CHAPTER V

CONCLUSION

5.1 Research Conclusion

Based on the results of research that has been conducted on the effect of Good Corporate Governance (GCG) on company value with financial performance as a moderating variable in manufacturing companies listed on the Indonesia Stock Exchange for the 2019-2023 period, the following conclusions can be drawn:

1. The effect of managerial ownership on firm value The statistical test results show that managerial ownership has no significant effect on firm value. This indicates that even though management owns shares in the company, the incentives resulting from this ownership do not directly increase the company's value.
2. The Influence of the Independent Board of Commissioners on the Value of the Company The independent board of commissioners has a positive but insignificant effect on the value of the company. This shows that the existence of an independent board of commissioners can increase supervision of management, but it is not enough to substantially increase the value of the company.
3. The Influence of the Audit Committee on the Value of the Company The results show that the audit committee has no significant effect on the value of the company. Although the audit committee is tasked with financial

supervision, its effectiveness in increasing investor confidence in the company still needs to be strengthened.

4. The Effect of Financial Performance as a Moderating Variable
    a. Financial performance does not significantly strengthen the relationship between managerial ownership and firm value.
    b. Financial performance significantly strengthens the relationship between the independent board of commissioners and firm value, which indicates that companies with good governance and strong financial performance tend to have higher values.
    c. Financial performance does not significantly strengthen the relationship between the audit committee and firm value.

Overall, this study confirms that the implementation of GCG, especially managerial ownership, independent boards of commissioners, and audit committees, has not directly increased firm value significantly. However, financial performance acts as a factor that strengthens the influence of independent boards of commissioners on firm value.

5.2 Research Implication

The results of this study have several important implications for firms, investors, and academics. For firms, although managerial ownership and audit committees were not found to have a significant impact on firm value, there remains a critical need to improve the implementation of good corporate governance (GCG) as a means of building greater investor confidence and corporate transparency. Companies are encouraged to strengthen the active role of independent committees, especially given their significant contribution to firm value when supported by strong financial performance. In addition, the focus on improving financial performance remains essential, as sound financial management and increased profitability can further enhance the positive effects of GCG on firm value.

For investors, the results suggest that financial performance should be a primary consideration when making investment decisions, particularly as it reinforces the impact of corporate governance on firm value. Investors are also advised to assess the effectiveness of the independent board of commissioners, as it can serve as a useful indicator of the quality of corporate governance and long-term sustainability.

From an academic perspective, the study opens opportunities for future research to explore a more comprehensive model of corporate governance by including additional variables such as institutional ownership, dividend policy, or leverage. In addition, expanding the scope beyond the manufacturing sector to other industries such as banking or services could reveal whether similar governance-performance-value relationships exist elsewhere. Extending the study period is also recommended to better observe long-term trends and patterns between GCG, financial performance, and firm value.

5.3 Research Limitation

Some limitations of this study include:

1. The research object only includes manufacturing companies, so the results cannot be generalized to other industrial sectors.
2. The research period is limited to five years (2019-2023), which may not yet reflect long-term trends.
3. The moderating variable used is only financial performance, while other factors that have the potential to influence firm value are not examined.