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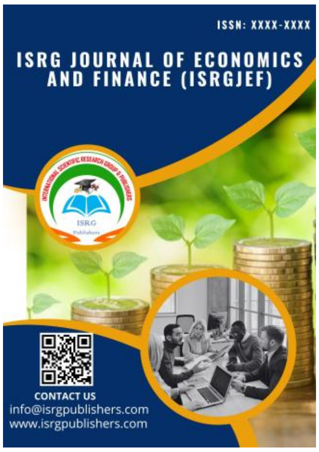

CORPORATE GOVERNANCE AND COMPANY VALUE

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Abstract

The target to be obtained in this research is to prove the truth of the theory that states that good corporate governance has an effect on the position of the company's value. Companies in the banking sub-sector are the objects of this research, namely 47 companies. The sample was obtained through a selection process of a number of criteria provided by the researcher. The data used comes from the publication of annual reports that were audited between 2019 and 2023. The data analysis technique used is multiple regression which is made into several equations and continued with t-statistic testing. In our research, we found that the CSR dimension has a positive effect on PBV, the research results also found that the participation of women in the board of directors was able to reduce the credit risk owned by the bank, the research results also showed that problematic credit can be managed when GCG is implemented properly, so that it can encourage an increase in the company's reputation, but the research results found that ESG disclosure was unable to moderate the relationship between risks related to credit distribution and changes in the company's stock price level.

Key Words: Corporate Values, Women on Board of Directors, Board of Commissioners, Audit Committee & Public Ownership

INTRODUCTION

Economic growth in the country at this time cannot be separated from the development of the banking sector. The success of this sector to grow at least helps the process of distributing capital in the country, both distributing capital to individuals, groups or companies (Alam et al., 2022). A bank is an intermediary institution, namely an institution tasked with collecting funds from the public and distributing them back to all parties in need. Banks will profit from interest or from activities to optimize the benefits of customer funds that they have successfully collected (Mousa et al., 2018; Saraswati et al., 2018; Setiyaningsih et al., 2015). The progress and decline of a banking company is closely related to the trust of stakeholders in them. It is certain that customers will tend to look for a bank that is safe for the funds they entrust to the bank. The management of banking companies realizes that the long-term goal desired by every company is to encourage an increase in the value of the company (value of the firm). According to Brigham and Houston (2017), the value of the company shows the positive sentiment given by stakeholders, especially investors, for the success of the company in carrying out its operational activities. The value of a company can be observed from the Price to Book Value. This ratio shows how expensive a company's stock price is. Price to Book Value (PBV) is one of the tools for investors in making investment decisions. The banking sub-sector is one of the leading company groups on the Indonesia Stock Exchange, considering that this sector is filled with a number of large banks that help the movement of the Composite Stock Price Index (IHSG) due to interest from foreign and domestic investors, but not all banking companies have such conditions. Some banking companies actually have a cheap company value position which can be seen from the development pattern of the price to book value (PBV) owned by companies that are below the book value of their shares.

According to the official website of the IDX, several banking companies experienced a decline in stock prices, as reflected in the increasingly low price to book value they have. This phenomenon can be observed from the PBV owned by PT Bank IBK Indonesia Tbk (AGRS), the PBV value owned by the company had touched 1.21 times in the fourth quarter of 2020, but continued to decline. In the third quarter of 2024, the PBV value owned by AGRS continued to be corrected to 0.49 times. Something similar also happened to PT Bank MNC Capital Indonesia Tbk (BCAP), their PBV value was at 1.96 times at the end of 2022, but continued to be corrected until the third quarter of 2024 to 0.41 times. Similar things also continue to happen to several other banking companies. This phenomenon shows that a number of companies in the banking sub-sector are experiencing a decline in value, this is certainly not beneficial for the company and can reduce the amount of third party funds flowing into the company, therefore it is important for researchers to try to observe a number of factors that can influence changes in firm value, especially in banking companies on the IDX. Priharta et al., (2023) stated that changes in company value can be driven by the mechanism of good corporate governance (GCG). One interesting issue in the implementation of GCG is the provision of space for women to become part of the board of directors. The synergy formed between female and male members will create something positive in the process of monitoring the activities of internal parties, especially managers (Chatterjee and Nag, 2023). The results of Moussa's (2019) research show that transparency of information and better governance will occur when the role of women in the board of directors is recognized and utilized properly. Women who enter the board of directors are certain to have knowledge and experience in the field of organizational governance so that their presence will produce positive policies to support the management performance of a bank, this will certainly increase the value of the firm. Furthermore, Pudjonggo and Yuliati (2022) state that the returns received by investors will strengthen when information asymmetry in the company can be reduced thanks to the presence of women in the board of directors.

Nurhidayanti et al., (2023) the board of commissioners is a group of individuals tasked with overseeing the activities of managers or internal parties in general, with the existence of a board of commissioners, the manager's room to carry out opportunistic behavior will be smaller, so that it will reduce the occurrence of high credit risk but will increase the value of the company. Something that is not much different is obtained from the results of research by Solikhah et al., (2021) who found that the size of the board of commissioners has a positive effect on the value of the company. However, different research results were obtained by Meyliana et al., (2024) who stated that the existence of a board of commissioners does not affect the value of the company, this suggests that the value of the company is not formed from internal factors alone but can also be influenced by external factors such as social or global issues such as war issues, disease outbreaks and various other things. In carrying out its duties, the board of commissioners is assisted by members of the audit committee. According to Manurung (2023), an audit committee is two or more individuals appointed to assist in the activities carried out by the board of commissioners. One of those appointed has strong accounting knowledge and experience. The audit committee is tasked with ensuring that the monitoring process for internal activities has been carried out consistently, so that transparency of information that will reduce credit risk but increase the value of the company can be realized. The results of research by Yusmaniarti et al., (2020) stated that the size of the audit committee has a positive effect on PBV. Furthermore, the same research results were also obtained by Amaliyah and Herwiyanti, (2019); Pudjonggo and Yuliati (2022) agreed that the existence of an audit committee would assist the board of commissioners in ensuring transparency of information within the company, so that the possibility of fraud by managers would be smaller, but proper governance would increase the PBV.

According to Aprilia and Effendi (2019), managers or internal parties are people who have more perfect knowledge or information than external parties, so it is believed that the existence of a board of directors or board of commissioners and audit committees is not enough to ensure that information asymmetry has been reduced, so to help the monitoring process, ownership structure grouping is also carried out. One of the ownership structures that affects credit risk and company value is public ownership. The results of Lestari and Al Ghani's (2020) research found that public ownership had a positive effect on PBV in a banking corporate. Yusmaniarti et al., (2020) found that public ownership had a positive effect on PBV banking company. The same thing was also found in the research of Gunawan et al., (2022) stating that the existence of public ownership in the company will help the tasks of the board of commissioners and audit committee so that it will become an instrument that encourages the strengthening of company value. Furthermore, the results of Yang et al., (2013) research found that public ownership had no effect on firm value. In this research, the novelty offered by the researcher is related to the implementation of good corporate governance on the company value owned by the banking sub-sector companies on the IDX, the uniqueness in question is related to the existence of a board of directors which of course has not been widely implemented by companies listed on the Indonesian regular market, in addition, the uniqueness that the researcher tries to offer in this research is related to the location of the research, namely the IDX, in this case the Indonesian capital market is one of the capital markets with high uniqueness because it is concentrated, different from the type of capital market in developed countries. In addition, the absence of a definite empirical consensus stating that there is a relationship or influence between the variables used in this research encourages researchers to believe that research discussing the influence of GCG on company value is still relevant and interesting to do.

LITERATURE REVIEW

Company value

The concept of company value is crucial in assessing a firm's performance, sustainability, and future prospects, predominantly captured through various financial metrics and market perceptions. Company value serves as a key indicator for investors, representing their confidence in the company's ability to generate profits and manage resources effectively. Enhancing the company's value is often aligned with maximizing shareholder wealth, where the valuation is prominently reflected through stock prices in the financial markets (Anasthasia et al., 2019; Yuliana et al., 2024; Yuliandhari & Nurramadhani, 2024). The measurement of company value can be approached from several angles, including but not limited to Tobin's Q, which compares market value to asset replacement cost, and Price to Book Value (PBV), linking stock price with the company's book value (Adi & Kurniasih, 2024; Yuliandhari & Nurramadhani, 2024). High stock prices are indicative of positive public perception, demonstrating a company's operational efficiency and future growth potential, while their fluctuations are influenced by various factors such as profitability, company size, and capital structure (Oktaviani et al., 2024; Sari & Karlinda, 2022). Specifically, profitability reflects how effectively a company can generate earnings relative to its sales, assets, or equity, thus playing a critical role in determining investor confidence and company valuation (Lisdawati et al., 2023). Understanding the interplay between company size and value provides further insights. Larger firms, which often benefit from economies of scale, generally command higher market valuations due to their capacity to generate significant sales volumes and market share (Oktaviani et al., 2024; Setyowati & Sudarwati, 2023). Conversely, the impact of capital structure, denoted by leverage, complicates assessments of value; while moderate leverage can enhance returns, excessive debt may deter investors and depress stock prices, thereby reducing overall company valuation (Ekadjaja, 2023; Faisal et al., 2021). Moreover, external factors such as corporate governance, social responsibility practices, and market dynamics significantly influence a company's perceived value. Firms that adhere to strong corporate governance practices and demonstrate corporate social responsibility are more likely to attract investors, leading to enhanced valuation (Adi & Kurniasih, 2024). The integration of ethics and transparency in operations serves not only to mitigate risks but also to strengthen stakeholder relationships, thereby potentially enhancing company value over time).

Corporate Governance

Corporate governance refers to the set of rules, practices, and processes by which a company is directed and controlled. It is crucial for establishing the framework for attaining a company's objectives, encompassing almost every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure. By enabling effective oversight, corporate governance can directly affect a firm's performance, stakeholder interests, and ethical behavior (Ilona et al., 2022; Zaitul et al., 2020). The effectiveness of corporate governance mechanisms is often evaluated concerning their impact on financial performance and the sustainability of the organization (Wau et al., 2023; Zaitul, Elfiswandi, et al., 2019). In the context of developing countries, such as Malaysia and Indonesia, corporate governance mechanisms have gained significant attention post the Asian financial crisis of the late 1990s. The crisis underscored the vulnerabilities associated with poor corporate governance practices, leading to public demand for improved oversight and regulation in both public and private sectors (Zaitul, Melmusi, et al., 2019). Studies suggest that companies in these regions that adopt robust corporate governance frameworks often experience enhanced operational efficiency, reduced capital costs, and ultimately improved profitability (Datillah et al., 2023; Maqfira et al., 2024). A critical aspect of corporate governance is the relationship between various stakeholders, which necessitates an understanding of stakeholder theory. Stakeholder theory posits that all parties involved in a corporation, including shareholders, employees, customers, suppliers, and the community, should be considered in decision-making processes (Ulfa et al., 2024). Companies that embrace stakeholder governance tend to report higher ethical standards due to the moral considerations embedded in their operational policies (Ilona et al., 2023). This broader orientation towards a set of stakeholder interests not only fulfills ethical obligations but also aligns with strategic business objectives, enhancing long-term sustainability (Zaitul, 2020).

Female on the Board Directors

Every company has the same goal, which is to increase the value they have, therefore, to encourage the realization of this, good corporate governance is implemented. One effort to create effective GCG is to create gender diversity in the board of directors, such as increasing female membership in the board of directors (Govindan et al., 2021). Women who are included to be part of the board of directors are certainly not just anyone, but those who already have knowledge and experience in the field of GCG, with the presence of female membership in the board of directors, it is hoped that managers will be able to create precise strategic policies so that they can increase the PBV banking corporate (Ridho & Astuti, 2024). The results of research by Quintana-García et al., (2022) found that the presence of female's on board would be a good filter for managers to encourage the right strategic policies in order to increase the PBV. The same thing was also expressed in the research by Lee & Thong (2022) who found that the presence of women on the board of directors would create harmonious synergy with male members, the cooperation formed would be an important suggestion for managers in implementing a number of strategic policies in order to increase the value of the firm. In line with the theoretical description and a number of previous research results above, a hypothesis is proposed which will soon be proven, namely:

H_1 FEmale on the board of directors have a positive effect on corporate value

Size of Board of Commissioners

Every stakeholder, especially shareholders or principals, certainly really want the information asymmetry that occurs within the company to be reduced, therefore they urge the companies they invest in to implement GCG. One form of implementing GCG is to form a board of commissioners tasked with overseeing internal activities, especially managers. The board of commissioners consists of several people who have various knowledge that is considered important to encourage improvements GCG. When each member of the board of commissioners can carry out their duties properly and independently, corporate governance will improve so that the company's value can be increased (Robiyanto et al., 2020). The results of research by Suhardjanto et al., (2017) found that the more active monitoring activities carried out by the board of commissioners will encourage improvements in company performance, this is positive news for market players, so that it can improve the demand and supply mechanism for shares offered by the company on the regular market. Something not much different was also expressed by Priharta et al., (2023) who found a strong positive relationship between the existence of a board of commissioners and firm value. A board of commissioners who can carry out their duties properly and correctly will create transparency or openness of information, thus creating a positive reaction from market players as seen from the increasing demand and supply mechanisms for company shares in the secondary market. In accordance with the description of a number of previous research results above, a hypothesis is proposed which will soon be proven, namely:

H_2 The size of the board of commissioners has a positive effect on corporate value

Size of Audit Committee

Transparency of information is the most desired thing by shareholders, but creating perfect transparency of information is difficult to do. One of the efforts made by the principal to realize this is to encourage the board of commissioners to form an audit committee that will help carry out monitoring activities within the company (Pemayun & Astika, 2021). The cooperation that occurs between the board of commissioners and the audit committee will increase the effectiveness of supervision of internal activities, so that transparency of information and improvement of governance will be stronger, when this can be realized, the company's value will increase as seen from the increasing return in line with the strengthening of the company's stock price that occurs in the secondary market (Irmalasari et al., 2022). The results of Dewi & Gustyana's (2020) study found that the existence of an audit committee would encourage tighter monitoring activities by independent parties on manager activities, so that internal parties would have less room to make policies that benefit one party, but rather refer to efforts to realize common goals that increase company performance to encourage stronger corporate value. Furthermore, the research results of Amaliya'h & Herwiyanti (2019) found that the size of the audit committee has a positive effect on stock price. In line with a number of previous research results above, a hypothesis is proposed which will soon be proven, namely:

H_3 The size of the audit committee has a positive effect on corporate value

Public Ownership

One form of corporate concern to encourage increased company value is to commit to implementing good corporate governance by dividing the ownership structure within the company. This is done to increase independent party monitoring of corporate governance by managers (Yusmaniarti et al., 2020). When there is a division of ownership structure within the company, the responsibility to monitor the development of the company will be carried out more routinely, so that information transparency is stronger, this condition will certainly create positive sentiment that will encourage increasing stock prices and capital gains received by investors (Tarantika & Solikhah, 2019). When investors get capital gains in line with the strengthening of the company's stock price, this indicates a strengthening of the company's value. The results of research by Gunawan et al., (2022) stated that public ownership has a positive effect on company value, the results of research by Setiawan & Venona (2023) found that high public ownership in a company will help the monitoring process on manager activities in order to maintain the interests of internal parties, when these actions are carried out repeatedly, the company's performance will be better, and this will of course be followed by positive sentiment towards the company's shares in the secondary market. In line with the theoretical description and a number of previous research results above, a hypothesis is proposed which will soon be proven, namely:

H_4 Public ownership has a positive effect on corporate value

METHODS

Our research was conducted on 47 banking companies in IDX, data obtained from annual reports accessed through annual reports. Observation years from 2019 to 2023. The sampling technique used in this research is purposive sampling, where only companies that have complete financial reports consecutively from 2019 to 2023 are the samples. The data used in this research were obtained through the Annual Report owned by each company which was obtained through each company's website. In this research, two categories of variables were used, namely the dependent variable, namely company value, while the independent variables consisted of the presence of female's on the board of directors, board of commissioners, audit committee and public ownership.

Table 1 Operational Definition and Measurement of Variables

	Definition	Measurement
Company Value	Signaling the response shown by investors in the regular market which drives changes in the market value of shares owned by the company.	$\text{PBV} = \frac{\text{Stock Price}}{\text{Stock Book Value}}$
Female's on Board	Designation of the number of women to be involved in determining board policy (Chatterjee and Nag 2023)	$\text{WIBD} = \frac{\text{Female's on the Board}}{\text{Number of Director's}} \text{ x } 100\%$
Board Commissioner's	Total members, both independent and non-independent, including the chairman	SBC = Number of Board of Commissioner's
Audit Committee's	All members including the chairman of the committee.	ACZ = Number of Audit Committee's

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Public Ownership	The percentage of control that comes from the community in a company	$PO = \frac{\text{Total shares owned by the public}}{\text{Total share ownership}} \times 100\%$

Panel data regression analysis is an analysis tool used, the testing stages are carried out through classical assumption analysis which includes normality testing, multicollinearity testing, autocorrelation and heteroscedasticity testing. The OLS model used is:

$NP = \alpha + \beta_1 PDD + \beta_2 UDK + \beta_3 UKA + \beta_4 KP + e$

Information

α = *Intercept* / Constanta

$\beta_1 - \beta_5$ = Regression coefficient of each variable

PDD = Female on the Board of Director's

UDK = Size of the Board of Commissioner's

UKA = Size of the Audit Committee's

KP = Public's Ownership

NP = Company Value

ε = Term error

After all the procedures of the hypothesis testing stages are fulfilled and the regression analysis has been carried out, the hypothesis testing stage can be carried out. The testing procedure is carried out using the t-statistic test. If the P value <0.05 indicates that the proposed hypothesis is accepted, but if the results obtained are otherwise, the proposed hypothesis is rejected. The data processing procedure or stage is carried out using Eviews.

RESULTS AND DISCUSSION

Descriptive statistics for each research variable used in the measurement model in this research are shown in box 2 below.:

Table 2 Statistic Deskriptive

	Min	Max	Mean	Std Deviation
Company Value	0.12	5.82	1.99	1.60
Female's on Board	0.00	57.0	16.0	15.0
Board of Commissioner size	2	11	5	2.32
Audit Committee size	3	9	4	1.28
Public Ownerships	0.000	49.0	11.60	11.00

According to descriptive statistics, the total number of processed data is 235 observations (47 x 5). From descriptive statistics, the lowest PBV value from the processed data is 0.12 times, while the highest PBV value owned by one of the banking companies used as a sample is 5.82 times. If observed as a whole from 2019 to 2023, the average PBV value owned by banking companies listed on the IDX is 1.99 times, with a standard deviation reaching 1.60 times. Referring to the average PBV value obtained, it can be concluded that in general the market price position of shares of banking companies listed on the IDX is still relatively cheap. Based on descriptive statistics, it is identified that the Number of women in management is 0 while the highest percentage is 57% of the members of female's on board, but if averaged, the number of women in management is only 16% with a standard deviation reaching 15%. If referring to the statistical average which tends to approach 0, this shows that the presence of female's on board in banking companies on the IDX is relatively small.

In line with the descriptive statistical description, it was found that the number of board of commissioner's at least in one of the banking companies selected as a sample was 2 people, while the largest number of board of commissioner's at the banking companies that were samples in this research was 11 people. Every company sample of the research have a board of commissioners of 5 people, in addition, from the descriptive statistics, the standard deviation of the data is 2.32. Based on the statistical average, it can be concluded that the higher or more the size of the board of commissioner's owned by a company certainly increases the effectiveness of governance in the company. To improve the governance function in a corporate, in addition to the existence of a board of commissioners, they are also assisted by an audit committee. From the identification of data from banking companies selected as samples in this research, it was found that the smallest number of audit committees assigned to one of the banking companies was 3 people, while the largest number was 9 people. If observed as a whole, the average banking company on the IDX from 2019 to 2023 has an audit committee of 4 people with a standard deviation of 1.28. In accordance with descriptive statistics, it was found that the lowest public ownership value was 0 while the highest public ownership value owned by one of the banks was 49%. In line with data identification, it was also found that the average amount of public ownership in banking companies on the IDX was 11.60% with a data standard deviation of 11%. Based on the average statistical value, it can be concluded that the portion of public ownership in banking companies in Indonesia is relatively small because the bank ownership status is controlled by conglomerate families, considering that the Indonesian capital market is concentrated or only controlled by a number of families who synergize with each other to develop a number of businesses (business octopus).

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Normality Test Result
Identification of normality in each variable was carried out using the JB-test, which can be observed in box 3 below:

Table 3. Normality Test

	Prob	*Cut Off*	Result
Company Value	0.054	0.05	Normal
Female’s on Board	0.055	0.05	Normal
Board of Commissioner size	0.124	0.05	Normal
Audit Committee size	0.333	0.05	Normal
Public Ownerships	0.118	0.05	Normal

Each variable used has a normal distribution because the P value > 0.05, thus the statistical testing stage can be continued..

Multicollinearity Test Results
The intercorrelation that occurs between independent variables is something that must be avoided in this research, so multicollinearity analysis is important to carry out, this can be observed in the following box 4:

Table 4. Multicollinearity Test

	VIF	*Cut Off*	Result
Female’s on Board	1.007	5	No Multicoloniarity
Board of Commissioner size	1.241	5	No Multicoloniarity
Audit Committee size	1.247	5	No Multicoloniarity
Public Ownerships	1.007	5	No Multicoloniarity

The description of the information in table 3 shows that there is no strong interaction between the independent variables (VIF < 5), so the OLS model that will be analyzed uses the appropriate predictor variables.

Autocorrelation Test Results
Autocorrelation or serial correlation testing aims to ensure that the residuals in each independent variable are not correlated with each other, the test is specifically for variables that use time series data (Winarno, 2014). According to the results of the autocorrelation test that has been carried out, the description of the results is seen in the following box 5:

Table. 5 Autocorrelation Testing Result

	Obs’R^2	*Prob*	*Cut off*	Result
LM-test *Breusch Godfrey*	6.32660	0.3225	> 0.05	No Autocorrelation

According to the results of the autocorrelation test using the Breusch Godfrey LM-test, it can be seen that the probability obs'r-square value of each model using the multiple regression analysis technique has a probability value above 0.05 so that it can be concluded that each variable in each regression model to be analyzed in this research is free from autocorrelation deviations.

Heteroscedasticity Test Results
Heteroscedasticity testing is carried out to ensure that each variable has a constant distribution pattern or is free from heteroscedasticity deviations. Detection of heteroscedasticity deviations can be seen in the following:

Table 6. Heteroscedasticity Testing Result

	Prob	*Cut Off*	Result
F-stat	0.2138	0.05	No Heteroskedasticity
Obs’R-Squared	0.2137	0.05	

According to the results of the heteroscedasticity test using the Glejser test, the Obs'R-Squared probability value obtained is 0.2137, thus the P value > 0.05 so that it can be concluded that all variables that will be formed into the regression equation model in this research are free from heteroscedasticity deviations.

Hypothesis Testing
After all testing procedures have been fulfilled, the hypothesis testing stage can be carried out immediately. According to the testing process that has been carried out, the results are described as shown in the following box 7:

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Table 7. Hypothesis Testing Results

	Coefficient Regression	Prob	*Cut off*	Conclusion
Constant	-0.379			
Female's on Board	1.184	0.0054	0.05	H_1 supported
Board of Commissioner size	-0.289	0.1144	0.05	H_2 not supported
Audit Committee size	0.366	0.0002	0.05	H_3 supported
Public Ownerships	1.245	0.1256	0.05	H_4 not supported
	R^2	0.151		
	F-prob	0.000		

Each independent variable has a different direction and magnitude of influence, as seen in the multiple linear regression equation model below:

PBV = -0.379 + 1.184FEM – 0.289UDK + 0.366UKA + 1.245KP

The constant value obtained is -0.379, thus when it is assumed that all independent variables have a value of 0, the tendency for changes in company value will decrease. In the regression equation, it can be seen that female's on board of directors are able to increase the level of expensive stock prices ($P < 0.01$), but the presence of a board of commissioner's does not provide a significant effect on changes in the level of expensive stock prices of banking companies in Indonesia ($P > 0.05$), in addition, in the regression model, it was found that the audit committee was able to truly positive effect the PBV of banking companies ($P < 0.05$), but the existence of public's ownership as a company controller did not provide a truly effect on the PBV of corporate.

Discussion

Female's in the Board and company value

The presence of women in management has been proven to improve the company's reputation. The synergy of competence and experience will encourage management to take the right policies in running a business, in addition, the presence of women is also responded positively by market players.. This condition is caused by the presence of a female's board of directors, of course this will be very good for increasing the role of the board of directors, especially in monitoring manager activities. The results obtained at the first hypothesis testing stage are supported by agency theory, in this concept it is stated that there is a conflict of interest between manager and share holders, agents have complete information that encourages them to behave opportunistically to obtain personal gain (Jensen & Meckling, 1976), but when the company has women on the board of directors this can certainly be reduced, the presence of women will encourage differences in perspective, when these differences can be synergized well with the perspectives of other board members, information transparency can be realized so that it can encourage increased PBV of the firm. The findings obtained at the first hypothesis testing stage are supported by research The results of Chatterjee and Nag's (2023) research found that the presence of women's on the board has a positive effect on PBV. The findings show that the presence of women on the board of directors will influence more appropriate decision-making in corporate governance, thereby increasing the company's value. Pudjonggo and Yuliati (2022) stated that the presence of women's on the board will encourage better monitoring activities and reduce the tendency for opportunistic behavior by managers, as a result, the performance of the bank or company will increase, thus encouraging the company's value to increase, which can be seen from the increasingly high PBV position owned by the company.

Board of Commissioner's size and company value

The number of the board of commissioners did not affect the company value owned by banking compony on IDX. The findings obtained indicate that the number of board of commissioner's involved in monitoring activities will not affect changes in company value. The findings obtained above are not in line with the hypothesis proposed, so the second hypothesis is rejected. This situation occurs because changes in company value are not only influenced by the presence of members of the board of commissioners in monitoring or helping to create transparency of information within the company, but are also caused by many factors such as factors originating from outside the company that are regional and international, such as lowering the US central bank's Fed interest rate, the issue of war in the Middle East and various other global issues. Negative investor sentiment due to global information affects the supply and demand mechanism in the stock market so that this has a greater effect on changes in company value as seen from the level of expensive shares reflected in the price to book value ratio, especially those owned by banking companies on the IDX. The findings obtained at the hypothesis testing stage are supported by research by Hadiwibowo et al., (2023) who found that the size of the board of commissioner's did not have a significant effect on company value. The same results were also obtained in the research of Eku & Hasnawati (2024), Kusuma & Dewi, (2019), they found that the size of the board of commissioner's did not have a significant effect on corporate value.

Audit Committee size and company value

The number of the audit committee has a positive effect on the value of the company owned by the banking sub-sector companies on the Indonesia Stock Exchange. This finding suggests that the greater the number of members in the audit committee will increase the value of the company owned by the banking sub-sector companies on the Indonesia Stock Exchange. The results obtained at the statistical testing stage consistently have the same direction and influence as the hypothesis proposed, so that the hypothesis is accepted. This condition is caused when the size or number of the audit committee increases, of course monitoring activities will be tighter and carried out at a high frequency, so that the room for managers or other internal parties to commit fraud or take policies that only benefit one party can be reduced. In addition, the increasing number of audit committee members will create higher transparency of information for all parties, and can encourage improvements in corporate governance. When this is successfully realized, investors will provide a positive response that can be seen from the increase in the company's value.

Consistent results were obtained by Pitri's (2021). Yusmaniarti et al., (2020) also Herwiyanti, (2019; Pudjonggo & Yuliati (2022) stage the implementation of good corporate governance in the company can also be done by forming an audit committee, when the number or size of the audit committee involved in the monitoring process increases, then the consistency and supervision activities carried out routinely will be realized, as a result managers or other internal parties do not have much room to commit fraud, so that this can increase the value of the company.

Public Ownership and company value

The public's ownership has not significant effect on the company value owned by banking sub-sector companies on the IDX. The findings obtained at the second hypothesis testing stage showed that the greater the percentage of public;s ownership, the greater the company value in banking companies on the IDX. The results obtained at the data processing stage are in line with the proposed hypothesis, so the hypothesis is accepted. This is because the existence of public's ownership with a large percentage in a company will certainly encourage stricter monitoring activities on the policies taken by managers, the large role of controllers in the company given to the public will make people who own company shares tend to routinely follow developments in information related to the company. Strict supervision encourages managers to be more careful in making policies. When management is able to create strategic policies that are right and beneficial to all parties involved in the company, this will create positive sentiment that can encourage an increase in the mechanism of demand and supply of shares, thus encouraging an increase in the price of banking company shares, this also encourages an increase in the value of the company. The findings obtained at the hypothesis testing stage above are supported by research by Yusmaniarti et al., (2020) who found that public's ownership has a positive effect on company value. The same thing was also found in research by Gunawan et al., (2022) who stated that the existence of public ownership in the company will assist the duties of the board of commissioners and audit committee so that it will become an instrument that encourages stronger company value. The people who are in control will certainly look for information about the companies in which they own shares, so that this will be an important monitoring action to increase the company's value..

CONCLUSION AND RECOMMENDATION

The presence of female's on the board of directors can have a real influence on strengthening the PBV of banking companies, but the supervision process by members of the board of commissioners does not provide a real change in the value of the company, but when the audit committee is included in the supervision process, the value of the company will strengthen, furthermore in this research the presence of the community as a controller of the company does not provide a real influence on changes in the PBV of banking companies in Indonesia. The implications of fostering female representation on corporate boards are far-reaching, paralleling contemporary trends in corporate governance. By integrating women into their leadership structures, companies can potentially improve not only their ethical oversight and governance but also their market performance. Future research should explore these dynamics further, particularly under varying ownership contexts and across different geographical markets, to substantiate the observed benefits of gender-diverse boards on firm value. while there is significant interest in understanding the interplay between female representation on boards, public ownership, and company value, various limitations—including sample selection biases, challenges in establishing causality, measurement variances, and external influences—must be meticulously navigated to draw more definitive conclusions.

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