

The Influence of Independent Commissioners, Company Size, and Profitability on Company Value with Loan Interest Rate Moderation

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ABSTRACT

This research aims to examine the influence of independent commissioners, company size, and profitability on company value with loan interest rates as a moderating variable. This research uses secondary data in the form of financial reports of non-cyclical consumer sector companies listed on the Indonesia Stock Exchange (BEI) during the 2020-2023 period. By using purposive sampling, a selected sample of 100 was obtained. The testing method used in this research was multiple linear regression analysis of panel data. The research results show that independent commissioners have no effect on company value, company size has a significant positive effect on company value, and profitability has a positive but insignificant effect on company value. This research also found that loan interest rates have a significant negative effect on the relationship between company size and company value as well as the relationship between profitability and company value.

ABSTRAK

Penelitian ini bertujuan untuk menguji pengaruh komisaris independen, ukuran perusahaan, dan profitabilitas terhadap nilai perusahaan dengan suku bunga pinjaman sebagai variabel moderasi. Penelitian ini menggunakan data sekunder berupa laporan keuangan perusahaan sektor consumer non-cyclical yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2020-2023. Dengan menggunakan purposive sampling, diperoleh sampel terpilih sebanyak 100. Metode pengujian yang digunakan dalam penelitian ini yaitu analisis regresi linier berganda terhadap data panel. Hasil penelitian menunjukkan bahwa komisaris independen tidak berpengaruh terhadap nilai perusahaan, ukuran perusahaan berpengaruh positif signifikan terhadap nilai perusahaan, dan profitabilitas berpengaruh positif dan tidak signifikan terhadap nilai perusahaan. Penelitian ini juga menemukan bahwa suku bunga pinjaman berpengaruh negatif signifikan terhadap hubungan ukuran perusahaan dan nilai perusahaan maupun hubungan profitabilitas dengan nilai perusahaan.

INTRODUCTION

Every company has the aim of gaining profits from carrying out its business activities, apart from that the company also aims to increase the value of the company so that shareholder welfare can develop sustainably (Farawansyah, et. al., 2024). Shareholders use company value to see company performance. Company value can also show the level of public assessment of a company's success.

Company value is often related to its share price and book value. Shareholders will benefit if the company's share price increases. The higher the share price, the higher the company value, conversely if the share price is low, the company value will also be lower (Alfianita & Santosa, 2022). A high share price is often an indication of good company performance, because it reflects investors' confidence in the company's prospects and results. Maximizing company value is the main goal for every company. To achieve this goal, the

company must be able to maintain its profitability so that it can continue to carry out its operational activities (Fadilah & Sulistyowati, 2021).

In 2020, the world was hit by the spread of the Covid-19 outbreak which later became a pandemic. The Covid-19 pandemic has had a very significant impact on the Indonesian economy, starting from changes in world supply chains to a decline in foreign investment into Indonesia. This decline is reflected in the slowdown in economic growth which fell from 5.02 percent in 2019 to 2.97 percent in 2020. This slowdown in economic growth was also accompanied by an increase in the number of unemployed, which according to World Bank data increased from 5.28 percent in 2019 to 7.07 percent in 2020 (djkn.kemenkeu.go.id, April 2023). The Government's decision to implement Large-Scale Social Restrictions since April 2020 has had a broad impact on production, distribution and other operational activities which ultimately disrupts economic performance (Kompas.id, January 2021).

The situation and conditions during the Covid-19 pandemic, which were full of limitations and uncertainty, were one of the factors causing the decline in investors' confidence in investing in Indonesia, which was reflected in the decline in the volume of investments made. Apart from that, this also causes a decrease in demand for goods and services, which then has a negative impact on the profitability of companies operating in the goods and services sector. Uncertainty and a decline in demand for goods and services have affected the profits of most companies listed on the Indonesia Stock Exchange, resulting in a decline in share prices that is unavoidable. The IHSG experienced a drastic decline until it reached its lowest level of 3,911 on March 23 2020. In the two months since the fourth week of January 2020, the IHSG has experienced a decline of 38 percent (djkn.kemenkeu.go.id, April 2023). In 2022 and 2023, when the Covid-19 pandemic begins to subside, investment activity on the Indonesian Stock Exchange will begin to experience positive growth. This can be seen from the increasing performance of the IHSG which reached 7,228.91 in 2022 and 6,850.62 in 2023. This achievement reflects the increase in public interest in investing in the Indonesian capital market. It is known that the total number of investors investing in the Indonesian capital market in 2022 will increase by 37.5 percent compared to 2021, namely from 7.48 million to 10.3 million investors (Kompasiana, December 2023). The increasing performance of the JCI after Covid-19 reflects the recovery of investor confidence in investing in the Indonesian capital market. This is also shown by the average share price on the stock exchange increasing. The fluctuating movement of average share prices on the stock exchange during the 2020-2023 period certainly influences company value, this is related to share prices which are a reflection of company value.

There are many aspects that can influence company value, such as the implementation of good corporate governance, company size, and profitability. Good corporate governance is an order of functional duties of each party involved whether they come from internal or external companies who contribute actively to the company (OECD, 2004). The aim of good corporate governance is to act as a check and balance system in order to minimize the potential for irregularities committed by parties related to the company. One form of implementing good corporate governance is by having independent commissioners who are part of the company who do not have good relationships and affiliations with members of the board of directors, board of commissioners and shareholders. With an independent commissioner, the company has a supervisor who can control the company's performance and operations. Good company performance is a factor that investors consider when investing. Companies with good performance will absorb a lot of funds from investors, resulting in an increase in share

prices. This will of course have an impact on company value, because share prices are a reflection of company value.

Company size is the scale of the company which can usually be seen from the company's total assets in a period (Wiratno & Yustrianthe, 2022). Company size can also include the size of a company as indicated by assets, number of sales, average total sales and average total assets. Large companies have positive and consistent cash flows so they are considered to have prospects for long-term growth. Companies with large sizes can attract funding from investors and create opportunities for high profits. Earning high profits certainly has an impact on the company's share price. As share prices increase, this also has an impact on increasing company value. Profitability is a company's ability to generate profits during a certain period (Azizah & Widyawati, 2021). An increase in company profits shows good profitability. This has an impact on the attractiveness of investors to invest their funds in the company. The more investment, the higher the share price which then has an impact on increasing the value of the company.

Basically, company value is not only influenced by internal company factors such as the presence of independent commissioners, profitability, or company size. External factors in the economy can also influence company value, one of which is interest rates. Loan interest rates are an important factor that can influence the economy in general, including the capital market. The loan interest rate is the fee for borrowing money. The interest rate that is the reference in Indonesia is the Bank Indonesia interest rate. High loan interest rates can have an impact on increasing the company's operational expenses in connection with the loan, thereby also having an impact on reducing the company's profit. This condition can be a negative signal for investors because they assume that the returns they receive on their investments will decrease. Under these conditions, investors can transfer their share ownership. This of course has an impact on the company's share price, and in parallel has an impact on reducing the company's value. Thus, it can be assumed that interest rates can influence internal company factors on company value.

LITERATURE REVIEW

Agency Theory

Agency theory explains that companies are seen as a contractual relationship between company executives and shareholders and is rooted in economic theory. Shareholders who are owners of the company hire agents to do some work on behalf of the owner and submit or delegate decisions and authority to the agent (Jensen and Meckling, 1976). In a company there are two important parties, namely the management team and shareholders, each of whom has a personal interest and often causes conflict as a result of the lack of compatibility between shareholder goals and management aspirations. This theory basically separates ownership and control of a company, which in practice often creates information asymmetry between managers and company owners, making it difficult for owners to exercise control over company management and opens up opportunities for company managers to commit acts of fraud such as creative accounting, business failure and earnings management that can be detrimental to the company and shareholders.

An appropriate monitoring mechanism is needed, such as good corporate governance, which is expected to help company owners to improve their monitoring function on company management performance so that it is in line with the company's aims and objectives. The presence of independent commissioners is an important part of monitoring the company's performance and operational activities more effectively. Effective performance will have an impact on increasing company value. Thus, through agency theory it can be concluded that the greater the number of independent commissioners in a company, the impact it will have on increasing the value of the company.

Signaling Theory

Ross (1977), introduced signaling theory or signal theory as a signal made by managers (companies) to outside parties (investors). The purpose of giving signals to external parties is to imply something in the hope that external parties will change their assessment of the company. Signal theory is a step taken by company management to provide clues to investors regarding management's views on the company's prospects (Brigham & Houston, 2018). The signal given can be in the form of information about what management is doing to realize the owner's wishes. This signal theory explains the encouragement of companies to provide financial report information to external parties in order to know the company's prospects in the future. Financial reports are an important component that describes the financial condition of a company. Company value can be evaluated through analysis of the ratios in the financial statements. This can be a signal for investors in making investment decisions. Thus, through signaling theory it can be concluded that good financial ratios can have an impact on investors' decisions to invest which in parallel will have an impact on increasing company value.

Independent Commissioner

Most public companies in Indonesia are companies with one controlling shareholder, or a group of shareholders (majority shareholders). This condition causes some share ownership to be distributed to shareholders with ownership percentages below the average or what can be called minority shareholders. Most minority shareholders have limited access to both information and resources in monitoring the effectiveness of management performance and the possibility of abuse by majority shareholders. In this case, independent commissioners have an important role, to ensure that the control and supervision mechanism for company activities is effective and in accordance with applicable regulations (Indonesian Corporate Governance Manual by OJK, 2018). The existence of an independent board of commissioners related to good corporate governance is useful as a company strategy, supervising managers in managing the company, and reflects the implementation of corporate accountability, because the number of independent commissioners in the company will influence the effectiveness of the function of the independent board of commissioners (Farawansyah et.al., 2024). Based on the definition presented, this research will define an independent commissioner as an independent party whose function is to supervise and control company activities.

Company Size

Brigham & Houston (2018) states company size as a measure of the size of a company which can be shown through the total number of assets, total sales, total profits, tax burden and so on. A large company is a positive signal that can attract funding from investors. Funding that is utilized well produces high profits, which of course has an impact on the company's share price. Rising share prices also have an impact on increasing company value.

Return on assets

According to Farawansyah et. al., (2024) return on assets (ROA) is a ratio that measures how efficient a business is in generating profits for its shareholders. This ratio shows the efficiency of capital use, meaning that this ratio measures the level of profit from investments made by capital owners or company shareholders. Return on assets (ROA) indicates the return on assets used to make sales and generate profits. The higher the ROA, the better. ROA is disclosed in financial reports, showing good presentation of information, thereby providing a positive signal to investors to invest. Thus, company value can increase (Lastanti & Salim, 2018).

Loan Interest Rates

The interest rate is the cost of borrowing or the price that must be paid for the borrowed funds (Mishkin, 2008). The interest rate is the amount of interest payments in a period on a loan. The loan interest rate is formed in a percentage calculated based on the amount of interest received each year divided by the loan amount (Afifah et. al., 2024). In Indonesia, Bank Indonesia as the central bank issues financial policies that are determined every month which are decided after the Board of Governors Member Meeting by reviewing domestic and foreign economic conditions. The financial policy referred to is the Bank Indonesia interest rate. High interest rates have an impact on increasing the company's operational expenses, this also has an impact on the company's profits. Declining company profits affect share prices which in parallel have an impact on decreasing company value.

Company Value

According to Fadilah & Sulistyowati (2021), company value is a reflection of public trust in the activities carried out by the company. The value of the company can be seen from the share price which is determined by supply and demand in the capital market, and reflects society's assessment of the company's value. The higher the share price, the higher the level of public trust regarding its performance and potential growth in the future. According to Alfianita & Santosa (2022), company value is very important because it is investors' perception of the company itself. Investors use company value as a basis for viewing company performance in future periods, where company value is often related to share price and book value. Investors will benefit if the company's share price increases. According to Alifian & Susilo (2024), company value can be a positive signal for investors when investing in a company. On the other hand, for creditors, company value reflects the company's capability to pay off its obligations (debts) so that creditors can provide loans without worry.

Hypothesis Development

The Influence of Independent Commissioners on Company Value

Farawansyah et.al. (2024) found that independent commissioners have a positive effect on company value. The existence of independent commissioners has an important role in implementing good corporate governance in maintaining the company's continuity strategy, monitoring the performance of company managers, and maintaining company accountability. Differences in interests between two parties in a company, namely management and shareholders, often lead to conflicts that have an impact on company performance. The presence of independent commissioners in their function of supervising company operational activities can minimize the risk of agency conflicts within the company and focus efforts to increase company value. Apart from that, the presence of independent commissioners can encourage the achievement of good company performance, thus having a positive impact on increasing company value. Previous research conducted by Farawansyah et.al. (2024), Hidayat et.al. (2021), Fadilah & Sulistyowati (2021), found a positive influence between independent commissioners on company value. Based on the description above, the following hypothesis is formulated:

H1: Independent commissioners have a positive effect on company value.

The Influence of Company Size on Company Value

Hidayat & Khotimah (2022) found that company size has a positive effect on company value. Company size is a reference used to determine how large the scale of the company is. A large company can be characterized by its increasing assets. Apart from that, the large size of the company also shows that the greater the company incurs operational costs in maintaining company assets. Company size can describe the company's performance conditions. Large companies tend to have profitable conditions, this is a positive signal for potential investors to invest their capital in the company. The more funds that enter the company, the share price will increase, and in parallel this will have an impact on increasing the value of the company. Based on the description above, the following hypothesis is formulated:

H2: Company size has a positive effect on company value.

The Influence of Profitability on Company Value

Farawansyah et.al. (2024) found that profitability has a positive effect on company value. Good profitability shows the company's success in managing its performance. Apart from that, the better the profitability of a company opens up opportunities for the company to distribute dividends to shareholders. This is certainly a concern for investors to invest capital in the company. Previous research conducted by Farawansyah et.al. (2024), Oktaviana & Wuryani (2024), Alifian & Susilo (2024), found that profitability has a positive effect on company value. Based on the description above, the following hypothesis is formulated:

H3: Profitability has a positive effect on company value.

The Relationship between Loan Interest Rates in Strengthening the Influence of Company Size on Company Value

Company value can basically be influenced by internal and external factors. Company size is one of the factors that influences whether a company's value is good or not. Companies with a large size tend to perform well so that it can be a positive signal for potential investors to invest their capital in the company. This certainly has an impact on increasing share prices and company value. Loan interest rates are one of the external factors that can influence company value. Fluctuating loan interest rates can affect company performance, especially the company's profit/loss. The company's profit/loss of course also has an impact on the value of the company's assets, which can be used as a benchmark for company size. Thus, indirectly fluctuations in the value of loan interest rates can be a signal that influences the relationship between company size and company value. Based on this description, the following hypothesis is formulated:

H4: Loan interest rates strengthen the influence of company size on company value.

The Relationship between Loan Interest Rates in Strengthening the Influence of Profitability on Company Value

Company value can basically be influenced by internal and external factors. Profitability is one of the factors that influences whether a company's value is good or not. Profitability is a condition that shows a company's ability to generate profits. The greater the profit generated, the better the company's performance. This certainly has an impact on increasing share prices and company value.

Loan interest rates are one of the external factors that can influence company value. Fluctuating loan interest rates can affect a company's profitability through increasing operational expenses which have an impact on a company's profit. Thus, indirectly fluctuations in the value of loan interest rates can be a signal that influences the relationship between profitability and company value. Based on this description, the following hypothesis is formulated:

H5: Loan interest rates strengthen the effect of profitability on firm value

RESEARCH METHOD

This research uses quantitative methods and multiple linear regression data analysis techniques. The data used is secondary data in the form of financial reports of non-cyclical consumer companies listed on the Indonesia Stock Exchange during the 2020-2023 period. The sampling technique uses a purposive sampling method, with the following criteria:

1. Non-cyclical consumer sector companies that are consistently listed on the IDX consecutively from 2020-2023
2. Non-cyclical consumer sector companies whose financial reports are incomplete are published on the IDX website and the Company's website
3. Non-cyclical consumer sector companies that do not use the Rupiah currency
4. Non-cyclical consumer sector companies that experienced losses during 2020-2023

5. Non-cyclical consumer sector companies that do not have bank loans during 2020-2023

This research uses the dependent variable company value and independent variables, namely independent commissioner, company size and profitability. This research also uses a moderating variable, namely loan interest rates. The operationalization and measurement of variables can be seen in table 1.

Table 1 - Operationalization and Measurement of Variables

Variables	Size	Scale
Independent Commissioner	Independent Commissioner = $\frac{\text{Number of independent commissioners}}{\text{Number of board of commissioners}} \times 100\%$	Ratio
Company Size	Natural logarithm (Ln) of the total assets owned by the company	Ratio
Profitability	Return on assets = $\frac{\text{Net profit}}{\text{Total assets}}$	Ratio
Company Value	Price earning ratio = $\frac{\text{Stock price}}{\text{Earnings per share}}$	Ratio
Loan Interest Rates	Loan interest rate = $\frac{\text{Total interest expense}}{\text{Loan amount}}$	Ratio

The following is the regression equation model in this research:

$$FV_{it} = \beta_0 + \beta_1 KOM_IND_{it} + \beta_2 SIZE_{it} + \beta_3 ROA_{it} + \beta_4 (IR_{it} * SIZE_{it}) + \beta_5 (IR_{it} * ROA_{it}) + \epsilon_{it}$$

Information:

FV _{it}	= Firm Value / Company Value (dependent variable)
β ₀	= Constant
β ₁ , β ₂ , β ₃ , β ₄ , β ₅	= Regression Coefficients
KOM_IND _{it}	= Independent Commissioner (independent variable)
SIZE _{it}	= Company Size (independent variable)
ROA _{it}	= Return On Assets (independent variable)
IR _{it}	= Interest Rate (moderating variable)
ε _{it}	= Standard error
i	= Company i
t	= Year period t

There are three approaches to estimating regression models with panel data, namely the common effect model approach, fixed effect model and random effect model. When choosing the best model from the three approaches, it is necessary to carry out the F Test (Chow Test), Hausman Test, and Langrange Multiplier (LM) Test. The classic assumption tests used in this research are the normality test and the multicollinearity test. Testing of each hypothesis will be carried out after model selection and classical assumption testing have been carried out.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Table 2 - Descriptive Statistical Analysis

	FV	KOM_IND	SIZE	ROA	IR
Mean	31,7335	0,4294	29,7710	0,0653	0,0791
Median	17,1193	0,3875	29,9209	0,0571	0,0777
Maximum	425,9259	0,8333	32,8599	0,1777	0,1631
Minimum	2,1481	0,2500	25,4470	0,0013	0,0074
Std. Dev.	62,2162	0,1244	1,6943	0,0425	0,0305
Sum	3173,347	42,9401	2977,099	6,5253	7,9081
Sum Sq. Dev.	383214,2	1,5321	284,1907	0,1789	0,0919
Observations	100	100	100	100	100

Table 2 above shows that the amount of data used in this research was 100 samples taken from the financial reports of each company that was the research sample with the following analysis results:

1. Company value as measured using the price earnings ratio (Y) shows an average value of 31.7335, a median value of 17.1193, and a standard deviation of 62.2162.
2. Independent commissioners as measured using the ratio of independent commissioners to the number of commissioners (X1) shows an average value of 0.4294, a median value of 0.3875, and a standard deviation of 0.1244.
3. Company size as measured using ln total assets (X2) shows an average value of 29.7710, a median value of 29.9209, and a standard deviation of 1.6943.
4. Profitability as measured using return on assets (X3) shows an average value of 0.0653, a median value of 0.0571, and a standard deviation of 0.0425.
5. The loan interest rate, which is a moderating variable (Z), shows an average value of 0.0791, a median value of 0.0777, and a standard deviation of 0.0305.

Panel Data Regression

The Chow test is carried out to determine the appropriate model between the common effect model or the fixed effect model. The following are the results of the research chow test which are presented in table 3:

Table 3 - Chow Test Results

Redundant Fixed Effects Tests

Equation: Untitled

Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1,7024	(24,69)	0,0451
Cross-section Chi-square	46,5076	24	0,0038

Based on table 3, it is known that the F cross-section probability value is 0.0451 and the Chi-square cross-section probability is 0.0038, below the significant value of 0.05. Based on the Chow test, it can be concluded that the most appropriate panel regression model to use is the fixed effect model.

Next, a Hausman test was carried out to ensure the correct model was either a fixed effect model or a random effect model. The following are the results of the Hausman test presented in table 4:

Table 4 - Hausman Test Results

Correlated Random Effects - Hausman Test

Equation: Untitled

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	6,1966	6	0,4015

Based on table 4, it is known that the random cross-section value is 0.4015 above the significant value of 0.05. Based on the Hausman test, it can be concluded that the most appropriate panel regression model to use is the random effect model. Next, the Lagrange Multiplier test was carried out to determine the appropriate model, between the common effect model or the random effect model. The following are the results of the Lagrange Multiplier test which are presented in table 5.

Table 5 - Lagrange Multiplier Test Results

Lagrange Multiplier Tests for Random Effects

Null hypotheses: No effects

Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided

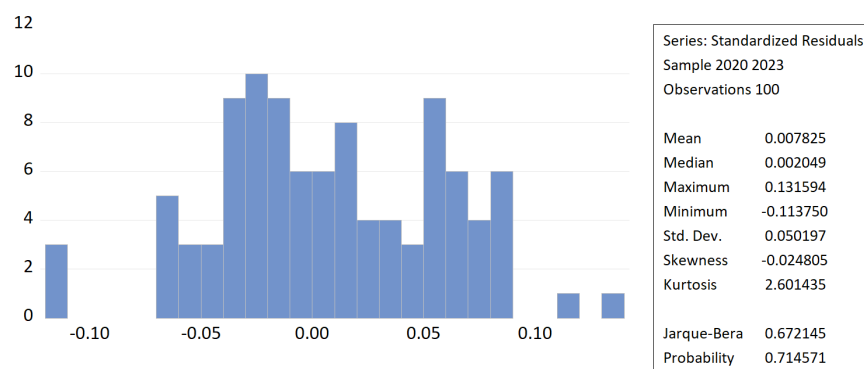
(all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	1,285091 -0,257	0,116307 -0,7331	1,401398 -0,2365
Honda	1,133618 -0,1285	-0,341039 -0,6335	0,560438 -0,2876
King-Wu	1,133618 -0,1285	-0,341039 -0,6335	0,056338 -0,4775
Standardized Honda	1,758435 -0,0393	-0,007712 -0,5031	-3,137036 -0,9991
Standardized King-Wu	1,758435 -0,0393	-0,007712 -0,5031	-2,5192 -0,9941
Gourieroux, et al.	--	--	1,285091 -0,26

Based on table 5, it is known that the Both Breusch-Pagan probability of 0.2365 is greater than the significant value of 0.05. Based on the Lagrange Multiplier test, it can be concluded that the panel regression model used is the common effect model. Based on these three tests, it shows that the random effect model is the most appropriate model, so in this research the model that will be used is the random effect model.

After using the random effect model, it is then necessary to test normality and multicollinearity. The normality test was carried out to test whether the research data was normally distributed or not using the Jarque-Bera test. Meanwhile, the multicollinearity test was carried out to test the correlation between the independent variables and the moderating variables. The following are the results of the normality test and multicollinearity test which are presented in tables 6 and 7:

Table 6 - Normality Test Results



Based on the results of the Jarque-Bera test, it shows that the probability value is $0.714571 > 0.05$. This shows that the data used in this research is normally distributed.

Table 7 - Multicollinearity Test Results

	KOM_IND	SIZE	ROA	IR
KOM_IND	1,0000	0,0427	-0,1592	-0,0947
SIZE	0,0427	1,0000	-0,0054	-0,4218
ROA	-0,1592	-0,0054	1,0000	-0,0337
IR	-0,0947	-0,4218	-0,0337	1,0000

Based on the multicollinearity test, the correlation of each variable with other variables has a value below 0.8. This shows that there is no multicollinearity in the relationship of each variable with other variables. The results of hypothesis testing using the random effect model are presented in table 8 below:

Table 8 - Hypothesis Testing

Dependent Variable: FV

Method: Panel EGLS (Cross-section random effects)

Sample: 2020 2023

Periods included: 4

Cross-sections included: 25

Total panel (balanced) observations: 100

Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-660,3304	328,3222	-2,0112	0,0472
KOM_IND	-42,8219	55,6670	-0,7693	0,4437
SIZE	21,1473	10,5835	1,9981	0,0486
ROA	655,5080	470,0824	1,3945	0,1665
IR	9297,7300	3097,0920	3,0021	0,0034
SIZE_IR	-274,7506	101,1484	-2,7163	0,0079
ROA_IR	-10991,6000	5199,9930	-2,1138	0,0372

Based on the results of the significant random effect model test above, the following regression equation is obtained:

$$FV = -660.3304 - 42.8219KOM_IND + 21.1473SIZE + 655.5080ROA + 9279.7300IR - 274.7506SIZE_IR - 10991.6000ROA_IR + \epsilon i$$

Information:

- FV (Y) = Firm Value / Company Value (dependent variable)
KOM_IND (X1) = Independent Commissioner (independent variable)
SIZE (X2) = Company Size (independent variable)
ROA (X3) = Return On Assets (independent variable)
IR (Z) = Interest Rate (moderating variable)
 ϵi = Standard error

Discussion

Influence of Independent Commissioners (X1) on Company Value (Y)

Based on the research results in table 8, the independent commissioner variable has a negative regression coefficient value of -42.8219. The results of the t-statistical test or partial test show that the significance level value of the independent commissioner variable is 0.4437, which means that independent commissioners have a negative and insignificant influence on company value which is proxied using the price earnings ratio. So it can be concluded that independent commissioners have no influence on the value of non-cyclical consumer companies listed on the Indonesia Stock Exchange in 2020-2023.

Independent commissioners play an important role in the company to carry out the function of monitoring company activities and making decisions. Companies that have a large proportion of independent commissioners tend to be more heterogeneous in terms of the background, skills and experience of their members. This condition allows independent commissioners to provide more insight to management in making company decisions, thereby increasing company performance and value. Based on the research results, the presence of independent commissioners has not been able to influence company value. The number of independent commissioners appears to be only used to fulfill existing regulatory provisions and standards. This condition shows that the role of independent commissioners in supervising company performance cannot be determined by the proportion or number of existing commissioners, but can be seen from the quality and capabilities of the commissioners themselves, such as educational background and experience. The results of this research are the

same as the results of previous research conducted by Suhardi & Fadli (2021) and Lastanti & Salim (2018) which revealed that the proportion of independent commissioners has no effect on company value. However, the results of this study are not in line with previous research conducted by Farawansyah et.al. (2024) and Fadhillah & Sulistyowati (2021) who reveal that independent commissioners have a positive influence on company value

Influence of Company Size (X2) on Company Value (Y)

Based on the research results in table 8, the company size variable has a positive regression coefficient value of 21.1473. The results of the t-statistical test or partial test show that the significance level value of the company size variable is 0.0486, which means that company size has a positive and significant effect on company value which is proxied using the price earnings ratio. So it can be concluded that company size has a significant influence on the value of non-cyclical consumer companies listed on the Indonesia Stock Exchange in 2020-2023. Company size is a quantity that describes the size of the company which can be seen from total assets, equity and sales. A large company's total assets can be a benchmark for company value, which shows that the company can manage its business results to be developed into company assets. Based on the research results, company size, which is proxied in the natural logarithm (ln) of total assets, is able to influence company value. This condition reflects that the value of the company's total assets has a significant impact on the increase in company value. The large total asset value reflects the company's performance in managing company finances, especially in developing assets that are useful for supporting company operations. This condition attracts investors because it shows the company's financial resilience and going concern. Thus, the amount of investment entering the company will affect the share price and value of the company. The results of this research are in line with the results of previous research conducted by Hidayat & Khotimah (2022) which revealed that company size has a significant effect on company value. However, the results of this research are not in line with previous research conducted by Oktaviana & Wuryani (2024) and Alifian & Susilo (2024) which revealed that company size does not have a significant effect on company value.

Influence of Profitability (X3) on Company Value (Y)

Based on the research results in table 8, the profitability variable has a positive regression coefficient value of 655.5080. The results of the t-statistical test or partial test show that the value of the significance level of the profitability variable is 0.1665, which means that profitability has a positive and insignificant relationship to company value which is proxied using the price earnings ratio. So it can be concluded that profitability has a positive but not significant effect on the value of non-cyclical consumer companies listed on the Indonesia Stock Exchange in 2020-2023. Profitability is a ratio that describes a company's ability to generate profits. One of the ratios used is return on assets (ROA), which describes the company's ability to generate profits from the use of its assets. The higher the ROA value of a company, the higher the value of the company. Based on the research results, profitability as proxied in the return on assets ratio has a positive but not significant influence on company value. The company's performance as reflected in the return on assets profitability ratio does not have a significant impact on attracting funding from investors which of course has a parallel impact on share prices and company value. This is possible because of the company's tendency to use

company profits to develop its assets. Apart from that, investors also pay more attention to other factors such as company size which is reflected in the company's total assets. Thus, profitability does not have a significant impact on company value. The results of this research are not in line with previous research conducted by Farawansyah et.al (2024) and Oktaviana & Wuryani (2024) which revealed that profitability has a significant positive effect on company value.

The Influence of Loan Interest Rates (Z) in Strengthening the Influence of Company Size (X2) on Company Value (Y)

Based on the research results in table 8, the company size variable has a negative regression coefficient value of -274.7506. The results of the t-statistical test or partial test show that the significance level of loan interest rates as a moderating variable in the relationship between company size and company value is 0.0079. So it can be concluded that loan interest rates have a negative effect on the relationship between company size and company value. The research results indicate that the size of the loan interest rate, which is proxied through the company's loan interest rate, can influence the relationship between company size and company value. Company size can be measured from the total assets owned by the company. The greater the value of company assets certainly has an impact on increasing company value. High loan interest rates have an impact on increasing operational expenses (interest expenses) which have an impact on reducing company profits and assets. Declining company profits and assets will have an impact on investors' assessment of the company's ability to maintain its business continuity. Thus, it can be concluded that the higher the interest rate, the negative effect it will have on the relationship between company size (total company assets) and company value.

The Influence of Loan Interest Rates (Z) in Strengthening the Influence of Profitability (X3) on Company Value (Y)

Based on the research results in table 4.9, the company size variable has a negative regression coefficient value of -10991.6000. The results of the t-statistical test or partial test show that the significance level of loan interest rates as a moderating variable in the relationship between profitability and company value is 0.0372. So it can be concluded that loan interest rates have a negative effect on the relationship between profitability and company value. The research results indicate that the size of the loan interest rate, which is proxied through the company's loan interest rate, can influence the relationship between profitability and company value. Profitability is a ratio that describes a company's ability to generate profits. The higher the ROA value of a company, the higher the value of the company. High loan interest rates have an impact on increasing operational expenses (interest expenses) which have an impact on reducing company profits and/or profitability. Declining company profits will have an impact on investors' assessment of the company's ability to maintain its business continuity. Apart from that, investors also pay more attention to other factors such as company size which is reflected in the company's total assets. Thus, it can be concluded that the higher the interest rate, the negative effect it will have on the relationship between profitability and company value.

CONCLUSIONS

The research results show that independent commissioners have no effect on company value, company size has a significant positive effect on company value, and profitability has a positive but insignificant effect on company value. This research finds that loan interest rates have a significant negative effect on the relationship between company size and company value as well as the relationship between profitability and company value. The limitation of this research is that it was only carried out in the non-cyclical consumer sector over a fairly short period. It is hoped that future research can use data from companies other than non-cyclical consumer companies or increase the number of sectors used. Future research can also use a longer research time period for better research results. Apart from that, further research is expected to consider analyzing other variables that can influence company value. It is hoped that this research can become a reference and insight into the phenomenon of company value.

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