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Research Article

The Effect of Good Corporate Governance Implementation and Environmental Performance on Firm Value

(An Empirical Study of Manufacturing Companies Listed on the Indonesia Stock Exchange for the 2021–2024 Period)

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Abstract: Firm value reflects investors' perception of a company's success, which is generally measured through its stock price. To enhance firm value, companies are required to manage their operations with integrity, efficiency, and professionalism, while safeguarding stakeholders' interests through the implementation of Good Corporate Governance (GCG). GCG establishes a framework governing the relationships among shareholders, management, creditors, and the government in relation to their respective rights and responsibilities. In addition to GCG, environmental performance also plays an important role in influencing firm value. Effective corporate management should therefore align with the three dimensions of the Triple Bottom Line framework: profit, people, and planet. This study aims to obtain empirical evidence on the effect of Good Corporate Governance implementation and environmental performance on firm value. The research was conducted on manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. A total of 41 companies were selected as samples using the purposive sampling method. Data were collected from the official IDX website (www.idx.id) and the respective companies' official websites. The data were analyzed using multiple linear regression analysis. The results indicate that the independent board of commissioners, board of directors, and environmental performance have a positive and significant effect on firm value. However, the audit committee does not have a significant effect on firm value.

Keywords: Environmental Performance; Firm Value; Good Corporate Governance; IDX; Manufacturing Companies

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1. Introduction

Firm value reflects investors' perception of a company's success, which is measured through its stock price. Firm value is considered highly important because it serves as one of the key indicators of shareholder prosperity (Gunawan et al., 2019). Therefore, a higher stock price signifies an increase in firm value. Firm value can be measured using relative valuation metrics such as Price to Book Value (PBV), Tobin's Q, and Price Earning Ratio (PER). This study employs Tobin's Q as the primary indicator since it effectively measures a company's performance, particularly its firm value. Tobin's Q reflects the company's investment opportunities (Lang et al., 1989).

To enhance firm value, companies are required to manage their operations with integrity, efficiency, professionalism, and accountability toward stakeholders through the implementation of Good Corporate Governance (GCG). According to signal theory, companies can increase their value by conveying information or performance reports to investors, allowing them to form a clearer understanding of the company's potential and future prospects.

Good Corporate Governance represents the framework governing relationships among shareholders, management, creditors, and the government concerning their

respective rights and responsibilities. This framework is crucial as it plays an essential role in the organizational development process. The main objective of corporate governance is *"to create added value for all stakeholders"* (Narwal et al., 2015). The implementation of GCG contributes to improving the quality of a company's financial reporting, based on five key principles: (1) transparency, (2) accountability, (3) responsibility, (4) independence, and (5) fairness (KNKG, 2006:5).

According to the Indonesian Code of Good Corporate Governance, the principle of transparency refers to the openness in providing material and relevant information that is easily accessible and understandable to stakeholders. Accountability refers to the clarity of roles and responsibilities within the company to ensure effective operations. Responsibility means compliance with applicable laws and regulations in corporate management. Independence involves professional management free from external intervention, while fairness emphasizes the equitable treatment of shareholders and stakeholders based on justice and equality (KNKG, 2006:5).

In this study, Good Corporate Governance is measured using three indicators: the independent board of commissioners, board of directors, and audit committee. The independent board of commissioners is collectively responsible for overseeing and advising the board of directors while ensuring the implementation of GCG. The board of directors is authorized to make strategic decisions aimed at achieving company objectives. Meanwhile, the audit committee assists the board of commissioners in supervising financial reporting to ensure the accuracy and fairness of financial statements (KNKG, 2006:11–17).

Previous studies by Emira et al. (2023), Harmono et al. (2023), Fahlevi et al. (2023), Ani et al. (2022), Rudianto (2023), Prasetyaningsih & Purwaningsih (2023), Khoirinnisa & Aminah (2022), and Ferial et al. (2016) found that the independent board of commissioners has a positive influence on firm value. A greater number of independent commissioners strengthens supervision and monitoring, ultimately enhancing firm value. However, other studies by Asyik et al. (2024), Darmawan & Umaimah (2025), Suzan & Ardiansyah (2023), Bakhtiar et al. (2023), Amaliyah & Herwiyanti (2019), and Rahayu & Wirakusuma (2019) revealed that the independent board of commissioners does not significantly affect firm value. This may occur because the presence of independent commissioners often serves merely as a formality to comply with regulations set by the Financial Services Authority (OJK).

Research by Putra & Yuesti (2024), Asyik et al. (2024), Darmawan & Umaimah (2025), Simangunsong et al. (2024), Rudianto (2023), Habakkuk et al. (2023), Prasetyaningsih & Purwaningsih (2023), and Rusnaidi et al. (2022) demonstrated that the board of directors has a significant effect on firm value. The number of directors allows for more effective decision-making, which can improve company performance and value. However, other studies by Abusharbeh et al. (2023), Khaoula & Moez (2019), and Khoirinnisa & Aminah (2022) found no significant effect of the board of directors on firm value. This may occur because many companies' boards are dominated by internal members, leading to limited objectivity and suboptimal decision-making despite having a large board size.

Studies by Rudianto (2023), Octaviani (2023), Habakkuk et al. (2023), Khoirinnisa & Aminah (2022), Bakhtiar et al. (2021), Amaliyah & Herwiyanti (2019), and Ferial et al. (2016) indicate that the audit committee positively influences firm value due to its vital role in maintaining the credibility of financial reporting processes, strengthening internal control systems, and ensuring the implementation of GCG. Conversely, research by Putra & Yuesti (2024), Asyik et al. (2024), Darmawan & Umaimah (2025), Simangunsong et al. (2024), Suzan & Ardiansyah (2023), Prasetyaningsih & Purwaningsih (2023), Rusnaidi et al. (2022), Kurnia & Wirasedana (2018), and Rahayu & Wirakusuma (2019) found that the audit committee does not significantly affect firm value, likely because its function is often limited to meeting regulatory requirements without performing effective oversight.

In addition to GCG, environmental performance is another factor influencing firm value. Corporate management should align with the Triple Bottom Line dimensions: *planet, people, and profit*. The *planet* dimension refers to the company's responsibility to minimize ecological impacts, such as managing industrial waste without polluting the environment and utilizing renewable energy sources like wind, solar, or biomass. The *people* dimension involves promoting social justice, human rights, and employee welfare, while the *profit* dimension emphasizes sustainable profitability.

This concept encourages companies not only to pursue profit but also to uphold social and environmental norms. Companies that demonstrate strong environmental commitment and adopt eco-friendly practices tend to earn a positive reputation among investors and stakeholders, which increases stock prices and enhances firm value, while fulfilling corporate social responsibility.

Environmental performance can be assessed through the PROPER (Company Performance Rating Program in Environmental Management) issued by the Ministry of Environment. The PROPER rating uses a color scale ranging from gold (excellent) to green, blue, red, and black (poor), helping the public evaluate corporate environmental management levels.

Empirical evidence from studies by Emira et al. (2023), Kurnia & Wirasedana (2018), Rahayu & Wirakusuma (2019), and Sutha & Widanaputra (2023) shows that environmental performance positively affects firm value. This suggests that companies with strong environmental performance gain greater investor trust, thus increasing their market value—consistent with legitimacy theory, which posits that firms should balance economic objectives with social and environmental goals.

This study focuses on manufacturing companies because they are highly susceptible to global economic fluctuations and are major contributors to environmental pollution through industrial waste, emissions, and greenhouse gases. Therefore, examining Good Corporate Governance and environmental performance in the manufacturing sector is highly relevant.

However, the implementation of Good Corporate Governance in Indonesia remains suboptimal, as evidenced by recurring corruption cases, such as the one involving PT Pertamina Patra Niaga. According to *www.bumninc.com*, the corruption case in this Pertamina subsidiary illustrates a significant failure in GCG practices within state-owned enterprises (BUMN). The case involved potential losses of IDR 191 trillion and implicated former executives from Pertamina Patra Niaga, Pertamina International Refinery, Pertamina Shipping, and several private partners. Based on investigations by the Attorney General's Office, the case stemmed from irregularities in crude oil and refinery product supply management, which should have prioritized domestic oil sources in accordance with Minister of Energy and Mineral Resources Regulation No. 42 of 2018. Losses included IDR 35 trillion from crude oil exports that should have been used domestically and IDR 11.7 trillion from inflated oil purchases through brokers. Combined with compensation and fuel subsidies charged to the national budget in 2023, total losses reached IDR 147 trillion.

Moreover, this case not only highlights governance failure but also environmental violations, including increased carbon emissions from large-scale crude oil imports, resource exploitation due to refinery production manipulation, and air pollution resulting from substandard fuel quality.

Based on this background, this study aims to examine "The Effect of Good Corporate Governance Implementation and Environmental Performance on Firm Value: An Empirical Study of Manufacturing Companies Listed on the Indonesia Stock Exchange for the 2021–2024 Period."

2. Method

This study employs a quantitative associative approach aimed at examining the effect of Good Corporate Governance (GCG) and environmental performance on the firm value of manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. The research objects include all manufacturing companies within the basic and chemical industry sector, miscellaneous industry sector, and consumer goods sector. The quantitative approach was chosen because it allows for the analysis of relationships among variables using numerical data processed statistically with the assistance of SPSS software (Sugiyono, 2020).

The study involves one dependent variable and four independent variables. The dependent variable is firm value (Y), while the independent variables include the independent board of commissioners (X_1), board of directors (X_2), audit committee (X_3), and environmental performance (X_4). Good Corporate Governance (GCG) is measured using three indicators: the proportion of independent commissioners, the number of directors, and the number of audit committee members. Environmental performance is measured based on the PROPER rating issued by the Ministry of

Environment and Forestry, which evaluates companies' environmental management performance. Firm value is measured using the Tobin's Q ratio, representing the comparison between the company's market value of equity and its total assets (Dewi, 2019; Kurnia & Wirasedana, 2018; Zakiyya & Rahmanto, 2024).

The population of this study consists of all manufacturing companies listed on the IDX from 2021 to 2024. The sample was determined using a purposive sampling method, with the following criteria: (1) companies listed on the IDX during the research period, (2) companies reporting positive net income, and (3) companies that consistently received PROPER ratings during the 2021–2024 period.

The data used in this study are secondary data, obtained from companies' annual financial statements and sustainability reports, which were accessed through the official IDX website and each company's official website. Data analysis was conducted using multiple linear regression analysis to examine the effect of each independent variable on the dependent variable. The analysis also included several classical assumption tests namely, normality, multicollinearity, heteroscedasticity, and autocorrelation tests as well as F-tests, t-tests, and the coefficient of determination (R^2) to assess the model's explanatory power (Ghozali, 2021; Priyatno, 2022).

3. Results And Discussion

Research Data Analysis Results

Classical Assumption Test Results

The classical assumption tests were conducted to ensure that the independent variables used in the model serve as the best, linear, and unbiased estimators in predicting the dependent variable. The classical assumption tests performed in this study include the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

a. Normality Test

The normality test was conducted to determine whether the residuals of the regression equation are normally distributed or not. In this study, the normality test was carried out using the One-Sample Kolmogorov–Smirnov (K–S) test. The decision criterion for normality is based on the significance value (Asymp. Sig (2-tailed)). If the significance value is greater than 0.05, the regression model is considered to have a normal distribution. Conversely, if the significance value is less than 0.05, the regression model is categorized as not normally distributed. The results of the normality test in this study are presented in Table 1.

Table 1. Normality Test Results.

	Unstandardized Residual
N	164
Test Statistics	0.048
Asymp. Sig. (2-tailed)	0.200

Source: Processed secondary data, 2025

Based on Table 1, the results of the normality test show an Asymp. Sig. (2-tailed) value of 0.200. This result indicates that the regression model is normally distributed, as the significance value is greater than 0.05. Therefore, the normality assumption is considered fulfilled.

b. Multicollinearity Test

The multicollinearity test aims to detect correlations between independent variables in the regression model. Decision-making in the multicollinearity test is based on the following criteria: when the tolerance value is ≥ 10% or 0.1 and the Variance Inflation Factor (VIF) is ≤ 10, the regression equation model is declared free from multicollinearity symptoms. The results of the multicollinearity test in this study can be seen in Table 2.

Table 2. Multicollinearity Test Results.

	Model	*Collinearity Statistics*	
		Tolerance	VIF
1	Independent Board of Commissioners (X1)	0.998	1,002
	Board of Directors (X2)	0.803	1,245
	Audit Committee (X3)	0.900	1,111
	Environmental Performance (X4)	0.785	1,273

Source: Processed secondary data, 2025

Based on the results of Table 2, it can be concluded that all variables have met the requirements of a tolerance value of ≥ 10% or 0.1 and a Variance Inflation Factor (VIF) value of ≤ 10, so there are no symptoms of multicollinearity in the regression equation model of this study, or in other words, this study is free from symptoms of multicollinearity.

c. Heteroscedasticity Test

The heteroscedasticity test is used to determine whether the regression model exhibits unequal variances from residuals from one observation to another. The heteroscedasticity test in this study uses the Park test. The Park test is performed by regressing the log-squared residual value as the dependent variable against its independent variables. The results of the heteroscedasticity test in this study can be seen in Table 3.

Table 3. Heteroscedasticity Test Results.

	Variables	t	Sig.	Information
1	Independent Board of Commissioners (X1)	0.008	0.994	Free from heteroscedasticity
	Board of Directors (X2)	3,487	0.073	Free from heteroscedasticity
	Audit Committee (X3)	0.562	0.575	Free from heteroscedasticity
	Environmental Performance (X4)	4,913	0.459	Free from heteroscedasticity

Source: Processed secondary data, 2025

The basis for decision making in the Park Test is that if the significance value or Sig. (2-tailed) > 0.05 then there is no heteroscedasticity problem and if the significance value or Sig. (2-tailed) < 0.05 then it can be said that there is a heteroscedasticity problem in the regression model. Based on Table 3 above, it can be concluded that the research data is free from heteroscedasticity problems, because the Sig. (2-tailed) value of each variable is greater than the significance value of 0.05.

d. Autocorrelation Test

The autocorrelation test aims to determine whether there is a correlation between the confounding errors in period t and the previous period (t-1) in a regression model. A good model should have no autocorrelation. The autocorrelation test in this study uses the Durbin-Watson test. If the Durbin-Watson test value is between 4 and dU, it can be said that there is no autocorrelation. The results of the autocorrelation test in this study can be seen in Table 4.

Table 4. Autocorrelation Test Results.

Model	Durbin-Watson Value
1	1,890

Source: Processed secondary data, 2025

Table 4 shows the Durbin-Watson value of 1.890. This study used a significance level of 5% with 4 independent variables (k = 4) and 164 data samples (n = 164). The Durbin-Watson value obtained was 1.890. Based on the equation dU ≤ d ≤ 4-dU, where dU is 1.794 and 4-dU is 4-1.794 is 2.206. Then the equation 1.794 ≤ 1.890 ≤ 2.206 is obtained, where 1.890 is greater than dU and less than 4-dU. So it can be concluded that there is no autocorrelation in the regression model.

Results of Multiple Linear Regression Analysis

Multiple linear regression analysis is used to test hypotheses about the relationship between multiple independent variables and the dependent variable. Multiple linear regression equations are used to determine the relationship between the independent board of commissioners, board of directors, audit committee, and environmental performance variables with firm value. The results of the multiple linear regression analysis can be seen in Table 5 below.

Table 5. Multiple Linear Regression Test Results.

Model		*Unstandardized Coefficients*	*Standardized Coefficients*	t	Sig.
		B	*Std. Error*	Beta		
1	*(Constant)*	8,902	9,723		0.916	0,000
	Independent Board of Commissioners (X1)	1,461	3,036	0.038	0.481	0.001
	Board of Directors (X2)	0.311	0.624	0.044	0.499	0.015
	Audit Committee (X3)	0.983	8,468	0.010	0.116	0.108
	Environmental Performance (X4)	7,200	4,108	0.155	1,753	0.028

Source: Processed secondary data, 2025

Based on the values in Table 5, the multiple linear regression equation in this study becomes:

$$Y = 8{,}902 + 1{,}461X1 + 0{,}311X2 + 0{,}983X3 + 7{,}200X4 + e \ldots\ldots\ldots\ldots\ldots\ldots (5)$$

Information:
Y = Company Value
a = Constant
X1 = Independent Board of Commissioners
X2 = Board of Directors
X3 = Audit Committee
X4 = Environmental Performance
e = Standard error

Based on the regression model, it can be interpreted as follows.

a. Constant

The constant value in Table 5 shows the value obtained is 8.902, this value means that if the independent variables, namely the independent board of commissioners, board of directors, audit committee, and environmental performance have a constant value of 0 (no change), then the dependent variable, namely the company value (Y) increases by 8.902.

b. Independent Board of Commissioners (X1)

The regression coefficient value for the independent board of commissioners variable in Table 5 is 1.461, meaning that if the independent board of commissioners variable increases by 1 unit, the company's value will also increase by 1.461, assuming other variables remain constant. This coefficient is positive, indicating a positive relationship between the independent board of commissioners and the company's value. When the number of independent board members increases, the company's value will also increase. Conversely, if the number of independent board members decreases, the company's value will also decrease.

c. Board of Directors (X2)

The regression coefficient for the board of directors variable in Table 5 is 0.311, meaning that if the board of directors increases by one unit, the firm's value will increase by 0.311, assuming all other variables remain constant. This coefficient is positive, indicating a positive relationship between the board of directors and firm value. An increase in the number of board members will also increase the firm's value. Conversely, a decrease in the number of board members will also decrease the firm's value.

d. Audit Committee (X3)

The regression coefficient for the audit committee variable in Table 5 is 0.983, meaning that if the audit committee variable increases by 1 unit, the company's value will also increase by 0.983, assuming all other variables remain constant. This coefficient is positive, indicating a positive relationship between the audit committee and company value. An increase in the number of audit committee members will also increase the company's value. Conversely, a decrease in the number of audit committee members will also decrease the company's value.

e. Environmental Performance (X4)

The regression coefficient for the environmental performance variable in Table 5 is 7.200, meaning that if the environmental performance variable increases by one unit, the company's value will also increase by 7.200, assuming all other variables remain constant. This coefficient is positive, indicating a positive relationship between environmental performance and company value. When environmental performance increases, the company's value will also increase. Conversely, if environmental performance decreases, the company's value will also decrease.

Descriptive Statistics Results

Descriptive statistics are statistics used to analyze data by describing or depicting the collected data as it is without the intention of drawing general conclusions or generalizations. Descriptive statistical analysis in research is conducted by calculating the minimum (min) value, maximum (max) value, average (mean), and standard deviation.

Table 6. Results of Descriptive Statistical Analysis.

Information	Number of Observations	Minimum Value	Maximum Value	Average	Standard Deviation
Independent Board of Commissioners (X1)	164	0.25000000 0000000	0.8333333333 33333	0.41927198 8174427	0.1185632540 95621
Board of Directors (X2)	164	0.00004767 2521559	0.0178571428 57143	0.00376112 6135271	0.0043138622 78288
Audit Committee (X3)	164	0.16666666 6666667	0.3333333333 33333	0.32713414 6341463	0.0254580055 59183
Environmental Performance (X4)	164	2	5	3.21	,713
Company Value (Y)	164	0.06381529 7696805	102.89763779 5275590	2.85458683 9837443	9.8178057997 41699

Source: Processed secondary data, 2025

Based on the descriptive statistical test in Table 6, it is known that the number of observations is 164 and the following are the results of the descriptive statistical analysis of these observations.

a. Company Value (Y)

The results of the descriptive statistical analysis on the company value variable show the lowest (minimum) value of 0.063, meaning the lowest company value was experienced by SCPI for the 2024 period, and the maximum value was 102.897, meaning the highest company value was experienced by SKLT for the 2021 period. The average company value value of 2.854 is smaller than the standard deviation value of 9.817, meaning the company value variable data has high data variation. The average value tends to approach the minimum value, meaning that the average company sampled in this study has a low company value.

b. Independent Board of Commissioners (X1)

The results of the descriptive statistical analysis on the independent board of commissioners variable show the lowest (minimum) value of 0.250, meaning that ISSP has the lowest number of independent board of commissioners in the 2021 period, and the maximum value of 0.8333, meaning that UNVR has the highest number of independent board of commissioners in the 2021-2024 period. The average value of the independent board of commissioners variable is 0.419, which is greater than the standard deviation value of 0.118, which means that the independent board of commissioners variable data has a good data distribution. The average value tends to approach the minimum value, this means that the

average company sampled in this study has a low number of independent board of commissioners.

c. Board of Directors (X2)

The results of the descriptive statistical analysis on the board of directors variable show the lowest (minimum) value of 0.00004, which means that the lowest number of board of directors members is held by ASII for the 2021 period. And the maximum value is 0.0178, which means that the highest number of board of directors members is held by INCI for the 2024 period. The average value of the board of directors variable is 0.0037, which is smaller than the standard deviation value of 0.0043, which means that the board of directors variable data has high data variation. The average value tends to approach the maximum value, this means that the average company sampled in this study has a high number of board of directors members.

d. Audit Committee (X3)

The results of the descriptive statistical analysis on the audit committee variable show the lowest (minimum) value of 0.167, meaning that the ISSP for the 2022 period has the lowest number of audit committee members, and the maximum value is 0.333, meaning that most of the companies sampled in this study have a high number of audit committee members. The average value of the audit committee variable is 0.327, which is greater than the standard deviation value of 0.025, indicating that the audit committee variable data has a good distribution. The average value tends to approach the maximum value, indicating that the average company sampled in this study has a high number of audit committee members.

e. Environmental Performance (X4)

The results of descriptive statistical analysis on environmental performance variables show the lowest (minimum) value of 2, which means the lowest environmental performance is owned by MDKI and INCI in the 2021-2024 period, INDS for the 2021 period, CLEO for the 2023-2024 period, SKLT for the 2021 period, and DVLA for the 2023-2024 period, and the maximum value is 5, which means the highest environmental performance is owned by SMCB for the 2022-2024 period, SMGR for the 2022-2024 period, ASII for the 2021 and 2023 periods, KLBF for the 2023-2024 period, and SIDO for the 2021-2024 period. The average value of the environmental performance variable is 3.21, which is greater than the standard deviation value of 0.713, which means the environmental performance variable data has good data distribution. The average value tends to be close to the minimum value, which means that on average the companies sampled in this study have low environmental performance.

Statistical Test Results

Coefficient of Determination Test (R2)

The coefficient of determination is a test of how far the independent variables in a model are able to explain the variance of the dependent variable. The more independent variables used in a regression model, the higher the coefficient of determination value. The results of the coefficient of determination test, or R2, in this study can be seen in Table 7 below.

Table 7. Results of the Determination Coefficient (R2) Test.

Model	R Square	Adjusted R Square
1	0.153	0.358

Source: Secondary Data, 2025

Table 7 shows that the analysis results equation has an Adjusted R-Square value of 0.358, which means that 35.8 percent of the company's value (Y) can be explained by the variables of the Independent Board of Commissioners (X1), Board of Directors (X2), Audit Committee (X3), and Environmental Performance (X4).

a. Model Feasibility Test (F Test)

The F test was conducted to test the feasibility of the regression model used. The F test was conducted by looking at the F significance value in the regression output using SPSS with a significance level of 0.05. If the F significance level <0.05, it can be said that the regression model is suitable for testing, whereas if the F

significance level ≥ 0.05, it can be said that the regression model is not suitable for use. The results of the F test in this study can be seen in Table 8 below.

Table 8. Results of Model Feasibility Test (F Test).

Model	F count	Sig.
1	2,430	0.000b

Source: Secondary data processed, 2025

Based on Table 8, it can be seen that the calculated F value in the regression equation formed is 2.430 with a significance value of 0.000 < 0.05. This means that the equation model is suitable for further analysis.

b. Hypothesis Test (t-test)

Hypothesis testing, commonly known as the t-test, is used to examine the relationship between each independent variable and the dependent variable. This testing can be performed by comparing the significance values of each variable with $\alpha = 0.05$. If the significance value is less than the specified significance level (sig < 0.05), the hypothesis is accepted. Conversely, if the significance value is greater than 0.05, the hypothesis is rejected.

Table 9. Hypothesis Test Results (t-Test).

Model		*Unstandardized Coefficients*		*Standardized Coefficients*	t	Sig.
		B	*Std. Error*	Beta		
1	(Constant)	8,902	9,723		0.916	0,000
	Independent Board of Commissioners (X1)	1,461	3,036	0.038	0.481	0.001
	Board of Directors (X2)	0.311	0.624	0.044	0.499	0.015
	Audit Committee (X_3)	0.983	8,468	0.010	0.116	0.108
	Environmental Performance (X4)	7,200	4,108	0.155	1,753	0.028

Source: Processed secondary data, 2025

The t-test results in Table 9 show that:

1) The Influence of Independent Board of Commissioners on Company Value

The first hypothesis states that an independent board of commissioners has a significant positive effect on firm value. Based on the analysis results in Table 9, the t-test on the Independent Board of Commissioners variable (X1) has a significance value of 0.001 and a positive coefficient value of 1.461. These results indicate that an independent board of commissioners has a significant positive effect on firm value, thus the first hypothesis (H1) is accepted.

2) The Influence of the Board of Directors on Company Value

The second hypothesis states that the board of directors has a significant positive effect on firm value. Based on the analysis results in Table 9, the t-test on the Board of Directors variable (X2) has a significance value of 0.015 and a positive coefficient value of 0.311. These results indicate that the board of directors has a significant positive effect on firm value, thus the second hypothesis (H2) is accepted.

3) The Influence of the Audit Committee on Company Value

The third hypothesis states that the audit committee has a significant positive effect on firm value. Based on the analysis results in Table 9, the t-test on the Audit Committee variable (X3) has a significance value of 0.108 and a positive coefficient value of 0.983. These results indicate that the audit committee has no effect on firm value, thus the third hypothesis (H3) is rejected.

4) The Influence of Environmental Performance on Company Value

The fourth hypothesis states that environmental performance has a significant positive effect on firm value. Based on the analysis results in Table 9, the t-test on the Environmental Performance variable (X4) has a significance value of 0.028 and a positive coefficient value of 7.200. These results indicate that environmental performance has a significant positive effect on firm value, thus the fourth hypothesis (H4) is accepted.

4. Discussion of Research Results

The Influence of the Independent Board of Commissioners on Company Value.

Based on the results of the hypothesis testing, a significant positive relationship was found between the Independent Board of Commissioners and firm value. This indicates that the greater the number of independent board members, the stricter the supervisory activities carried out, thereby increasing firm value. Conversely, if the number of independent board members is less than 30% of the total board members, supervisory activities will be lower, which ultimately can have a negative impact on firm value. This indicates that H1 in this study is accepted.

The research results show a significant positive relationship between the independent board of commissioners and company value. Independent board commissioners indicate that the greater the number of independent board commissioner members, the higher the intensity of supervision of the company, resulting in a more controlled and transparent company, and increasing company value (Rudianto, 2023). This condition will be perceived as a positive signal for investors, resulting in an increase in company value, reflected in its share price. According to Darmawan & Umaimah (2025), the ineffective selection of an Independent Board of Commissioners impacts the practice of good corporate governance as a bridge between stakeholders and managers to encourage the creation of a more objective work climate and environment, so that decision-making within the company cannot produce optimal results. Therefore, the independent board of commissioners is expected to act independently and not be influenced by personal or business interests. This ensures that company decisions are made by considering the interests of all stakeholders and minority shareholders. This is in line with the perspective of signaling theory, which explains that companies with high monitoring intensity can provide a positive signal to investors in making investment decisions. Companies with high levels of oversight are considered to be good prospects by investors, as the company will be more controlled and transparent, which can increase share prices, which means the company's value also increases (Rudianto, 2023).

The results of this study support previous studies conducted by Emira et al. (2023), Harmono et al. (2023), Fahlevi et al. (2023), Ani et al. (2022), Rudianto (2023), Prasetyaningsih & Purwaningsih (2023), Khoirinnisa & Aminah (2022), Ferial et al. (2016), Putriaisyah & Sulfitri (2024), Sari & Pratiwi (2022), Torondek & Simbolon (2022), and Yosephus et al. (2021), which showed that an independent board of commissioners has a significant positive effect on firm value.

The Influence of the Board of Directors on Company Value.

Based on the results of the hypothesis testing, the Board of Directors has a significant positive effect on company value. This indicates that a sufficient number of Board members can potentially influence appropriate and effective decision-making, thereby contributing to increased company value. Conversely, a shortage of Board members will impact decision-making, negatively impacting company value. This indicates that H2 in this study is accepted.

Research results show a significant positive relationship between the board of directors and company value. The board of directors has authority and responsibility for company-related activities, thus influencing company value (Darmawan & Umaimah, 2025). The goal is to ensure the accuracy of financial information, the efficiency and effectiveness of company management processes, compliance with applicable laws and regulations, and the protection of company investments and assets, improving company performance without causing deviations that cause losses to various parties (Asyik et al., 2024). The composition of the board of directors can influence the effectiveness of supervisory activities, thus positively impacting company performance and value. This indicates that the market reacts positively to information about the number of board directors in company management, thereby improving company performance. This assumption will boost investors' perceptions of company value (Rusnaidi et al., 2022).

The results of this study support previous studies conducted by Putra & Yuesti (2024), Asyik et al. (2024), Darmawan & Umaimah (2025), Simangusong et al. (2024),

Rudianto (2023), Habakkuk et al. (2023), Prasetyaningsih & Purwaningsih (2023), Rusnaidi et al. (2022), Apriani & Mursal (2021), Meriana et al. (2025), which showed that the board of directors has a significant positive effect on firm value.

The Influence of the Audit Committee on Company Value.

Based on the results of hypothesis testing, it was found that the audit committee has no significant effect on firm value. This finding indicates that the quality of financial statements is likely not influenced by the number of audit committee members. This may occur because the number of members in an audit committee should be adjusted to the level of complexity of the company and the effectiveness of the decision-making process, so that it can contribute meaningfully to firm value and the quality of financial reporting. Therefore, Hypothesis 3 (H3) in this study is rejected.

The results further show that the audit committee does not significantly influence firm value. The audit committee is a group formed by the board of commissioners to assist in overseeing financial management and ensuring the quality of financial reporting. Although the audit committee plays a vital role in promoting corporate transparency and accountability, the findings of this study suggest that its presence does not necessarily have a direct impact on firm value.

This result implies that the number of audit committee members should ideally correspond to the complexity of the company's operations and the efficiency of its decision-making process to ensure meaningful contributions to firm value and financial reporting quality. Furthermore, although the audit committee is designed to strengthen financial transparency, its role is often merely formal and does not effectively enhance supervisory functions (Meriana et al., 2025). Consequently, the number of audit committee members cannot be considered a guarantee of improved company performance (Kurnia & Wirasedana, 2018).

The Influence of Environmental Performance on Company Value.

Based on the results of hypothesis testing, it was found that environmental performance has a positive and significant effect on firm value. This indicates that the better a company's environmental performance, the more it attracts investors, as strong environmental responsibility enhances public trust—thereby increasing firm value. Conversely, poor environmental performance tends to discourage investors due to the company's negative reputation, ultimately lowering its firm value. Thus, Hypothesis 4 (H4) in this study is accepted.

The findings reveal a significant positive relationship between environmental performance and firm value. Environmental performance reflects the company's ability to manage and minimize the environmental impacts of its activities and operations. Companies with high environmental performance are likely to receive positive investor responses, which are reflected in stock price fluctuations. The greater the amount of environmental information disclosed, the stronger the company's positive image, encouraging investors to invest in firms with a favorable public reputation (Adyaksana et al., 2024).

According to signal theory, all information disclosed by a company is perceived as a signal by the market. One such signal is the PROPER rating. When a company is listed in the PROPER program and achieves a high environmental rating, it signals to the market that the company has strong sustainability practices (Parahdila et al., 2022). In today's context, consumers and society increasingly prefer environmentally friendly products and services. Therefore, companies that produce eco-friendly products and take active steps to reduce negative environmental impacts tend to gain a better public image, which, in turn, enhances firm value.

This finding is also consistent with legitimacy theory, which states that companies must align their economic objectives with social and environmental goals. Thus, to increase firm value, companies must improve their environmental performance (Parahdila et al., 2022).

The results of this study are consistent with previous research conducted by Emira et al. (2023), Kurnia & Wirasedana (2018), Rahayu & Wirakusuma (2019), Sutha & Widanaputra (2023), and Segala & Aprilia (2023), all of which found that environmental performance has a positive and significant influence on firm value.

5. Conclusion

Based on the results of data analysis and the discussion presented above, the following conclusions can be drawn: (1) The independent board of commissioners has a positive and significant effect on firm value. This finding indicates that the greater the number of independent commissioners within a company, the higher its firm value. (2) The board of directors has a positive and significant effect on firm value. This suggests that an increase in the number of board members enhances the company's strategic decision-making capacity, which in turn increases firm value. (3) The audit committee has no significant effect on firm value. This implies that the quality of financial reporting is likely not influenced by the number of audit committee members. This may be due to the fact that the size of the audit committee should be aligned with the complexity of the company's operations and the effectiveness of its decision-making processes. (4) Environmental performance has a positive and significant effect on firm value. This result shows that better environmental performance improves a company's public image, which subsequently enhances its firm value.

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