company size partially has a negative and significant effect on company value, in accordance with research by Lumapow and Tumiwa (2017) which concluded that company size has a significant effect on company value.
7. The influence of environmental performance, environmental information disclosure, institutional ownership, proportion of independent commissioners, low cost strategy, and company size together have a significant effect on company value.
8. The audit committee can moderate or strengthen the partial relationship between institutional ownership, the proportion of independent commissioners, and company size on company value. However, it does not moderate or weaken the partial relationship between environmental performance, environmental information disclosure, and low cost strategy on firm value.

5.2. Suggestion

It is hoped that the results of this research will provide implications and input for interested parties. These implications include:

1. For Financial Report Users

This research is expected to provide input for users of financial reports, especially the general public, in assessing environmental information published by companies in annual reports according to their concern or attention to compliance with environmental impacts.

2. For Shareholders

The results of this research are expected to provide useful information for shareholders in making investment decisions.

3. For Regulators

It is hoped that the results of this research will provide input and insight for regulators in formulating policies related to better environmental management.

4. For Companies

It is hoped that this research will be a consideration for companies in making decisions or policies for implementing effective environmental accounting.

5. For the Development of Knowledge

Research is expected to increase knowledge related to factors that determine or have implications for company value.

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