THE ROLE OF IDIOSYNCRATIC RISK AND CORPORATE GOVERNANCE IN FIRM VALUE MODERATED BY DIVIDEND POLICY

THESIS

BLASIUS LEONARDO WOERSOK
NIM : 122110003

PROGRAM STUDI AKUNTANSI
FAKULTAS EKONOMI DAN BISNIS
UNIVERSITAS MA CHUNG
MALANG
2025

HALAMAN PENGESAHAN

Laporan Magang berjudul:

"MEKANISME KERJA DAN PENGGUNAAN ACCOUNTING 4.0 SEBAGAI *EXPENSE ACCOUNTANT* DI SMOORE INDONESIA"

yang dipersiapkan dan disusun oleh:

Nama	: Blasius Leonardo Woersok
NIM	: 122110003
Program Studi	: Akuntansi

Telah berhasil dipertahankan di hadapan Dewan Penguji Program Studi Akuntansi Fakultas Ekonomi dan Bisnis Universitas Ma Chung, pada tanggal 29 Januari 2025 dan memenuhi syarat untuk diterima sebagai salah satu syarat guna memperoleh gelar Sarjana Ekonomi Strata Satu (S1).

Dosen Pembimbing

Rino Tam Cahyadi, S.E., M.S.A
NIP.20070029

Dosen Penguji

Tarsisius Renald Suganda, SE., Msi.,Ph.D., CRA., CIC
NIP.20080021

Mengesahkan,
Dekan Fakultas Ekonomi dan Bisnis

Tarsisius Renald Suganda, SE., Msi.,Ph.D., CRA., CIC
NIP.20080021

PREFACE

Praise and gratitude we offer to God Almighty for His blessings and grace, the author is able to complete the research proposal titled **"THE ROLE OF IDIOSYNCRATIC RISK AND CORPORATE GOVERNANCE IN FIRM VALUE MODERATED BY DIVIDEND POLICY"** This report is a form of the author's responsibility in fulfilling one of the requirements for obtaining a Bachelor's Degree in Economics (S1).

In writing this report, the author expresses gratitude to all parties who have assisted in the completion of this proposal, namely:

1. Mr. Prof. Dr. Ir. Stefanus Yufra Menahen Taneo, M.S., M.Sc., as the Rector of Ma Chung University, who has provided support in completing this report.
2. Mr. Tarsisius Renald Suganda, SE., Msi., Ph.D., CRA., CIC, as the Dean and Thesis Supervisor, who has provided support in completing this report.
3. Mr. Rino Tam Cahyadi, S.E., M.S.A., as the Head of the Accounting Study Program and Thesis Supervisor, who has provided support in completing this report.
4. All Lecturers and Staff of the Faculty of Economics and Business at Ma Chung University, who have provided support in completing this report.
5. The author's parents, who have always provided both material and non-material support during the preparation of this report.
6. Fellow students of the Accounting Study Program at Ma Chung University, who have provided support in completing this report.

The author realizes that their skills and knowledge in writing this report are limited; therefore, the author welcomes constructive input, criticism, and suggestions. Additionally, the author hopes that this report can be beneficial to readers regarding public sector accounting.

Malang, July 2025

Author

ABSTRACT

This study aims to examine the effect of idiosyncratic risk and corporate governance on firm value, with dividend policy as a moderating variable. Firm value is measured using the Price to Book Value (PBV) ratio and Tobin's Q. Idiosyncratic risk represents company-specific risk that cannot be diversified, while corporate governance is measured through board size, board of commissioners, and the proportion of independent commissioners. The research sample consists of companies consistently listed in the Kompas 100 Index from 2020 to 2024, meeting specific criteria such as having positive equity and not belonging to the financial sector. The data was analyzed using panel data regression with the help of EViews 8 software. This study contributes theoretically by demonstrating that idiosyncratic risk can signal growth potential in emerging markets, challenging traditional risk aversion views. It also refines corporate governance theory by showing the selective impact of governance mechanisms on firm value. The results show that idiosyncratic risk and several components of corporate governance significantly affect firm value. In addition, dividend policy is proven to moderate the relationship between idiosyncratic risk, corporate governance, and firm value. These findings provide important implications for company managers, investors, and policymakers in enhancing firm value through effective risk management, governance, and dividend strategy.

Keywords: Idiosyncratic Risk, Corporate Governance, Dividend Policy, Firm Value

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF EQUATION

BAB I

INTRODUCTION

1.1 Background

The increasing global business competition and stakeholder expectations require companies to enhance their corporate value to its highest level. The market's perception of a company's performance and future outlook is reflected in its corporate value (Wardhani et al., 2021). Several factors influence corporate value, including operational performance, business strategy, risk management, and the implementation of good governance (Gusriandari et al., 2022). Corporate value serves as a benchmark for management success, strategic decision-making, financial security, and employee motivation. Externally, it reflects reputation, attractiveness to investors, ease of capital access, and market confidence. Maintaining corporate value at its optimal level is difficult, as every business faces idiosyncratic risks. Idiosyncratic risk is a risk specific to a particular company and cannot be eliminated through portfolio diversification. Each company has unique strengths and weaknesses (Chen, 2024).

According to Firmansyah & Suhanda (2021), idiosyncratic risk is the most appropriate measure to explain company-specific risks, as it is presumed to arise from specific internal policies. Idiosyncratic risk has a direct impact on corporate value. A study by Ariawan (2017) found that business risk (idiosyncratic risk) affects corporate evaluation in the tourism sector on IDX. Business risk was found to have a negative impact on corporate value, meaning an increase in business risk

can lower corporate value. Conversely, a study by Ginting et al (2020) found that idiosyncratic risk positively affects corporate value in state-owned banks during the 2011-2018 period. However, financial and market risks did not show a significant impact on corporate value. This suggests that risks specific to banking operations are perceived positively, indicating that banks gain public trust despite their relatively high debt structure.

Another factor influencing corporate value is a good corporate governance (GCG). Corporate governance refers to a system of control and supervision aimed at achieving optimal performance (Aguilera & Ruiz Castillo, 2025; Putra, 2024). This has become increasingly relevant in facing global challenges, such as the 1997 Asian Financial Crisis and the 2007 Global Financial Crisis, which exposed governance weaknesses in many companies, particularly in managing idiosyncratic risks, transparency, and accountability. Therefore, implementing integrated corporate governance is a crucial strategy for companies to maintain and enhance their corporate value. Additionally, integrated corporate governance ensures that all stakeholders receive their respective rights, which is essential in fulfilling the interests of various stakeholder groups (Triyuwono et al., 2020). Good corporate governance reflects how a company fulfils its social responsibilities to stakeholders (Khasanah & Sucipto, 2020).

Implementing good corporate governance is not only an obligation but also a necessity for companies to increase their value and minimize or resolve issues such as agency problems that may disrupt company performance (Hersugondo & Aliyuna, 2024). Corporate governance is measured by the roles of the board of

directors, board of commissioners, and independent commissioners, which are also used as proxies in this study. Several studies have shown that good corporate governance positively affects corporate value (Fana & Prena, 2021; Hersugondo & Aliyuna, 2024; F. Khoirunnisa et al., 2018). However, certain studies argue that GCG does not significantly impact corporate value (Gusriandari et al., 2022; Wardhani et al., 2021).

The third factor under consideration is dividend policy. Dividends impact companies by forcing them to choose between distributing profits to shareholders or retaining them for future business sustainability (Bangun, 2023). However, companies must consider the effects on internal capital availability when deciding on dividend distribution. If a company decides to distribute profits as dividends, it reduces retained earnings and, consequently, the funds available for business development (Sakdiah, 2023). On the other hand, if a company does not distribute dividends, it may create uncertainty among investors (Mayasari et al., 2023). Regardless of whether a company distributes dividends, dividends serve as a reinforcing variable in the relationship that affects corporate value. According to Lestari & Pangestuti (2022), investors generally prefer companies that maintain stable dividend distributions.

Dividend payments indicate positive corporate performance and encourage investor interest. Companies should maintain or increase dividends annually to reinforce investor confidence (Widyawati & Indriani, 2019). Therefore, dividend distribution signals profitability and financial stability. However, paying large or small dividends does not necessarily guarantee investor confidence in corporate

value. Andrianto (2023) argues that while dividend policies create a positive impression of a company's condition, dividends are merely a "sweetener" and do not always reflect the company's actual state. Some companies retain dividends to allocate funds for research, development, and improvements. For instance, manufacturing companies reinvest profits in warehouse expansion, modern technology adoption, and employee training to develop new products, enhance production efficiency, and improve product quality (Patricia, 2023). The fluctuating nature of dividend policies raises interest in further examining how inconsistencies in dividend distribution can strengthen or weaken factors affecting corporate value. How do dividends reinforce or weaken these factors? How does corporate value compare between companies that consistently distribute dividends and those that do not?

Building upon the understanding that escalating global business competition and heightened stakeholder expectations necessitate companies to maximize their corporate value, this study delves into the critical factors that influence this valuation. Corporate value, which mirrors the market's perception of a company’s financial health and future potential, is influenced by an integrated system of strategic direction, risk management practices, operational discipline, and the strength of its corporate governance framework. As demonstrated by Irwan Moridu (2023), sustaining such value requires ongoing oversight, adaptability, and transparent governance to navigate the unique financial risks and external uncertainties each company faces.

Prior research has offered varying perspectives on the impact of idiosyncratic risk on corporate value, with some studies suggesting a negative relationship while others, particularly within specific sectors like banking, have indicated a positive association. Similarly, the role of GCG in enhancing corporate value has been a subject of extensive academic inquiry, with a general consensus pointing towards a positive influence. However, some studies have found no significant impact. These inconsistencies highlight the complex and context-dependent nature of these relationships (Kyere & Ausloos, 2020; Nguyen et al., 2019; Suyono & Amin, 2022).

Furthermore, dividend policy introduces another critical dimension to the understanding of corporate value. The decision to distribute profits as dividends or retain them for reinvestment carries significant implications for a company's financial flexibility and its attractiveness to investors (Leonard, 2023). While consistent dividend payouts can signal financial stability and attract investors, the impact of dividend policy may also be intertwined with how the market perceives a company's risk profile and governance practices (Santikah et al., 2023).

The separation of firm valuation into two models using PBV along with Tobin's Q is motivated by the complementary insights each metric provides. PBV captures the market's valuation relative to the company's book value and is especially effective in assessing firms with substantial tangible assets. However, PBV often fails to incorporate intangible components such as innovation capacity or brand value, limiting its scope in evaluating modern firms (Brennan & Schwartz, 1984). Conversely, Tobin's Q, which compares the market value of a firm to the replacement cost of its assets, includes both tangible and intangible dimensions and

is thus better suited for assessing growth expectations and non-physical capital (Kumar & Dua, 2022).

Utilizing both PBV and Tobin's Q allows for a more robust and multidimensional analysis of firm value. Recent empirical studies support this approach, demonstrating how various factors—such as environmental practices (Ganda, 2022), urban vibrancy and human capital (Jiang et al., 2022), and brand equity (Kirk et al., 2013)—influence these two valuation models differently. By employing both metrics, researchers can capture both the static, asset-based perspective of value and the dynamic, market-based expectations, making this dual-model approach more comprehensive and analytically sound.

Given the dynamic economic landscape and the increasing emphasis on sound corporate practices, understanding the interplay between idiosyncratic risk, good corporate governance, and corporate value is of paramount importance. This study seeks to contribute to this understanding by specifically examining how factor such as these interact within the context of the Indonesian capital market.

The primary objective of this study is to investigate the effects of idiosyncratic risk and good corporate governance on corporate value. Additionally, and crucially, this research aims to explore the moderating role of dividend policy in the relationships between these key determinants and the ultimate corporate valuation. By focusing on these core relationships, this study is designed to provide nuanced insights into how risk, governance, and dividend decisions collectively shape the market's perception of corporate value. The findings of this research are meant to provide meaningful insights for corporate managers looking to enhance firm value,

investors making informed decisions, and policymakers working to strengthen and improve the efficiency of capital markets.

1.2 Problem Statement

Drawing from the background discussion, the key problem addressed in this study is as follows:

1. How does idiosyncratic risk affect firm value using PBV in publicly listed companies?
2. What influence does board size of director have on firm value using PBV?
3. What influence does board of commissioners have on firm value using PBV?
4. What influence does independent commissioners have on firm value using PBV?
5. How does dividend policy moderate the connection between idiosyncratic risk and PBV
6. How does dividend policy moderate the connection between board size and PBV
7. How does dividend policy moderate the connection between board of commisaries and PBV?
8. How does dividend policy moderate the connection between independent commisioners and PBV?
9. How does idiosyncratic risk affect firm value using Tobins'Q in publicly listed companies?
10. What influence does of board sizes have on firm value using Tobins'Q?

11. What influence does board of commissioners have on firm value using Tobins'Q?
12. What influence does independent commissioners have on firm value using Tobins'Q?
13. How does dividend policy moderate the connection between idiosyncratic risk and Tobins'Q
14. How does dividend policy moderate the connection between Board Size and Tobins'Q
15. How does dividend policy moderate the connection between independent commisioners and Tobins'Q
16. How does dividend policy moderate the connection between board of commisaries and Tobins'Q

1.3 Research Objectives

Based on the formulated research problems, we can argue the objectives of this study are:

1. To analyze how idiosyncratic risk affects firm value using PBV in publicly listed companies.
2. To analyze the impact of board sizes on firm value using PBV.
3. To analyze the impact of board of commissioners on firm value using PBV.
4. To analyze the impact of independent commissioners on firm value using PBV.
5. To analyze how dividend policy moderates the connection between

idiosyncratic risk and PBV.

6. To analyze how dividend policy moderates the connection between board size and PBV.
7. To analyze how dividend policy moderates the connection between board of commissioners and PBV.
8. To analyze how dividend policy moderates the connection between independent commissioners and PBV.
9. To analyze how idiosyncratic risk affects firm value using Tobin's Q in publicly listed companies.
10. To analyze the impact of board sizes on firm value using Tobin's Q.
11. To analyze the impact of board of commissioners on firm value using Tobin's Q.
12. To analyze the impact of independent commissioners on firm value using Tobin's Q.
13. To analyze how dividend policy moderates the connection between idiosyncratic risk and Tobin's Q.
14. To analyze how dividend policy moderates the connection between board size and Tobin's Q.
15. To analyze how dividend policy moderates the connection between independent commissioners and Tobin's Q.
16. To analyze how dividend policy moderates the connection between board of commissioners and Tobin's Q.

1.4 Research Benefits

The results of this study are expected to be beneficial to students, companies, and the Faculty of Economics and Business at Ma Chung University as follows:

1.4.1 Theoritical Benefits

The findings of this research are expected to contribute to the development of financial and corporate governance theories, particularly regarding the impact of idiosyncratic risk, board structure, and the policy of dividend on both PBV and Tobin's Q as proxies of firm value. This study can serve as a reference for future research related to corporate governance and investment decision-making.

1.4.2 Practical Benefits

The results of this research are expected to provide valuable insights for companies in formulating strategies to enhance firm value and attract investors by optimizing corporate governance practices, managing risk effectively, and implementing appropriate dividend policies. Additionally, this study can benefit students and academics by offering empirical evidence that supports the understanding of corporate finance and investment strategies.

BAB II

LITERATURE REVIEW

2.1 Agency Theory

Agency theory is a hypothesis stating that there is a relationship between the party granting authority (principal), particularly fund providers, and the party receiving authority (agent), particularly supervisors, as a contractual cooperation agreement (Adjani & Parinduri, 2022). This theory explains that in an agency relationship, if both parties share the same goal of maximizing company value, the agent is expected to act in ways that align with the principal's interests. When this agency relationship functions effectively, it is believed not only to maximize company value but also to increase investor interest in investing in the company. Agency relationships often give rise to conflicts between owners and agents due to differences in perspectives and conflicting interests. A proper mechanism to mitigate agency problems is the presence of institutional ownership (Putu et al., 2022).

Good corporate governance helps mitigate agency issues by ensuring that decisions are more focused on shareholder interests, thereby increasing company value. This theory also considers capital structure or the composition of debt and equity within a company. Additionally, a well-structured ownership system, particularly institutional ownership, plays a crucial role in controlling agency problems. A high level of debt can help reduce agency conflicts by forcing management to work more efficiently and productively to enhance company value.

With transparent corporate governance, a stable capital composition, and a well-structured ownership system, company value can be maximized.

2.2 Signaling Theory

Signaling Theory, introduced by Michael Spence in 1973, emerged from the field of asymmetric information economics. It describes how individuals or entities with superior knowledge (insiders) convey signals to those with less information (outsiders) in order to minimize uncertainty during decision-making processes.

In the context of finance and corporate value, signaling theory is often used to explain how companies communicate information to investors. Corporate managers have more comprehensive information about the company's prospects and internal conditions than investors. To reduce information asymmetry, managers can provide positive signals to the market, such as:

a. Dividend Announcements – An increase in dividend payments is often interpreted as a positive signal about the company's future profitability prospects.
b. Stock Buybacks – When a company repurchases its shares, it is seen as a signal that management believes the stock is undervalued.
c. Debt Issuance – Issuing bonds can be perceived as a signal that management is assured in the firm's capacity to meet its future debt obligations, reflecting strong financial prospects.

Signaling Theory (Spence, 1973) posits that, in the presence of information asymmetry, informed insiders can send credible messages to less-informed outsiders to reduce uncertainty. In corporate finance, dividend policy serves as one

of the most prominent signals. Recent empirical studies affirm that dividend announcements and consistent payouts are often interpreted by investors as indicators of financial strength and favorable future prospects (Meza et al., 2020).

In this research, dividend policy functions as a moderating variable that channels the influence of idiosyncratic risk and corporate governance on firm value. Based on Signaling Theory, for companies experiencing high idiosyncratic risk, consistent dividend payments reflect management's assurance and help ease investor uncertainty, thereby reducing the adverse impact of risk on firm value. In addition, effective corporate governance—such as clear disclosures and strong supervision—supports the reliability of dividend signals, further building investor confidence and enhancing firm valuation. Therefore, dividend policy serves not only as a medium for conveying insider information but also as a mechanism that amplifies the effects of risk control and governance practices on firm value..

2.3 Firm Value

Firm value reflects how investors perceive a company's achievements, typically linked to its share price. When stock prices are high, they signal stronger firm value and boost market trust, indicating positive views of both the company's present results and its future potential.

Maximizing firm value is crucial as it aligns with the company's overall objectives (Zafirah & Amro, 2021). Furthermore, a high firm value boosts investor confidence in investing in the company. Maximizing firm value is essential because it also benefits shareholders, which is the primary goal of the company.

This study utilizes Tobin's Q as measurement tools. Tobin's Q is a valuation metric that defines firm value by considering both tangible and intangible assets (Dewi & Sembiring, 2022). Using a comprehensive set of measurement tools provides readers with different perspectives on firm value.

2.4 Idiosyncratic Risk

According to Sujaini (2023), idiosyncratic risk refers to investment risk that arises from uncertainties or problems unique to a single asset (such as an individual company's stock) or a group of assets (such as those in a particular industry). it is also known as firm-specific risk or unsystematic risk and is caused by internal company factors like liquidity issues, potential bankruptcy, or legal complications (Geno et al., 2023). Companies with elevated levels of idiosyncratic risk are anticipated to generate higher returns to compensate for the lack of perfect diversification in an investor's portfolio (Kanari & Fauzie, 2023).

Changes in the level of uncertainty in individual stocks over time are largely driven by idiosyncratic risks, such as management decisions related to financial policies, investment strategies, and operations, rather than market risk (Cleartax, 2023). Idiosyncratic risk has a direct impact on investment, as failing to properly account for it can lead to significant capital losses for investors (Geno et al., 2023). Therefore, understanding and managing idiosyncratic risk is crucial for making informed investment decisions. Although idiosyncratic risk is difficult to predict, conducting research on a specific company or

industry can help investors identify and anticipate potential firm-specific risks (Chen, 2024).

2.5 Corporate Governance

Corporate governance is a system designed to regulate and oversee the processes of controlling a business to ensure sustainable operations, ultimately increasing shareholder value and, in turn, enhancing corporate value. It also ensures accountability to shareholders while considering the interests of stakeholders, including employees, creditors, and the broader community. In Indonesia, the practice of corporate governance is regulated through guidelines issued by the Financial Services Authority (OJK), such as OJK Regulation Number 21/POJK.04/2015 regarding the Application of Good Corporate Governance in Public Companies, along with rules from the Indonesia Stock Exchange (BEI), both of which aim to strengthen governance standards. Corporate governance includes several important elements, such as the board of directors, the board of commissioners, and independent commissioners. The following are several key principles of Good Corporate Governance:

a. Accountability

   Accountability refers to the responsibility of individuals or organizational units within a company for their performance. It involves evaluating achievements and identifying obstacles in order to ensure that key tasks are carried out effectively for optimal decision-making.

b. Transparency

   Transparency is the openness of information, data, and processes in

corporate activities. It ensures that all stakeholders, including company owners and other interested parties, can access relevant information, preventing any concealment of business activities.

c. Responsibility

Responsibility is the corporate obligation to carry out duties and authority competently while adhering to applicable laws and regulations. It ensures that companies operate ethically and in compliance with legal frameworks.

d. Independency

Independency refers to professionalism and the ability to operate without external influence or conflicts of interest. A company that upholds this principle remains free from external intervention and adheres strictly to legal and operational standards.

e. Fairness

Fairness focuses on equality in fulfilling stakeholder rights in accordance with agreed-upon contracts and legal provisions. It ensures that all stakeholders receive fair treatment based on established criteria.

f. Sustainability

Sustainability emphasizes long-term business operations that go beyond short-term economic gains. It requires companies to consider their social and environmental impact while continuously improving quality and production, even in times of economic downturn.

2.6 Dividend Policy

Investor buy stocks with the primary goal of making a profit, which can come in the form of capital gains and dividends distributed annually by the company (Widyawati & Indriani, 2019). However, shareholders tend to be more interested in dividend distribution, which is considered more predictable compared to capital gains (Hidayat, 2019). All investment strategies carry risks, including dividend investment. The main risk is that dividend policies are never guaranteed (Sullivan, 2023). The amount of dividends paid by a company varies significantly because dividends are generally tied to profits, meaning the greater the profit, better the likelihood of dividend policy (Leonard, 2023).

Dividend policy is one of the most anticipated moments for every investor. Through dividend distribution, shareholders can receive a share of the company's generated profits (Mesak, 2023). Companies that consistently pay dividends offer investors assurance about the distribution and timing of business profits to shareholders, thereby increasing the attractiveness of the company’s stock. (Leonard, 2023). Dividend policy is not only an awaited moment for investors but also provides confidence in the company’s profits and increases stock appeal. A company's dividend policy is considered a crucial decision because an increase in dividend policy each year is seen as an indicator of positive future opportunities, while a decrease in dividends is interpreted as a negative sign, indicating a decline in company profits (Santikah et al., 2023). Companies distribute dividends with the aim of encouraging new investors to buy shares at a higher price (Permata, 2019). A company with increasing annual

dividends drives new investors to purchase shares at higher prices. When the dividend amount is announced, stock prices tend to rise because many investors seek dividends (Andrianto, 2023).

2.7 Previous Research

No	Author	Variable	Research Method	Research Result
1	Firmansyah & Suhanda, (2021)	Idiosyncratic Risk (Y) Accrual Earnings Management (X_1) Real Earning Management (X_2) Corporate Governance (Moderate) Firm Size, Operating Cash flow, Leverage, CFP (Control)	Quantitative Approach Data Source : IDX/Yahoo Finance Purposive Sampling Multiple Linear Regression for panel data	The research found that both accrual and real earnings management positively influence idiosyncratic risk, indicating that firms engaging in earnings manipulation tend to face higher uncertainty and risk. However, corporate governance did not significantly moderate this relationship, suggesting that governance mechanisms in Indonesian firms may not be strong enough to mitigate the risks associated with earnings management.
2	(Ginting et al., 2020)	Firm Value (Y) Business Risk (X_1) Financial Risk _(X_2) Market Risk (X_3)	Quantitative approach Saturated Sampling Sample used : 4 state owned bank in Indoneisa Multiple linear regression	The study found that Business Risk has a significant effect on Firm Value, whereas Financial Risk and Market Risk do not have a significant effect. However, when analyzed simultaneously, Business Risk, Financial Risk, and Market Risk collectively have a significant impact on Firm Value. These findings suggest that among the three types of risks, Business Risk plays the most crucial

				role in influencing a bank's valuation
3	Hersugondo & Aliyuna(2024)	Firm Performance (Y) Corporate Governance (X_1) CEO Charateristics (X_2) Capital Structure (Moderate)	Quantitative Approach Secondary data Sample used : Companies listed in IDX (2017-2022) Purposive Sampling Structural Equation modeling	The study finds that corporate governance positively affects firm performance, while CEO characteristics do not have a direct impact. However, CEO characteristics negatively influence capital structure, which in turn negatively affects firm performance. Capital structure serves as a partial mediator in the relationship between corporate governance and firm performance, and as a full mediator in the connection between CEO characteristics and performance. This emphasizes the importance of financial management in bridging governance, leadership traits, and overall business success.
4	Wardhani et al., (2021)	Firm Value (Y) Profitability (X_1) Capital Structure ($X_{2)}$ Company Size (X_3) Board of Commissioners (X_3) Audit Committee (X_4)	Quantitative approach Secondary data from annual reports using 20 consumer goods industry listed on IDX Purposive Sampling Multiple Linear regression analysis	The study finds that profitability and company size have a significant positive effect on firm value, indicating that higher profits and larger firms tend to be more valuable. However, capital structure, the board of commissioners, and the audit committee do not show a significant impact on firm value, suggesting that these factors may not directly influence how the market perceives a company's worth. These findings highlight the importance

				of financial performance and company scale in driving firm value, while governance structures may play a less direct role.
5	Gusriandari et al.(2022)	Firm Value (Y) Managerial Ownership(X_1) Independent board of Comisioners (X_2) Audit Committee (X_3)	Quantitative Approach Secondary data from mining companies listed on IDX 2017-2020 Classic assumption test, Multiple Linear regression, T-test, F-Test, and Determination test.	The study found that good corporate governance (GCG) significantly influences firm value. Managerial ownership, independent commissioners, and audit committees play crucial roles in increasing firm value by reducing agency conflicts. Weak GCG practices in the mining sector often lead to fraudulent activities, negatively impacting firm value. The findings highlight the importance of strong governance mechanisms to enhance investor confidence and corporate sustainability.
6	Lestari & Pangestuti (2022)	Dividend Policy (Y) ROE (X_1) Company Growth (X_2) Leverage (X_3) Earnings (X_4) Business Risk (X_5)	Quantitative approach Sample of 21 Companies in consumer and goods sector listed on IDX 2016-2020 Panel data regeression analysis using EViews 12	The findings show that profitability (ROE), company growth (Growth Assets), and leverage (Debt to Equity Ratio) have a significant positive effect on dividend policy. However, earnings (EPS) and business risk (BRISK) do not significantly impact dividend policy. This suggests that companies with higher profitability, growth, and leverage tend to distribute more dividends, while earnings and risk factors do not play a decisive role in dividend

				decisions.
7	Wijaya & Radianto, (2023)	Firm Value (Y) Independent Comiisioners (X_1) Economis Value Added (X_2), Return on Asset (X_3)	Quantitative Approach Sample consist of 45 consumer goods sector companies listed on IDX from 2015-2019 Purposive sampling Multiple regression annylisis	Result shows that commissioners, EVA, and ROA does impact firm value, suggesting that solid financial performance and good governance contribute to higher market valuation.
8	Widyawati & Indriani, (2019)	Dividend Payout Ratio (Y) ROA (X_1) Lagged dividends (X_2) Growth sales (X_3) Debt to Equity ratio (X_4) Firm Size (Control)	Quantitative approach Sample consist of manufacturing companies in Indonesia from 2011-2017 Ordinary Least Square (OLS) Regression	The results indicate that both ROA and Lagged Dividends exert a positive and significant influence on the Dividend Payout Ratio, indicating that profitability and past dividend trends influence dividend decisions. Growth Sales has a negative but insignificant relationship, suggesting that higher growth does not necessarily reduce dividends. Leverage has a positive but insignificant effect, meaning financial leverage does not strongly impact dividend distribution.
9	Mayasari et al., (2023)	Dividend Policy (Y) Profitabikity (X_1) Investment Opportunity Set (X_2), Capital Structure (X_3) Idiosyncratic risk (Moderating)	Qiuantitative approach Sample consist of manufacturing companies listen on IDX from 2017-2021 Purposive Sampling Moderated Regression Analysis	The findings show that Profitability, Investment Opportunity Set, and Capital Structure do not significantly influence Dividend Policy. Additionally, Idiosyncratic Risk does not moderate the relationship between Investment Opportunity Set, Capital Structure, and Dividend Policy. This indicates that Idiosyncratic Risk does not play a significant role in dividend policy

				decisions.

Table 1. Previous Research

2.8 Research Urgency

The study of firm value and its determinants, including idiosyncratic risk, corporate governance, and dividend policy, is crucial in the current economic and financial landscape. Understanding these relationships is essential for investors, policymakers, and corporate managers who aim to maximize shareholder wealth and ensure long-term business sustainability. Given the increasing complexity of global financial markets, firms face heightened uncertainty, making it imperative to analyze how firm-specific risks and governance mechanisms influence corporate performance.

One of the key concerns in corporate finance is the impact of idiosyncratic risk on firm value. While some degree of risk is inherent in any business operation, excessive idiosyncratic risk can deter investment, increase financing costs, and reduce overall firm value. This study seeks to examine how idiosyncratic risk affects firm value and whether dividend policy plays a moderating role in this relationship. Dividend policy is often seen as a signal of financial stability, and its interaction with firm-specific risks may provide insights into how companies can mitigate adverse effects and maintain investor confidence. Moreover, corporate governance has been widely recognized as a critical factor influencing firm performance. Strong governance structures, including board size, the presence of independent commissioners, and effective oversight by the board of commissioners, contribute to transparency, accountability, and better decision-making. However, the degree to which GCG

influences company evaluation and how dividend policy moderates this relationship remains an area that requires further empirical investigation. By exploring these dynamics, this study aims to provide a more comprehensive understanding of the mechanisms that drive firm value. Furthermore, Tobin's Q has become a widely recognized indicator of firm performance in both academic and professional contexts. It reflects how the market values a firm and is affected by a range of financial and non-financial elements. Investigating how idiosyncratic risk and corporate governance relate to Tobin's Q can provide valuable insights into strategies for improving market value and attracting investors. This is especially important in emerging economies, where corporate governance varies significantly and investor protection may not be as strong as in more developed markets.

Given the growing importance of sustainable and well-governed firms in today's global economy, this research is timely and highly relevant. The results of this research can add value to corporate finance literature, offer practical guidance for company leaders, and support investors in making well-informed choices. By highlighting the main factors influencing firm value and examining the moderating role of dividend policy, this study provides strategic insights for companies aiming to improve financial outcomes and attract investors.

2.9 Research Hypotheses

2.9.1 The effect of Idiosyncratic Risk on PBV (Price per Book Value)

Referring to agency theory, not all stakeholders have the same information as managers. One type of insider information is idiosyncratic risk. Idiosyncratic risk is often referred to as specific risk or unsystematic risk. This risk relates to internal factors within a company, such as liquidity, bankruptcy risk, and legal issues (Geno et al., 2023). While traditional finance theory often posits a negative relationship, recent research, such as the study by Li & Zhang (2021) on Chinese cross-listed companies, suggests that the relationship between idiosyncratic risk and stock price premium (a component of firm value) can be moderated by investor sentiment. Specifically, during periods of high investor sentiment, higher idiosyncratic risk might be associated with a stock price premium, indicating that investors are willing to pay more for stocks with greater firm-specific risk, potentially leading to a higher firm valuation..

H1: Idiosyncratic risk has a positive effect on PBV (Price per Book Value).

2.9.2 The effect of Corporate Governance on PBV (Price per Book Value)

In this study, corporate governance (GCG) is measured using board size, board of commissioners' size, and independent commissioners.

a. Board Size and PBV (Price per Book Value)

Board size indicates the total number of directors and represents the involvement of board members in overseeing the company's resource management. The board of directors plays a key role in boosting company

performance, distributing resources effectively, and increasing shareholder value. Research by Hersugondo & Aliyuna (2024) and Septiana & Aris (2023) indicates that board size has a positive effect on firm value.

The board of directors also plays a crucial role in addressing internal and external company issues. It is responsible for making strategic decisions regarding current and future corporate assets. A strong and effective board can create higher firm value by ensuring good corporate governance, clear strategic direction, proper risk management, and a positive corporate reputation.

H2: Board size of Directors has a positive effect on PBV (Price per Book Value).

b. Board of Commissioners Size and PBV (Price per Book Value)

The board of commissioners consists of all individuals overseeing the company, both internally and externally. Research by Hersugondo & Aliyuna (2024) suggests that a larger board of commissioners positively impacts firm value. A larger board enhances the effectiveness of monitoring management performance, reduces conflicts of interest, and prevents detrimental corporate decisions.

A larger board of commissioners provides additional capacity to identify and assess risks and opportunities. It also facilitates better relationships with external stakeholders, such as investors, business partners, and regulators. Although a larger board does not always guarantee increased

firm value, it can contribute positively through diversity, effective oversight, and the ability to manage business complexities.

H3: Board of commissioners has a positive effect on PBV (Price per Book Value).

c. Independent Commissioners and Firm value using PBV

Independent commissioners are individuals with no affiliation to shareholders, directors, or the board of commissioners and do not hold executive positions within the company or its audit committee. Research by Bakti Laksana & Handayani (2022) indicates that independent commissioners positively influence firm value. According to agency theory, a higher proportion of independent commissioners improves oversight and control over top management, enhancing monitoring functions and increasing firm value. Independent commissioners contribute positively by ensuring objective supervision and preventing conflicts of interest. Their presence promotes integrity and transparency in corporate governance, which boosts investor confidence and enhances firm value.

H4: Independent commissioners have a positive effect on PBV (Price per Book Value).

2.9.3 The effect of dividend policy on Firm value using PBV

Dividends have a significant impact on a company, as firms must choose between distributing profits to shareholders or retaining earnings for future business sustainability (Bangun, 2023). Regardless of whether a

company distributes dividends or not, dividends serve as a strengthening variable that enhances the relationship affecting firm value. According to (Lestari & Pangestuti, 2022), investors generally prefer companies that distribute dividends consistently. Dividend payments reflect a company's positive performance and encourage investor confidence. Companies that recognize this should strive to maintain or increase dividend payouts from year to year (Widyawati & Indriani, 2019). Therefore, dividend distribution can signal strong profitability and a stable financial condition.

However, regardless of whether a company pays large or small dividends, it does not necessarily guarantee investor confidence in the firm's value. Andrianto (2023) states that while dividend policy creates a positive perception of a company's condition, dividends should be viewed as a "sweetener" rather than a true reflection of the company's actual state. Some firms choose to retain earnings to allocate funds for research, development, and business improvements. For instance, manufacturing companies may reinvest their profits to expand warehouses, adopt modern technology, and enhance employee training. These efforts help create new products, improve production efficiency, and enhance product quality Patricia (2023). The fluctuating nature of dividend policies has sparked researchers' interest in examining how t he inconsistency of dividend payments can either strengthen or weaken the factors influencing firm value.

H5a: Dividends moderate the relationship between Idiosyncratic Risk and PBV (Price per Book Value).

H5b: Dividends moderate the relationship between Board Size and PBV (Price per Book Value).

H5c: Dividends moderate the relationship between Board of Commisaries and PBV (Price per Book Value).

H5d: Dividends moderate the relationship between independent commisioners and PBV (Price per Book Value).

2.9.4 The effect of Idiosyncratic Risk on firm value using Tobin's Q

Evidence suggests that higher idiosyncratic volatility often reflects active innovation efforts. A study by Jinpeng et al (2024) show that increases in R&D tax credits used as a proxy for R&D investment are followed by increased idiosyncratic volatility. A study by Xu & Sim (2018) using data from manufacturing industries in China and South Korea, found that firms with higher R&D investment had significantly higher Tobin's Q which indicates that the market rewards innovation spending by assigning greater firm value

H6: Idiosyncratic risk has a positive effect on Tobin's Q.

2.9.5 The effect of Corporate Governance Risk on Firm value using Tobin's Q

In this study, corporate governance (GCG) is measured using board size, board of commissioners' size, and independent commissioners

a. Board Size and Tobin's Q

Board size is a critical element of corporate governance that influences firm performance. Although larger boards can bring a variety of expertise, overly large boards may hinder effective decision-making due to potential

inefficiencies. García-Meca et al (2015) found that board diversity positively impacts bank performance, suggesting that an optimal board structure enhances firm value. In firms with strong governance, board size can contribute to higher Tobin's Q by improving transparency and oversight.

H7: Board size of directors has a positive effect on Tobin's Q.

b. Board of commissioners and Tobin's Q

The board of commissioners plays a crucial oversight role in ensuring good governance. Effective supervision helps align managerial actions with shareholder interests. Studies show that an independent and active board enhances firm value by reducing governance risks and increasing transparency (García-Meca et al., 2015). Firms with strong board oversight typically exhibit higher Tobin's Q due to boosted investor confidence and curtailed agency costs.

H8: Board of commissioners has a positive effect Tobin's Q.

c. Board of independent commissioner and Tobin's Q

Independent commissioners serve as an important governance mechanism by ensuring unbiased oversight. Empirical studies indicate that independent board members contribute positively to firm value by improving corporate decision-making and minimizing potential conflicts of interest. Their role in improving transparency and minimizing managerial opportunism contributes to a higher Tobin's Q. Studies have shown that an increased proportion of

independent commissioners leads to more effective and efficient monitoring, thereby enhancing firm value (Wijaya & Radianto, 2023). Additionally, research on consumer goods sector companies indicates that the number of independent commissioners significantly influences firm value (Wijaya & Radianto, 2023). These findings highlight the crucial role of independent commissioners in corporate governance and their impact on firm performance..

H9: Independent commissioners have a positive effect on Tobin's Q

2.9.6 The influence of dividend policy on Firm value using Tobins'Q

Dividend policy can serve as a stabilizing mechanism for firms experiencing high idiosyncratic risk. Studies show that dividend distributions can act as signals of a firm's financial stability to investors, which may help lessen the negative impact of certain risks on firm value. For instance, a study Rajverma (2024) suggests that dividend distributions can influence idiosyncratic risk and market liquidity, which are critical components of firm valuation. Furthermore, dividend payouts can enhance the positive effects of strong corporate governance by demonstrating financial discipline and reducing agency conflicts. Njoku & Lee (2024) found that firms with robust governance structures are more likely to implement dividend policies that align with shareholder interests, thereby potentially increasing firm value as measured by Tobin's Q .

H10a: Dividend policy moderates the relationship between idiosyncratic risk and Tobin's Q.

H10b: Dividend policy moderates the relationship between Board Size and Tobin's Q.

H10c: Dividend policy moderates the relationship between board of commisaries and Tobin's Q.

H10d: Dividend policy moderates the relationship between independent commisioners and Tobin's Q.

2.10 Theoretical Framework

The following is the theoretical framework used in this research

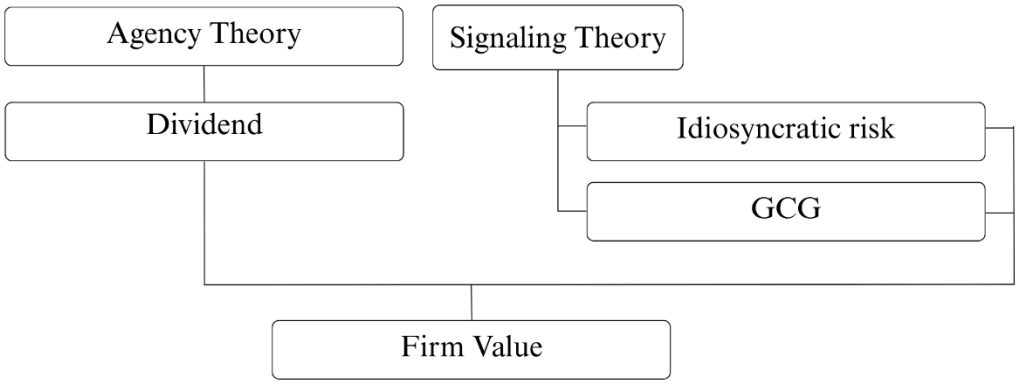


Figure 1. Theoritical Framework

2.11 Research Design

The following is the research design that serves as the basis for this study.

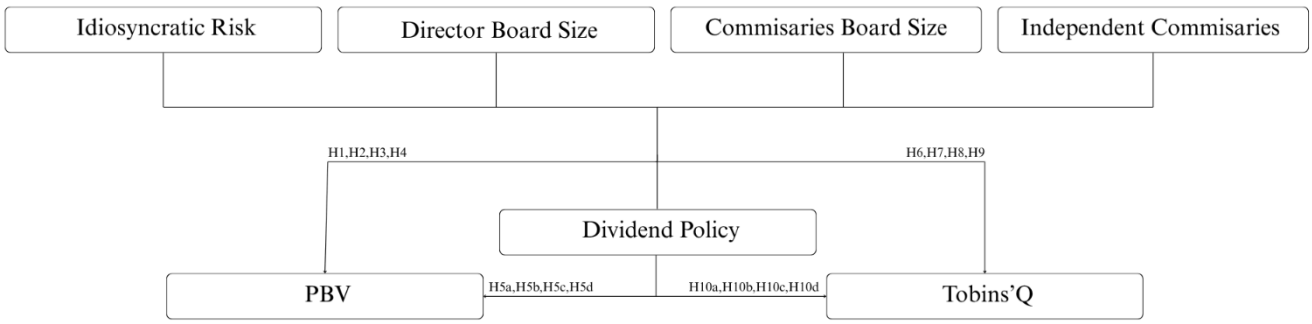


Figure 2. Research Design

BAB III

RESEARCH METHOD

3.1 Type and Research Approach

This study applies a quantitative method through panel data regression analysis. The analysis is conducted using secondary data gathered from the financial reports of companies listed on the IDX for the 2020–2024 period. This empirical research utilizes statistical tools to scrutinize the effects of multiple factors on firm value..

3.2 Population and Sample

The population in this research includes companies that were part of the Kompas 100 Index on the Indonesia Stock Exchange between 2020 and 2024. The sample represents a portion of this population, consisting of selected members. In other words, the sample includes certain elements from the population, but not all of them (Sekaran, U. and Bougie, 2020) The sample in this study is determined based on the following criteria:

1. Companies listed in the Kompas 100 Index on the Indonesia Stock Exchange during the 2020-2024 period because the Kompas 100 Index consists of actively traded companies with large market capitalization and high liquidity, making them relevant for analyzing firm value and governance variables..
2. Companies with consecutive positive equity or positive profits based on audited financial report data from 2020 to 2024 to ensure the selection of

financially viable and operational companies, and also supports gives positive signal to possible investors.

Based on these criteria, the final number of eligible samples for this study is determined after the filtering process and the removal of outliers.

3.3 Research Data

3.3.1 Type and Source of Data

The type of data used in this research are secondary datas. Secondary datas are data that are had already been collected, processed, and published and is not collected firsthand by researcher for their specific study. This study begins by using an estimation of 100 companies listed in the Kompas 100 index on IDX during the 2020-2024 period, data collected will consist of PBV, Total asset, Total equity, price per share, total debt, and total outstanding share. All data used in this research obtained from financial reports accessed on the each companies official website.

3.3.2 Data collection techniques

The data collection technique used in this study is the documentation technique. According to documentation is (Sekaran, U. and Bougie, 2020) a method used to obtain data and information in the form of books, archives, documents, writings, numbers, or images presented in reports and statements that can be used in research. This method ensures the accuracy and reliability of the data used for analysis. The collected data is then processed and analyzed

to test the research hypotheses.

3.4 Operational Definition of Variables

Variables are elements chosen by researchers to be studied in depth so that they can produce a conclusion. In this study, the variables used include dependent variables, independent variables, moderating variables, and control variables..

3.4.1 Dependent Variable

The dependent variable is one that is affected or determined by the presence of other variables (Sekaran, U. and Bougie, 2020). The dependent variable in this study is firm value. Firm value is proxied by the market-to-book value ratio (PBV) and Tobin's Q.

3.4.1.1 Market-to-book value ratio (PBV)

PBV is determined by dividing a company's stock market price per share by its book value of equity per share (Setiawan, 2022). The market-to-book value ratio reflects the market's assessment of a company's ability to utilize its capital to achieve business objectives. The more efficiently a company manages its capital, the greater its growth opportunity (Masril et al., 2022).

$$PBV = \frac{Market\ price\ per\ share}{Book\ value\ of\ equity\ per\ share} \qquad (1)$$

Equation 1.Price to book value ratio

Tobin's Q is one of the tools used to measure a company's value. A good

Tobin's Q value indicates favorable stock prices for investors, which in turn increases the firm's value. A higher Tobin's Q suggests that the company has better growth prospects (Sari & Sukmaningrum, 2020)

3.4.1.2 Tobins'Q

$$\text{Tobins}'\text{Q} = \frac{\text{Market value of Equity} + \text{Total debt}}{\text{Total Assets}} \quad (2)$$

Equation 2. Tobin's Q

3.4.2 Independent Variable

The independent variable is a variable that influences or causes changes in the dependent variable (Sekaran, U. and Bougie, 2020)

3.4.2.1 Idiosyncratic Risk

In this study, the independent variable used is idiosyncratic risk, which is a unique risk that affects only a single economic entity. The magnitude of idiosyncratic risk can be identified as the difference between total risk and systematic risk.

$$\text{Idiosyncratic Risk}_i = \text{STDEV}((R_{it} - R_{ft}) - (\alpha_i + \beta_i(R_{mt} - R_{ft}))) \quad (3)$$

Equation 3. Idiosyncratic risk

Explanation:

$\sigma_{\epsilon i}$ = *Idiosyncratic risk of stock i*

STDEV = Standard deviasi

R_{it} = Return saham *i* pada waktu *t*

R_{ft} = Return bebas risiko pada waktu *t*

α_i = Alpha saham *i*

β_i = Beta saham i

R_{mt} = Return pasar pada waktu t

3.4.2.2 Board Size (Directors)

Board of directors is composed of individuals who hold the power and duty to oversee a range of company-related functions. In this research, board size indicates the total number of directors and signifies their involvement in overseeing the utilization of company assets. Additionally, the board plays a crucial role in increasing shareholder value. (K. Khoirunnisa & Karina, 2021).

$$\text{Board Size} = \Sigma \text{ Board of Directors}$$

Equation 4. Board Size (Directors)

3.4.2.3 Board Size (Commisioner)

The board of commissioners is a management system that enables the optimization of the commissioners' role in implementing good governance. Good corporate governance encompasses the entire board of commissioners in a company, including internal, external, and independent commissioners (K. Khoirunnisa & Karina, 2021).

$$\text{Board Size} = \Sigma \text{ Board of Commisioners}$$

Equation 5. Board Size (Commisioner)

3.4.2.4 Independent Commisioners

Independent commissioners are individuals from a group of prominent

leaders who are not subsidiaries of the board of directors, hold distinct positions, and have no business or other affiliations that could influence the board (Septiana & Aris, 2023).

$$\text{Independent Commissioner} = \frac{\text{Number of Independent commisioner}}{\text{Total board of commisioner}} \; x\; 100\% \quad (6)$$

Equation 6. Independent Commissioner

3.4.3 Moderating variable

Dividend policy is a moderating variable that can be measured using the dividend payout ratio (DPR) or as a dummy variable (Mayasari et al., 2023). In this scenario we will be using Dummy variable as a moderating variable

Utilizing a dummy variable to represent dividend policy is a common practice in empirical research, especially when the focus is on the presence or absence of dividend payments rather than the amount. This approach simplifies the analysis and allows for the examination of the impact of dividend distribution decisions on firm performance or valuation. For instance, Nguyen et al. (2020) employed a dummy variable to indicate whether firms paid dividends, facilitating the analysis of factors influencing dividend policy decisions

Dummy Variabel : 0 (Does not distribute Dividend)

1 (Company distribute dividends)

Equation 7. Dividend Policy

3.4.4 Control variable

Control variables refer to variables that are regulated to ensure that the the association between the independent and dependent variables remains stable, without being influenced by other variables that are not the focus of the study (Wardita et al., 2021).

3.4.4.1 Firm Size

Firm size is defined as an indicator of how large or small a company's total assets are (Vilantika & Santoso, 2022). It is used as a control variable because it has a significant correlation with the dividend payout ratio. Larger firms tend to pay higher dividends, while smaller firms pay lower dividends (Widyawati & Indriani, 2019).

$$Firm\ size: Ln\ (Total\ Aset)$$

Equation 8. Firm Size

3.4.4.2 Debt to Equity Ratio

Capital structure (Debt to Equity Ratio or DER) represents the comparison between long-term debt and the company's equity, as reflected in the year-end financial statements. This variable is measured using the debt to equity ratio (DER) and is calculated using the following formula:

$$\text{DER} = \frac{\text{Total debt}}{\text{Total equity}} \qquad (9)$$

Equation 9. Debt to Equity Ratio

3.5 Analysis Method

The analysis utilizes Eviews 8 software and employs panel data regression

techniques to explore the relationships among variables. To identify the most appropriate model—whether Common Effect, Fixed Effect, or Random Effect—statistical tests such as the Chow Test, Hausman Test, and Lagrange Multiplier Test are carried out. Furthermore, classical assumption tests, including checks for multicollinearity and heteroscedasticity, are performed to validate the regression model.

1. The Chow test

   The Chow Test is a statistical technique applied in panel data regression to assess whether the Common Effect Model (CEM) or the Fixed Effect Model (FEM) better fits the dataset. To perform the Chow Test in EViews, first estimate the CEM by selecting "Quick" > "Estimate Equation," then input the regression equation (e.g., y c x1 x2 x3). In the "Panel Options" tab, ensure that both "Cross-section" and "Period" are set to "None." After estimating the CEM, proceed to estimate the FEM by selecting "Fixed" for the "Cross-section" option in the "Panel Options" tab. Once both models are estimated, then you can conduct the Redundant Fixed Effects Test through the Fixed/Random Effects Testing menu under the Fixed Effects testing option. The test results will display an F-statistic and a corresponding p-value. A significance level below 0.05 indicates that the null hypothesis should be rejected, indicating that the FEM is more suitable than the CEM for the data analyzed (Statiskian, 2017).

2. Hausman Test

   The Hausman Test is a statistical method used to identify whether the

fixed effects or random effects model is more suitable in panel data regression. In EViews, this test is conducted by first estimating both models. After estimating the random effects model, go to the equation window, click on "View," select "Fixed/Random Effects Testing," and choose "Correlated Random Effects – Hausman Test." The output will show the test results, including the p-value. A p-value below 0.05 indicates that the fixed effects model is more appropriate, whereas a p-value above 0.05 favors the use of the random effects model (Statiskian, 2017).

3. Langrange Multiplier test

The Lagrange Multiplier Test, also known as the Lagrangian Multiplier Test, is employed in panel data regression to determine the most appropriate estimation method between the common effect model and the random effect model. This test becomes particularly relevant under two conditions: first, when the Chow Test indicates that the common effect model is preferable over the fixed effect model, necessitating further evaluation to decide between the CE and RE models; second, when the Hausman Test suggests that the RE model is superior to the FE model, prompting an ensuing assessment to confirm if the RE model is indeed more suitable than the CE model (Statiskian, 2017).

To conduct the Lagrange Multiplier Test in EViews, begin by estimating the common effect model. Once this model is estimated,

navigate to the equation window, click on "View," then select "Fixed/Random Effects Testing," and choose "Omitted Random Effects – Lagrange Multiplier." EViews will present the test results along with the p-value. A p-value below 0.05 suggests that the random effects model is more suitable than the common effects model. This testing process helps ensure that the selected model fits the data structure properly, thereby improving the accuracy and reliability of the regression analysis results (Statiskian, 2017).

The classical assumption tests conducted include the multicollinearity test and heteroscedasticity test. The regression equation models formed consist of sixteen equations :

$PBV = \beta_0 + \beta\ Idiosyncratic\ Risk + \mu + \lambda + \varepsilon$

$PBV = \beta_0 + \beta\ Board\ Size\ (Directors) + \mu + \lambda + \varepsilon$

$PBV = \beta_0 + \beta\ Board\ Size\ (Commisioners) + \mu + \lambda + \varepsilon$

$PBV = \beta_0 + \beta\ Independent\ Commissioners + \mu + \lambda + \varepsilon$

$PBV = \beta_0 + \beta\ Idiosyncratic\ Risk + \beta\ Dividend\ Policy + \beta\ (Idiosyncratic\ Risk \times Dividend\ Policy) + \mu + \lambda + \varepsilon$

$PBV = \beta_0 + \beta\ Board\ Size\ (Directors) + \beta\ Dividend\ Policy + \beta\ (Board\ Size\ (Directors) \times Dividend\ Policy) + \mu + \lambda + \varepsilon$

$PBV = \beta_0 + \beta\ Board\ Size\ (Commisioners) + \beta\ Dividend\ Policy + \beta\ (Board\ Size\ (Commisioners) \times Dividend\ Policy) + \mu + \lambda + \varepsilon$

$PBV = \beta_0 + \beta\ \beta\ Independent\ Commissioners + \beta\ Dividend\ Policy + \beta\ (Board\ Size\ (Commisioners) \times Dividend\ Policy) + \mu + \lambda + \varepsilon$

$$Tobin's\ Q = \beta_0 + \beta\ Idiosyncratic\ Risk + \mu + \lambda + \varepsilon$$

$$Tobin's\ Q = \beta_0 + \beta\ Board\ Size + \mu + \lambda + \varepsilon$$

$$Tobin's\ Q = \beta_0 + \beta\ Board\ of\ Commissioners + \mu + \lambda + \varepsilon$$

$$Tobin's\ Q = \beta_0 + \beta\ Independent\ Commissioners + \mu + \lambda + \varepsilon$$

$$Tobin's\ Q = \beta_0 + \beta\ Idiosyncratic\ Risk + \beta\ Dividend\ Policy + \beta\ (Idiosyncratic\ Risk \times Dividend\ Policy) + \mu + \lambda + \varepsilon$$

$$Tobin's\ Q = \beta_0 + \beta\ Board\ Size\ (Directors) + \beta\ Dividend\ Policy + \beta\ (Board\ Size\ (Directors) \times Dividend\ Policy) + \mu + \lambda + \varepsilon$$

$$Tobin's\ Q = \beta_0 + \beta\ Board\ Size\ (Commisioners) + \beta\ Dividend\ Policy + \beta\ (Board\ Size\ (Commisioners) \times Dividend\ Policy) + \mu + \lambda + \varepsilon$$

$$Tobin's\ Q = = \beta_0 + \beta\ \beta\ Independent\ Commissioners + \beta\ Dividend\ Policy + \beta\ (Board\ Size\ (Commisioners) \times Dividend\ Policy) + \mu + \lambda + \varepsilon$$

Equation 10. Regression Equation Model

Explanation :

Firm Value = The value of the firm

Tobin's Q = Tobin's Q ratio as a measure of firm value

Idiosyncratic Risk = Idiosyncratic risk, which is firm-specific risk that cannot be diversified

Board Size (Directors) = The size of the board of directors, representing the number of directors in the company

Board Size (Commisaries)= The board of commissioners, representing the number of commissioners in the company

Independent Commissioners = Independent commissioners, the number of commissioners with no vested interest in the company

Corporate Governance = Corporate governance, the system and policies that regulate the company

Dividend Policy = Dividend policy, the company's strategy for distributing profits to shareholders

β_0 = The intercept or constant in the regression

β = The regression coefficient, indicating the effect of the independent variable on the dependent variable

(Idiosyncratic Risk × Dividend Policy) = Interaction between X1 Idio with moderating variable

(Corporate Governance × Dividend Policy) = Interaction between X2,X3,X4 with moderating variable

μ = Firm-specific individual effects (individual fixed effects)

λ = Time effects (time fixed effects)

ε = Error term or residual

3.5.1 Descriptive Statistics

Descriptive statistics is an analytical technique used to present a summary of data in the form of descriptions without drawing general conclusions.(Sugiyono, 2016). Descriptive statistics can be used to describe the condition of a sample without drawing conclusions.

.

3.5.2 Classical Assumption Test

In Classic assumption test it needs to be noted that in panel data analysis,

the choice between Random Effects (RE), Fixed Effects (FE), and Common Effects (CE/Pooled OLS) models determines whether classical assumption tests must be rigorously applied.

Therefore if the selected model is Common Effects (CE/Pooled OLS) or Fixed Effects (FE), classical assumption testing is essential. The CE model treats panel data as a single cross-section, making it highly sensitive to heteroscedasticity, serial correlation, and omitted variable bias (Hsiao, 2022). Conversely if the model selection process favors a Random Effects specification, many classical assumption tests become less critical because RE models use Generalized Least Squares (GLS), which inherently accounts for unobserved heterogeneity through a composite error structure (Wooldridge, 2010; Baltagi, 2021). The RE framework assumes that individual-specific effects are uncorrelated with regressors, reducing the need for strict exogeneity and homoscedasticity checks (Greene, 2018)

1. Normality Test

   This test is used to evaluate whether the residuals are normally distributed. A dependable regression model requires residuals to follow a normal distribution. The One Sample Kolmogorov-Smirnov test is applied to check this condition. The decision rule relies on the significance value (Asym Sig 2-tailed): if it is greater than 0.05, the residuals are considered normally distributed; if it is less than 0.05, the residuals are considered not normally distributed. (Mardiatmoko, 2020).

2. Multicollinearity Test

Multicollinearity is a condition where there is a high linear correlation among independent variables in a regression model, potentially affecting the accuracy of coefficient estimation. To test for multicollinearity, the Tolerance Value and Variance Inflation Factor (VIF) are evaluated. The data is regarded as free from multicollinearity if the VIF is below 10 and the tolerance value exceeds 0.1. An ideal regression model should not exhibit strong correlations among its independent variables. (Ghozali, 2018).

3. Heteroscedasticity Test

Heteroscedasticity occurs when the residuals in a regression model exhibit unequal variance across different levels of the independent variables. To test for heteroscedasticity, the Glejser Test can be used. This test is conducted by regressing the independent variables against the absolute value of the residuals. Residuals indicate the gap between observed and predicted Y values, with absolute values used to ensure all differences are treated as positive magnitudes. Heteroscedasticity is considered absent when the significance between the independent variables and the absolute residuals exceeds 0.05 (Mardiatmoko, 2020).

3.5.3 Hypotheses Testing

H_{o1}: Idiosyncratic risk do not effect firm value using PBV.

H_{a1}: Idiosyncratic risk has a negative effect on firm value using PBV.

H_{o2}: Board size do not effect firm value using PBV.

H_{a2}: Board size has a positive effect on firm value using PBV.

H_{o3}: Board of commissioners do not effect firm value using PBV.

H_{a3}: Board of commissioners' has a positive effect on firm value using PBV.

H_{o4}: Independent commissioners do not effect firm value using PBV.

H_{a4}: Independent commissioners have a positive effect on firm value using PBV.

H_{o5}a: Dividend policy does not moderate the relationship between idiosyncratic risk and firm value using PBV.

H_{a5}a: Dividend policy moderates the correlation between idiosyncratic risk and firm value using PBV.

H_{o5}b: Dividend policy does not moderate correlation between the size of the board of directors and firm value. using PBV.

H_{a5}b: Dividend policy moderates the correlation between board size (directors) and firm value using PBV.

H_{o5}c: Dividend policy does not moderate the correlation between board size (commissaries) and firm value using PBV.

H_{a5}c: Dividend policy moderates the correlation between board size (commisaries) and firm value using PBV.

H_{o5}d: Dividend policy does not moderate the correlation between independent commisaries and firm value using PBV.

H_{a5}d: Dividend policy moderates the correlation between board size (commisaries) and firm value using PBV.

H_{o6}: Idiosyncratic risk do not effect on Firm value using Tobin's Q.

H_{a6}: Idiosyncratic risk has a negative effect o Firm value using n Tobin's Q.

H_{o7}: Board size do not effect on Firm value using Tobin's Q.

H_{a7}: Board size has a positive effect on Firm value using Tobin's Q.

H_{o8}: Board of commissioners' size do not effect on Firm value using Tobin's Q.

H_{a8}: Board of commissioners' has a positive effect on Firm value using Tobin's Q.

H_{o9}: Independent commissioners have no effect on Firm value using Tobin's Q.

H_{a9}: Independent commissioners have a positive effect on Firm value using Tobin's Q.

H_{o10}a: Dividend policy does not moderate the relationship between idiosyncratic risk and Firm value using Tobin's Q.

H_{a10}a: Dividend policy moderates the relationship between idiosyncratic risk and Firm value using Tobin's Q.

H_{o10}b: Dividend policy does not moderate the relationship between board size (directors) and Firm value using Tobin's Q.

H_{a10}b: Dividend policy moderates the relationship between board size (directors) and Firm value using Tobin's Q.

H_{o10}c: Dividend policy does not moderate the relationship between board size (commisaries) and Firm value using Tobin's Q.

$H_{a10}c$: Dividend policy moderates the relationship between board size (commisaries) and Firm value using Tobin's Q.

$H_{o10}d$: Dividend policy does not moderate the relationship between independent commisaries and Firm value using Tobin's Q.

$H_{a10}d$: Dividend policy moderates the relationship between independent commisaries and Firm value using Tobin's Q.

BAB IV

RESULT AND DISCUSSION

4.1 Descriptive Statistics and Model Selection

Descriptive statistics variable in research is as follows

Table 2. Descriptive Statistics

Variable	Mean	Median	Maximum	Minimum	N
PBV	2.753096	1.343337	148.8112	0.151508	220
TOBINS'Q	1.707635	1.374170	7.371670	0.009182	220

IDIO	0.328966	0.293168	1.188082	0.000000	220
BOARD SIZE	5.881818	6.000000	11.00000	2.000000	220
BOARD COM	3.304545	3.000000	11.00000	1.000000	220
INDP COM	0.415921	0.400000	0.833333	0.000000	220
FIRMSIZE	30.66876	30.87698	37.09410	27.30214	220
DER	2.147205	0.857015	192.5623	0.000235	220
DIVIDEND POLICY	0.750000	1.000000	1.000000	0.000000	220

Source : Data processed (2025)

Descriptive Statistics result :

1. The descriptive statistics for X1 (Idiosyncratic Risk) show an average of 0.329, a middle of 0.293, a highest of 1.188, a lowest of 0.000. The total number of observations is 220.
2. The descriptive statistics for X2 (Board Size – Directors) show an average of 5.882, a middle of 6.000, a highest of 11.000, a lowest of 2.000. The total number of observations is 220.
3. The descriptive statistics for X3 (Board Size – Commissioners) show an average of 3.305, a middle of 3.000, a highest of 11.000, a lowest of 1.000. The total number of observations is 220.
4. The descriptive statistics for X4 (Independent Commissioners) show an average of 0.416, a middle of 0.400, a highest of 0.833, a lowest of 0.000. The total number of observations is 220.
5. The descriptive statistics for PBV show an average of 2.753, a middle of 1.343, a highest of 148.811, a lowest of 0.151. The total number of observations is 220.
6. The descriptive statistics for Tobin's Q show an average of 1.708, a middle of 1.374, a highest of 7.372, a lowest of 0.009. The total

number of observations is 220.

7. The descriptive statistics for FIRMSIZE show an average of 30.669, a middle of 30.877, a highest of 37.094, a lowest of 27.302. The total number of observations is 220.
8. The descriptive statistics for DER show an average of 2.147, a middle of 0.857, a highest of 192.562, a lowest of 0.000. The total number of observations is 220.
9. The descriptive statistics for Dividend Policy show an average of 0.750, a middle of 1.000, a highest of 1.000, a lowest of 0.000,. The total number of observations is 220

Subsequently, the results of the model selection tests (Chow test, Lagrange Multiplier test, and Hausman test).

Table 3. Model Selection

1st Model (PBV)		
Test	**p-value**	**Decision**
Chow-Test	0,0000	FE
Hausman-Test	0,1170	RE
Lagrange Multiplier-Test	0,0000	RE
	Model Chosen	**RE**
2nd Model (Tobins'Q)		
Test	**p-value**	**Decision**
Chow-Test	0,0000	FE
Hausman-Test	0,7789	RE
Lagrange Multiplier-Test	0,0000	RE
	Model Chosen	**RE**

Source : Data Processed (2025)

The Chow test, Lagrange Multiplier test, and Hausman test indicate that the most appropriate model for testing the hypothesis in the first and second

model 2 is the Random Effect Model (REM), therefore we will not do classic assumption test. After nowing the appropriate model now we can do Hypoteses testing through F-test (simultaneous), T-test (partial), and determination analysis (Adjusted R square analysis)

4.2 Panel Data Regression Output and Hypotheses Result

Table 4. Regression Output PBV

Variables	p-value	Coef	F-Statistics	Adj R Square	std error	Sig 5%	Sig 10%	Acc/Reject	Remark
X1 Idio	0,08	0,91	834,34	0,95	0,67	Rejected	Accepted	Accepted	H1 (✓)
X2 Board Size	0,24	0,07	834,34	0,95	0,10	Rejected	Rejected	Rejected	H2 (**x**)
X3 Com	0,47	-0,00	834,34	0,95	0,12	Rejected	Rejected	Rejected	H3 (**x**)
X4 Ind Com	0,29	-0,76	834,34	0,95	1,4	Rejected	Rejected	Rejected	H4 (**x**)
X1 Moderated	0,47	-0,80	834,34	0,95	1,5	Rejected	Rejected	Rejected	H5a (**x**)
X2 Moderated	0,83	0,17	834,34	0,95	0,2	Rejected	Rejected	Rejected	H5b (**x**)
X3 Moderated	0,57	0,74	834,34	0,95	0,008239	Rejected	Rejected	Rejected	H5b (**x**)
X4 Moderated	0,07	5,10	834,34	0,95	3,091214	Rejected	Accepted	Rejected	H5b (✓)

Source : Processed Data (2025)

P-value for independent variable uses one tailed p-value, and for the rest uses two tailed. From this result of regression and testing table we are able to pull the conclusion as follows :

1. (H1) The variable Idiosyncratic Risk (X1) produced a one-tailed significance of 0.08 along with a positive coefficient. Thus, the hypothesis proposing a positive influence of idiosyncratic risk on firm value (PBV) is statistically supported.
2. (H2) The Board Size of Directors (X2) resulted in a one-tailed

significance of 0.24 with a positive coefficient, indicating that the hypothesis of a positive effect of board size on firm value (PBV) lacks statistical support.

3. (H3) The Board of Commissioners (X3) presented a one-tailed significance of 0.47 and a negative coefficient. Therefore, the hypothesis suggesting a positive relationship between commissioner board size and firm value (PBV) is not statistically supported.
4. (H4) Independent Commissioners (X4) showed a one-tailed significance of 0.29 and a negative coefficient. This implies that the hypothesis proposing a positive impact of independent commissioners on firm value (PBV) is not supported, and the observed effect runs contrary to the expectation.
5. (H5a) The interaction term involving dividends and idiosyncratic risk resulted in a two-tailed significance of 0.47, indicating that the moderating role of dividends in the relationship between idiosyncratic risk and firm value (PBV) is not statistically confirmed.
6. (H5b) The interaction between Board Size of Directors (X2 × Dividend) showed a two-tailed significance of 0.83. This means that the hypothesis stating that dividends moderate the effect of board size on firm value (PBV) is not supported.
7. (H5c) The interaction term Board of Commissioners (X3 × Dividend) showed a two-tailed significance of 0.57, suggesting that the hypothesis of dividend policy moderating the connection between commissioner

board size and firm value (PBV) is not supported by the data.

8. (H5d) The interaction of Independent Commissioners (X4 × Dividend) generated a two-tailed significance of 0.07. Therefore, the hypothesis that dividends moderate the relationship between the proportion of independent commissioners and firm value (PBV) is statistically supported.
9. The F-statistic value of 834.34 with a significance of 0.0000 leads to the rejection of the null hypothesis that all slope coefficients are simultaneously equal to zero. This confirms that the regression model is statistically significant in explaining variations in firm value (PBV).
10. The Adjusted R-squared of 0.95 indicates that the model explains approximately 95% of the variability in firm value (PBV), after accounting for the number of predictors. This reflects an excellent fit of the model to the observed data.

Table 5. Regression Output Tobins'Q

Variables	p-value	Coef	F-Statistics	Adj R Square	std error	Sig 5%	Sig 10%	Acc/Reject	Remark
X1 Idio	0,05	0,48	4,80	0,94	0,67	Rejected	Accepted	Accepted	H1 (✓)
X2 Board Size	0,42	-0,00	4,80	0,94	0,10	Rejected	Rejected	Rejected	H2 (**x**)
X3 Com	0,21	-0,04	4,80	0,94	0,14	Rejected	Rejected	Rejected	H3 (**x**)
X4 Ind Com	0,36	0,21	4,80	0,94	1,4	Rejected	Rejected	Rejected	H4 (**x**)
X1 Moderated	0,12	-1,04	4,80	0,94	0,67	Rejected	Rejected	Rejected	H5a (**x**)
X2 Moderated	0,43	-0,09	4,80	0,94	0,12	Rejected	Rejected	Rejected	H5b (**x**)
X3 Moderated	0,93	-0,04	4,80	0,94	0,19	Rejected	Rejected	Rejected	H5b (**x**)

X4 Moderated	0,08	2,46	4,80	0,94	1,43	Rejected	Accepted	Accepted	H5b (✓)

Source : Processed Data (2025)

The result of P-value for independent variable uses one tailed p-value, and for the rest uses two tailed. From this result of regression and testing table we are able to pull the conclusion and argumentation as shown below.

1. (H6) The variable Idiosyncratic Risk (X1) produced a one-tailed significance of 0.05 and a positive coefficient. Thus, the hypothesis proposing a positive influence of idiosyncratic risk on firm value (Tobin's Q) is statistically supported at the 10% significance level.
2. (H7) The Board Size of Directors (X2) resulted in a one-tailed significance of 0.42 and a positive coefficient, indicating that the hypothesis of a positive effect of board size on firm value (Tobin's Q) is not statistically supported.
3. (H8) The Board of Commissioners (X3) presented a one-tailed significance of 0.21 and a positive coefficient. Therefore, the hypothesis suggesting a positive relationship between commissioner board size and firm value (Tobin's Q) is not statistically supported.
4. (H9) Independent Commissioners (X4) showed a one-tailed significance of 0.36 and a positive coefficient. This implies that the hypothesis proposing a positive impact of independent commissioners on firm value (Tobin's Q) is not statistically supported.
5. (H10a) The interaction of Idiosyncratic Risk × Dividend resulted in a two-tailed significance of 0.12, The role of dividend policy in the

connection between idiosyncratic risk and firm value (Tobin's Q) is not statistically supported.

6. (H10b) The interaction between Board Size of Directors (X2 × Dividend) showed a two-tailed significance of 0.43. This means that the hypothesis stating that dividend policy moderates the effect of board size on firm value (Tobin's Q) is not supported.
7. (H10c) The interaction term Board of Commissioners (X3 × Dividend) showed a two-tailed significance of 0.93, suggesting that the hypothesis of dividend policy moderating the relationship between commissioner board size and firm value (Tobin's Q) is not supported by the data.
8. (H10d) The interaction of Independent Commissioners (X4 × Dividend) generated a two-tailed significance of 0.08. Therefore, the hypothesis that dividend policy moderates the connection between the proportion of independent commissioners and firm value (Tobin's Q) is statistically supported.
9. The F-statistic value of 4.80 with a significance of 0.0000 leads to the rejection of the null hypothesis that all slope coefficients are simultaneously equal to zero. This confirms that the regression model is statistically significant in explaining variations in firm value (Tobin's Q).
10. The Adjusted R-squared of 0.94 indicates that the model explains approximately 94% of the variability in firm value (Tobin's Q), after accounting for the number of predictors. This reflects an excellent fit of

the model to the observed data.

From the result above, we can further analyze the reason behind these results. Starting from (H1) the results of the regression analysis shows significant positive effect on firm value as measured by PBV, thus supporting H1. It can be argued that this result is due to investor sentiment where investors may perceive idiosyncratic risk as an opportunity to achieve abnormal returns, especially during periods of heightened market optimism. In such conditions, rather than avoiding firm-specific volatility, investors may be drawn toward it, leading to higher stock valuations and an increase in firm value which align with previous findings by (Li & Zhang, 2021)

For the second hypotesis (H2) it shows that board size do not have a significant effect on firm value as measured by PBV, thereby rejecting H2. This outcome contradicts the expectations derived from agency theory and prior studies, such as (Hersugondo & Aliyuna, 2024) and (Septiana & Aris, 2023) which suggested that a larger board of directors contributes to better strategic decision-making and oversight, ultimately enhancing firm value. It can be argued that this result is due to the presence of additional directors may not always equate to better governance outcomes. The influence of a board may be determined more by the members' expertise, independence, and level of engagement than by their number which is supported by (Wardhani et al., 2021) who found that board-related governance variables had no significant impact on firm value in their study of consumer goods firms. Therefore, it is likely that board effectiveness, rather than board size,

plays a more critical role in determining firm value.

For the third Hypotesis (H3) The regression analysis indicates that the size of the board of commissioners does not have a significant impact on firm value as measured by PBV, resulting in the rejection of H3 which relcontradicts previous findings as those by Hersugondo & Aliyuna (2024), who argued that a larger board of commissioners strengthens supervisory functions and reduces managerial opportunism, thereby enhancing firm value. It can be argued that this result showed that larger boards do not always translate to more effective oversight. In practice, coordination among a larger number of commissioners may become inefficient, and the quality of monitoring may decline if members lack sufficient independence or expertise as highligthed by García-Meca et al (2015) the effectiveness of corporate governance mechanisms often depends more on the functional contribution of board members than on their quantity. Additionally, (Wardhani et al., 2021) found similar results in the Indonesian context, where board structures like the board of commissioners did not significantly influence firm value. This could be due to formalistic governance structures where the board exists more for regulatory compliance than for active strategic involvement.

For the result of (H4) it indicates that the proportion of independent commissioners does not have a significant effect on firm value as measured by PBV, thereby rejecting H4. This result can argued is due to the mere presence of independent commissioners is not sufficient to impact firm

value. As noted by Kyere & Ausloos (2020) where the effectiveness of independent commissioners largely depends on their actual influence, independence, industry knowledge, and level of engagement, not just their formal appointment. This result is also further reinforced (Wardhani et al., 2021) which revealed that independent governance mechanisms such as commissioners and audit committees do not significantly influence firm value within the consumer goods industry.

The result of (H5a) shows that dividend policy does not significantly moderate the relationship between idiosyncratic risk and firm value (PBV), thereby rejecting H5a. It can be argued that this is due to investors not relying heavily on dividend signals when assessing firms with high idiosyncratic risk, which is also consistent with the findings of (Mayasari et al., 2023) who also observed that idiosyncratic risk did not significantly moderate the impact of investment-related variables on dividend policy.

The results of (H5a, H5b, and H5c) shows that dividend policy fails to moderate the relationship between board size (H5b) and commissioners size (H5c) with firm value (PBV), while it successfully moderates the relationship between independent commissioners (H5d) and PBV. This divergence suggests that not all GCG structures are equally perceived in their effectiveness by the market. In the cases of H5b and H5c, board size and commissioners size may represent formal or structural governance, but not necessarily functional or strategically influential governance. In contrast, the proportion of independent commissioners (H5d) reflects

qualitative governance strength such as independence, objectivity, and investor protection which is more likely to interact meaningfully with dividend policy as a signal of transparency and accountability, this is supported by a research by Kyere & Ausloos (2020), where it states that the effectiveness of corporate governance mechanisms depends more on the independence and active participation of board members rather than the number of individuals involved. Therefore, the significance of H5d may stem from how independent commissioners represent a more trustworthy, investor-focused governance mechanism, making dividend policy a more effective enhancer of its influence on firm value. Meanwhile, the insignificance of H5b and H5c underscores that without perceived effectiveness, GCG structures alone do not create synergy with dividend policy.

The result of (H6) indicates that idiosyncratic risk has a positive and statistically significant effect at the 10% level, thereby supporting H6.This can be argued that it is caused by investor sentiment which drives the preference of idiosyncratic risk especially during optimistic market conditions. In such cases, investors are more likely to chase stocks with high firm-specific volatility in anticipation of outsized gains. Since Tobin's Q is a market-based valuation metric, it is particularly responsive to this sentiment driven behavior (Li & Zhang, 2021).

The result of (H7) indicates that board size of director does not have a statistically significant effect on firm value as measured by Tobin's Q. This

align with previous research by Rahman et al (2025) and Audrey et al (2024) who found that no significant impact of board size on firm value within financial sector firms listed on the IDX. Likewise, Yusbardini & Andani (2025) reported that board size does not significantly affect firm value in manufacturing companies, particularly when financial performance mediates the relationship. Therfore it can be argued that board quality and engagement may matter more to the market than mere board size alone.

For the result of (H8) Indicates that the board of commissioners does not have a statistically significant effect on firm value therefore rejecting H8. This align with previous findings by Audrey et al (2024) who examined governance characteristics of state-owned infrastructure firms in Indonesia and found that board size and the board of commissioners did not significantly affect firm value, and argued that the reason for this is that there are other factor which is more impactful such as audit committee effectiveness, director background, and education.

The result of (H9) indicates that independent commissioners do not have a statistically significant effect on firm value therefore rejecting H9. Silviana & Widoatmodjo (2021), who studied Indonesian manufacturing firms and concluded that board independence had no significant impact on Tobin's Q when not accompanied by strong internal governance mechanisms such as audit committee effectiveness or active board participation. Therefore can be argued that governance quality and active oversight matter more than formal compliance where Tobin's Q appear to

favor the functional effectiveness of governance particularly oversight quality over superficial metrics like the proportion of independent commissioners.

The result of (H10a) indicate that dividend policy does not significantly moderate the relationship between idiosyncratic risk and firm value which align with Mayasari et al (2023) who found that although idiosyncratic risk is closely examined by investors in Indonesia, dividend policy did not significantly change investment behavior or valuation outcomes once risk was already priced in. Investors seem to respond directly to firm-specific risk, regardless of dividend distributions.It can be argued that this result is due to how investors respond more directly to firm-specific volatility than to dividend decisions, rendering dividend policy an ineffective buffer in mitigating the perception of risk (Hur & Yang, 2024)

The result of (H10b,H10c,H10d) shows all proxies of Good Corporate Governance being rejected except for H10d. It can be theorized, that this result is due to the limitations of structural governance elements that lack actual functional influence. A large board size, for instance, may not necessarily improve decision-making or enhance firm value; in some cases, it may even cause inefficiencies due to coordination problems and diluted accountability. Similarly, the existence of a board of commissioners alone may not reflect effective oversight if its members are passive or lack independence. In contrast, independent commissioners provide genuine oversight and enhance the credibility of dividend policy, improving investor

trust when dividends are declared. This differential effect is supported by recent research by which analyzed 45 non-financial firms listed on the Indonesian Stock Exchange and found that independent commissioners and dividend policy both had positive, albeit statistically insignificant, effects on firm value but crucially highlighted that board independence contributes more to firm value when governance signals like dividends are present.

4.3 Theoritical and Practical Implications

4.3.1 Theoritical Implications

This research makes a significant theoretical contribution by expanding our understanding of the relations of idiosyncratic risk, GCG, with firm value, particularly within the context of emerging markets like Indonesia. The finding that idiosyncratic risk positively influences firm value supports investor sentiment theory and related literature, which posit that firm-specific risk can be perceived as an indicator of future growth potential and innovation. This aligns with the view that investors don't always avoid high risk if that risk is associated with greater potential returns. Furthermore, this study enriches the theoretical discourse on the role of corporate governance by demonstrating that not all governance elements significantly impact firm value. For instance, the proportion of independent commissioners proved significant, whereas the size of the board of directors and commissioners did not. This highlights the need for a more selective approach when evaluating the effectiveness of governance mechanisms in creating firm

value. Additionally, these research findings strengthen the relevance of substitution theory in explaining how dividend policies are used to compensate for weak corporate governance practices, thereby enriching the body of corporate finance theory within the domestic capital market domain..

4.3.2 Prcatical Implications

The findings of this research offer several relevant practical implications for various stakeholders. For company management, the discovery that idiosyncratic risk can positively influence firm value suggests that strategic decisions involving innovation or differentiation need to be managed and communicated transparently to investors. Risks stemming from decisions like R&D investments, product development, or market expansion don't always need to be minimized; instead, they can be a positive signal when accompanied by clear growth potential. Furthermore, the finding that not all dimensions of corporate governance significantly impact firm value guides managers to focus their attention on the most impactful governance aspects, such as the effectiveness of independent commissioners in their oversight role. For investors, these research results can be a consideration when evaluating companies. A large board structure doesn't necessarily reflect added value if it's not balanced with strong oversight functions. Additionally, high dividend policies need to be understood critically because, in the context of weak governance, dividends can be used as

a tool to improve investor perception of the company. Meanwhile, for regulators and policymakers, these results highlight the need to improve the quality of oversight and enforcement of governance principles, and to encourage transparency in dividend policies so they aren't misused as a means of manipulating market perception.

BAB V

CONCLUSION

5.1 Conclusion

This study investigated the impact of idiosyncratic risk and corporate governance on firm value, as measured by Price-to-Book Value (PBV) and Tobin's Q, while also examining the moderating role of dividend policy. Utilizing panel data from Indonesian Kompas 100 companies between 2020 and 2024, the findings revealed that idiosyncratic risk has a significant positive effect on firm value, both when measured by PBV and Tobin’s Q. This indicates that firm-specific risks may be perceived by investors as opportunities for higher returns, particularly in dynamic or innovative industries.

While traditional corporate governance variables such as board size and board

of commissioners' size did not show direct significant effects on firm value, the study found that independent commissioners can significantly enhance firm value when moderated by dividend policy. Specifically, the interaction between independent commissioners and dividend policy was found to be significant in both valuation models, suggesting that governance structures become more effective when accompanied by consistent dividend payouts. This highlights the signaling role of dividends in reinforcing the credibility and effectiveness of corporate oversight.

These results contribute to the growing body of research on corporate governance and firm performance in emerging markets, suggesting that firm-specific risks and credible financial policies may play a more central role in driving market valuation than static governance structures alone. Future research is encouraged to explore more dynamic and context-specific indicators of governance quality, and to incorporate qualitative dimensions that capture how governance practices are perceived and implemented in diverse economic settings.

5.2 Research Limitations

This study has several limitations that should be acknowledged. First, the sample is limited to companies listed in the Kompas 100 Index during the 2020 to 2024 period. While these companies are among the most liquid and well-established, the findings may not be applicable to smaller firms or those in less active sectors of IDX. Second, the measurement of certain variables such as corporate governance, which is assessed through board size and independent

commissioners, and dividend policy, which is categorized using a dummy variable, may not fully capture the qualitative aspects or deeper strategic decisions involved. These proxies simplify complex constructs, which might limit the depth of the analysis. Lastly, the research does not account for broader macroeconomic factors such as inflation, interest rates, and market volatility that could also impact firm value. Including such external variables in future studies could help provide a more comprehensive understanding of what influences corporate performance.

5.3 Suggestions

Based on the findings and limitations of this study, several suggestions are offered for future research and practical application. First, future researchers are encouraged to expand the scope of the sample beyond companies listed in the Kompas 100 Index to include small- and mid-cap firms or companies from different sectors. This would allow for broader generalization and a better understanding of how firm value is influenced across various business environments.

Future studies should incorporate more comprehensive and qualitative indicators of corporate governance. Variables such as board diversity, ownership structure, audit quality, and managerial experience may provide deeper insights into the mechanisms through which governance affects firm value. Similarly, measuring dividend policy using continuous ratios or analyzing the consistency of dividend payments over time could offer a more nuanced perspective than binary classifications.

Third, the inclusion of external macroeconomic factors such as inflation, exchange rates, and interest rates would enhance the robustness of future analyses. These variables may interact with firm-level characteristics and investor sentiment in ways that shape market valuation, particularly in emerging markets like Indonesia.

Lastly, practitioners and corporate decision-makers should recognize the significance of idiosyncratic risk and the role of independent commissioners in enhancing firm value, especially when supported by consistent dividend policies. Strengthening transparency, risk management, and credible financial signaling can help firms attract investor confidence and improve their market valuation.

REFERENCES

Adjani, M. G. D. A., & Parinduri, A. Z. (2022). PENGARUH STUKTUR MODAL, PROFITABILITAS, UKURAN PERUSAHAAN, DAN STRUKTUR KEPEMILIKAN TERHADAP NILAI PERUSAHAAN YANG TERDAFTAR DI BURSA EFEK INDONESIA. *Jurnal Ekonomi Trisakti*, *2*(2), 1447–1458. https://doi.org/10.25105/JET.V2I2.14923

Aguilera, R. V., & Ruiz Castillo, M. (2025). Toward an updated corporate governance framework: Fundamentals, disruptions, and future research. *BRQ Business Research Quarterly*. https://doi.org/10.1177/23409444251320399/ASSET/D3A1BF67-8ADD-4358-87C8-38FDD406FA3C/ASSETS/IMAGES/LARGE/10.1177_23409444251320399-FIG1.JPG

Andrianto, R. (2023). *Dividen Besar Tanda Perusahaan Bagus? Belum Tentu Ferguso!* https://www.cnbcindonesia.com/mymoney/20230310150106-72-

420679/dividen-besar-tanda-perusahaan-bagus-belum-tentu-ferguso

Ariawan, M. (2017). PENGARUH RISIKO BISNIS DAN PROFITABILITAS TERHADAP NILAI PERUSAHAAN PADA SEKTOR PARIWISATA DI BURSA EFEK INDONESIA. *Jurnal Manajemen Indonesia*, *5*(2). https://ejournal.undiksha.ac.id/index.php/JMI/article/view/18225

Audrey, A., Lukman, H., & Sriwati, S. (2024). the Impact of Corporate Governance and Board Characteristics Toward Firm Value of Bumn Companies. *International Journal of Application on Economics and Business*, *2*(2), 3759–3771. https://doi.org/10.24912/ijaeb.v2i2.3759-3771

Bakti Laksana, N., & Handayani, A. (2022). PENGARUH KOMISARIS INDEPENDEN, KEPEMILIKAN MANAJERIAL DAN KOMITE AUDIT TERHADAP NILAI PERUSAHAAN DENGAN KUALITAS AUDIT SEBAGAI VARIABEL MODERASI. *Jurnal Riset Akuntansi Politala*, *5*(2), 111–129. https://doi.org/10.34128/JRA.V5I2.136

Bangun, A. . (2023). Faktor-Faktor Yang Mempengaruhi Kebijakan Dividen Pada Perusahaan Perbankan Yang Terdaftar Di Bursa Efek Indonesia. *Jurna Ilmiah Mahasiswa Ekonomi Manajemen*.

Chen, J. (2024). *Idiosyncratic Risk: Definition, Types, Examples, Ways To Minimize*. https://www.investopedia.com/terms/i/idiosyncraticrisk.asp

Cleartax. (2023). *Idiosyncratic Risk - Definition, What is Idiosyncratic Risk, Advantages of Idiosyncratic Risk, and Latest News - ClearTax*. https://cleartax.in/glossary/idiosyncratic-risk

Fana, A. A. A. A., & Prena, G. Das. (2021). PENGARUH CORPORATE SOCIAL

RESPONSIBILITY, GOOD CORPORATE GOVERNANCE, DAN KEPEMILIKAN MANAJERIAL TERHADAP NILAI PERUSAHAAN PERBANKAN YANG TERDAFTAR DI BURSA EFEK INDONESIA PERIODE 2018 – 2020. *Jurnal Ilmiah Akuntansi Dan Bisnis*, *6*(2), 17–29. https://doi.org/10.38043/JIAB.V6I2.3168

Firmansyah, A., & Suhanda, H. (2021). Bagaimana Peran Tata Kelola Perusahaan Dalam Hubungan Antara Manajemen Laba Dan Risiko Idiosinkratik di Indonesia? *Jurnal Ekonomi*, *26*(2), 229. https://doi.org/10.24912/JE.V26I2.748

Ganda, F. (2022). Carbon performance, company financial performance, financial value, and transmission channel: an analysis of South African listed companies. *Environmental Science and Pollution Research*, *29*(19), 28166–28179. https://doi.org/10.1007/S11356-021-18467-2/TABLES/10

García-Meca, E., García-Sánchez, I. M., & Martínez-Ferrero, J. (2015). Board diversity and its effects on bank performance: An international analysis. *Journal of Banking & Finance*, *53*, 202–214. https://doi.org/10.1016/J.JBANKFIN.2014.12.002

Geno, M. R. P., Firmansyah, A., & Prakosa, D. K. (2023). The Role of Integrated Reporting in Income Smoothing, Tax Avoidance, Idiosyncratic Risk – Case of Manufacturing Sector. *Accounting Analysis Journal*, *11*(2), 104–118. https://doi.org/10.15294/AAJ.V11I2.60640

Ghozali, I. (2018). *Aplikasi analisis multivariate dengan program IBM SPSS 25 edisi ke-9*. Universitas Diponegoro.

http://kin.perpusnas.go.id/DisplayData.aspx?pId=218217&pRegionCode=UN11MAR&pClientId=112

Ginting, F. G., Saerang, I. S., & Maramis, J. B. (2020). Pengaruh Risiko Bisnis, Risiko Finansial Dan Risiko Pasar Terhadap Nilai Perusahaan Pada Bank Bumn Periode Tahun 2011-2018. *Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, *8*(1), 256–261. https://ejournal.unsrat.ac.id/index.php/emba/article/view/27508

Gusriandari, W., Rahmi, M., & Putra, Y. E. (2022). Pengaruh Good Corporate Governance Terhadap Nilai Perusahaan Pada Perusahaan Pertambangan Yang Terdaftar Di Bursa Efek Indonesia Tahun 2017-2020. *JURNAL PUNDI*, *6*(1). https://doi.org/10.31575/JP.V6I1.406

Hersugondo, H., & Aliyuna, A. (2024). Peran Struktur Modal sebagai Variabel Mediasi pada Pengaruh Corporate Governance dan Karakteristik CEO terhadap Kinerja Perusahaan. *AFRE Accounting and Financial Review*, *7*(1), 88–106. https://jurnal.unmer.ac.id/index.php/afr

Hidayat, R. (2019). PENGARUH PROFITABILITAS, STRUKTUR MODAL DAN ARUS KAS OPERASI TERHADAP KEBIJAKAN DIVIDEN PERUSAHAAN (STUDI KASUS PADA PERUSAHAAN MANUFAKTUR SEKTOR INDUSTRI BARANG KONSUMSI YANG TERDAFTAR DI BURSA EFEK INDONESIA). *JURNAL PENDIDIKAN AKUNTANSI & KEUANGAN*, *5*(2), 20. https://doi.org/10.17509/jpak.v5i2.15406

Hur, J., & Yang, Q. (2024). The role of dividends and investor sentiment in the relation between idiosyncratic risk and expected returns. *Review of*

Quantitative Finance and Accounting, *63*(3), 807–827. https://doi.org/10.1007/S11156-023-01156-1

Jiang, D., Shuying, L., Li, F., & Zhu, H. (2022). Urban vibrancy, human capital and firm valuation in China. *China Finance Review International*, *12*(3), 415–432. https://doi.org/10.1108/CFRI-08-2021-0173/FULL/XML

Kanari, & Fauzie, S. (2023). Analisis Idiosyncratic Risk, Return dan Liquidity Saham Perbankan di Indonesia Dengan Pendekatan Spillover. *Talenta Conference Series: Local Wisdom, Social, and Arts (LWSA)*, *6*(1), 270–274. https://doi.org/10.32734/LWSA.V6I1.1715

Khasanah, I. D., & Sucipto, A. (2020). *Pengaruh corporate social responbility (csr) dan good corporate governance (gcg) terhadap nilai perusahaan dengan profitabilitas sebagai variabel intervening*. http://journal.feb.unmul.ac.id/index.php/AKUNTABEL

Khoirunnisa, F., Purnamasari, I., & Tanuatmodjo, H. (2018). PENGARUH STRUKTUR MODAL TERHADAP NILAI PERUSAHAAN PADA PERUSAHAAN TEKSTIL DAN GARMEN. *Journal of Business Management Education (JBME)*, *3*(2), 21–32. https://doi.org/10.17509/JBME.V3I2.14211

Khoirunnisa, K., & Karina, A. (2021). PENGARUH KEPEMILIKAN INSTITUSIONAL, DEWAN KOMISARIS INDEPENDEN, KOMITE AUDIT DAN DEWAN DIREKSI TERHADAP KINERJA KEUANGAN PERUSAHAAN (Studi Empiris pada Perusahaan BUMN yang terdaftar di Bursa Efek Indonesia pada tahun 2017-2019). *AkunNas*, *18*(2).

https://journal.unas.ac.id/akunnas/article/view/1198

Kirk, C. P., Ray, I., & Wilson, B. (2013). The impact of brand value on firm valuation: The moderating influence of firm type. *Journal of Brand Management*, *20*(6), 488–500. https://doi.org/10.1057/BM.2012.55/METRICS

Kumar, S., & Dua, P. (2022). Environmental management practices and financial performance: evidence from large listed Indian enterprises. *Journal of Environmental Planning and Management*, *65*(1), 37–61. https://doi.org/10.1080/09640568.2021.1877641

Kyere, M., & Ausloos, M. (2020). Corporate Governance and Firms Financial Performance in the United Kingdom. *International Journal of Finance and Economics*, *26*(2), 1871–1885. https://doi.org/10.1002/ijfe.1883

Leonard, K. (2023, April 4). *Why Some Companies Pay Dividends And Others Don't | Seeking Alpha*. https://seekingalpha.com/article/4515214-why-companies-pay-dividends

Lestari, A. E. P., & Pangestuti, D. C. (2022). Analisis faktor yang mempengaruhi kebijakan dividen pada sektor consumer and goods. *FORUM EKONOMI*, *24*(2), 335–345. https://doi.org/10.30872/JFOR.V24I2.10726

Li, Y., & Zhang, Y. (2021). Investor Sentiment, Idiosyncratic Risk, and Stock Price Premium: Evidence From Chinese Cross-Listed Companies. *SAGE Open*, *11*(2). https://doi.org/10.1177/21582440211024621

Lv, J., Du, L., & Xiao, J. (2024). R&D investments and idiosyncratic volatility: evidence from a quasi-natural experiment. *Applied Economics Letters*.

https://doi.org/10.1080/13504851.2024.2332569

Mardiatmoko, G. (2020). PENTINGNYA UJI ASUMSI KLASIK PADA ANALISIS REGRESI LINIER BERGANDA (STUDI KASUS PENYUSUNAN PERSAMAAN ALLOMETRIK KENARI MUDA [CANARIUM INDICUM L.]). *BAREKENG: Jurnal Ilmu Matematika Dan Terapan*, *14*(3), 333–342. https://doi.org/10.30598/BAREKENGVOL14ISS3PP333-342

Masril, Jefriyanto, & Aisyah, S. (2022). Pengaruh Free Cash Flow, Market to Book Value Ratio dan Sales Growth Terhadap Kebijakan Dividen. *Jurnal Manajemen, Ekonomi, Keuangan Dan Akuntansi (MEKA)*, *3*(1), 419–428.

Mayasari, D., Tam Cahyadi, R., Wijayanti, D., Yuswanto, dan, & Studi Akuntansi, P. (2023). DETERMINAN KEBIJAKAN DIVIDEN DENGAN RISIKO IDIOSINKRATIK SEBAGAI VARIABEL MODERASI. *Jurnal Akuntansi Bisnis*, *16*(2), 130–153. https://doi.org/10.30813/JAB.V16I2.3683

Mesak, E. (2023, August 18). *Pembayaran Dividen: Pengertian, Jenis, dan Cara Menghitung*. https://mekari.com/blog/pembayaran-dividen/

Meza, N., Báez, A., Rodriguez, J., & Toledo, W. (2020). The dividend signaling hypothesis and the corporate life cycle. *Managerial Finance*, *46*(12), 1569–1587. https://doi.org/10.1108/MF-10-2019-0512/FULL/XML

Nguyen, P., Ben Zaied, Y., & Pham, T. P. (2019). Does idiosyncratic risk matter? Evidence from mergers and acquisitions. *Journal of Risk Finance*, *20*(4), 313–329. https://doi.org/10.1108/JRF-03-2018-0040/FULL/XML

Njoku, O. E., & Lee, Y. (2024). Revisiting the Effect of Dividend Policy on Firm

Performance and Value: Empirical Evidence from the Korean Market. *International Journal of Financial Studies 2024, Vol. 12, Page 22*, *12*(1), 22. https://doi.org/10.3390/IJFS12010022

Patricia, Z. (2023). *MAHASISWA BERSUARA: Alasan Perusahaan Tidak Membagikan Dividen...* https://bandungbergerak.id/article/detail/15790/mahasiswa-bersuara-alasan-perusahaan-tidak-membagikan-dividen

Permata, I. S. (2019). *Faktor determinan terhadap kebijakan deviden pada perusahaan manufaktur yang terdaftar di bei*. https://www.academia.edu/80826678/Faktor_determinan_terhadap_kebijakan_deviden_pada_perusahaan_manufaktur_yang_terdaftar_di_bei

Putra, F. (2024). Good corporate governance, firm performance and COVID-19. *Asian Journal of Accounting Research*, *9*(4), 399–421. https://doi.org/10.1108/AJAR-07-2023-0227/FULL/PDF

Rahman, F., Tamala, P., & Hanggraeni, D. (2025). Corporate Governance and Corporate Performance: Tobin's Q Analysis on Financial Sector Companies on the Indonesia Stock Exchange. *Syntax Literate ; Jurnal Ilmiah Indonesia*, *10*(5), 5361–5368. https://doi.org/10.36418/syntax-literate.v10i5.58703

Rajverma, A. (2024). Impact of Ownership Structure and Dividends on Firm Risk and Market Liquidity. *Journal of Risk and Financial Management*, *17*(7). https://doi.org/10.3390/JRFM17070262

Sakdiah. (2023). Pengaruh Profitabilitas, Leverage, Ukuran Perusahaan dan Likuiditas Terhadap Kebijakan Dividen Dan Nilai Perusahaan. *Jurnal Jurusan*

Tadris IPS.

Santikah, A., Annis Syahzuni, B., Studi Akuntansi, P., & Ekonomi dan Bisnis, F. (2023). FAKTOR- FAKTOR YANG MEMPENGARUHI KEBIJAKAN DIVIDEN TUNAI. *Jurnal Akuntansi Bisnis*, *16*(1), 112–131. https://doi.org/10.30813/JAB.V16I1.3575

Sari, N. L., & Sukmaningrum, P. S. (2020). *FAKTOR-FAKTOR YANG MEMPENGARUHI NILAI PERUSAHAAN PADA PERUSAHAAN PERDAGANGAN, JASA DAN INVESTASI YANG TERDAFTAR DI ISSI*. *6*.

Sekaran, U. and Bougie, R. (2020). Research methods for business: A skill-building approach, Eight edition. John Wiley and Sons, New York. *Journal of MultiDisciplinary Evaluation*, *20*, 1–16. https://www.wiley.com/en-us/Research+Methods+For+Business%3A+A+Skill+Building+Approach%2C+7th+Edition-p-9781119266846

Septiana, N., & Aris, M. A. (2023). Analisis Proposi Dewan Komisaris Independen, Ukuran Dewan Direksi, Komite Audit, Blockholder Ownership terhadap Kinerja Keuangan. *Jurnal Akuntansi, Keuangan, Dan Manajemen*, 101–114. https://doi.org/10.35912/JAKMAN.V4I2.1051

Setiawan, R. (2022). Growth Opportunity, Ukuran Perusahaan dan Tingkat Utang Perusahaan dalam Perspektif Signaling Theory. *Jurnal Mirai Management*, *7*(2), 541–553. https://doi.org/10.37531/MIRAI.V7I2.4075

Silviana, & Widoatmodjo, S. (2021). Pengaruh Dewan Komisaris Independen, Kepemilikan Manajerial, Debt Ratio, Likuiditas, dan Faktor Lain pada Kinerja Perusahaan Manufaktur di BEI dengan Metode Tobin's Q. *Jurnal Manajemen*

Bisnis Dan Kewirausahaan, *5*(4), 391–395. https://doi.org/10.24912/JMBK.V5I4.12799

Statiskian. (2017). *Tutorial Regresi Data Panel dengan Eviews: Penjelasan Lengkap*. https://www.statistikian.com/2017/04/tutorial-regresi-data-panel-dengan-eviews.html

Sugiyono. (2016). *Metode penelitian kuantitatif, kualitatif dan R dan D / Sugiyono* | (Cet. 23). Alfabeta. https://inlislite.uin-suska.ac.id/opac/detail-opac?id=19009

Sullivan, B. (2023, June 7). *How To Invest In Dividend Stocks – Forbes Advisor*. https://www.forbes.com/advisor/investing/dividend-investing/

Suyono, S., & Amin, M. N. (2022). The Influence of Capital Structure and Idiosyncratic Risk on Company Value With Industri Type As Moderating on Energy Company Listed on The Indonesia Stock Exchange for The Period 2016-2020. *INTERNATIONAL JOURNAL OF TRENDS IN ACCOUNTING RESEARCH*, *3*(2), 74–83. https://doi.org/10.54951/IJTAR.V3I2.396

Triyuwono, E., Ng, S., & Daromes, F. E. (2020). TATA KELOLA PERUSAHAAN SEBAGAI MEKANISME PENGELOLAAN RISIKO UNTUK MENINGKATKAN NILAI PERUSAHAAN. *Media Riset Akuntansi, Auditing & Informasi*, *20*(2), 205–220. https://doi.org/10.25105/MRAAI.V20I2.5597

Vilantika, E., & Santoso, R. A. (2022). Ukuran Perusahaan sebagai Variabel Kontrol: Pengaruh Likuiditas dan Profitabilitas Terhadap Nilai Perusahaan. *UMMagelang Conference Series*, 119–129.

https://journal.unimma.ac.id/index.php/conference/article/view/7442

Wardhani, W. K., Titisari, K. H., & Suhendro, S. (2021). Pengaruh Profitabilitas, Struktur Modal, Ukuran Perusahaan, Dan Good Corporate Governance terhadap Nilai Perusahaan. *Ekonomis: Journal of Economics and Business*, *5*(1), 37. https://doi.org/10.33087/EKONOMIS.V5I1.264

Wardita, I. W., Gunastri, N. M., Astakoni, I. M. P., & Swaputra, I. B. (2021). Ukuran Perusahan Sebagai Variabel Kontrol Dalam Determinan Struktur Modal Manufaktur. *WACANA EKONOMI (Jurnal Ekonomi, Bisnis Dan Akuntansi)*, *20*(2), 144–160. https://doi.org/10.22225/WE.20.2.2021.144-160

Widyawati, D., & Indriani, A. (2019). Determinants of dividend payout ratio: evidence from Indonesian manufacturing companies. *Diponegoro International Journal of Business*, *2*(2), 112–121. https://doi.org/10.14710/DIJB.2.2.2019.112-121

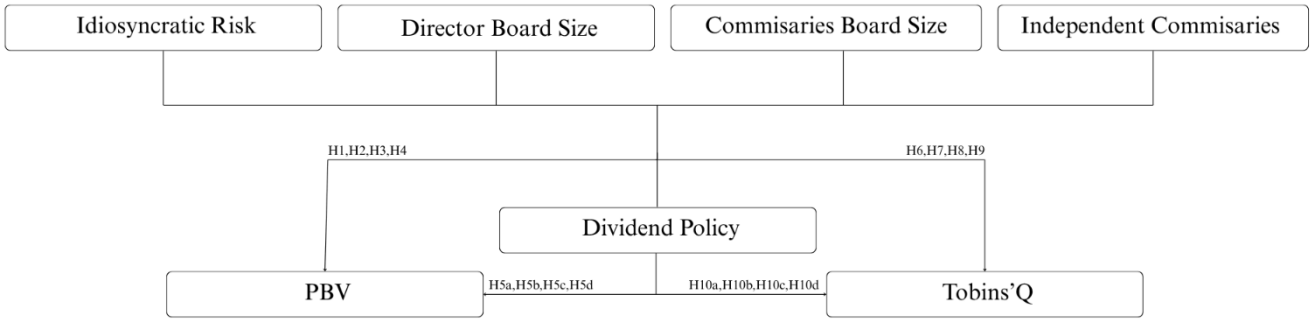
Wijaya, J., & Radianto, W. E. D. (2023). The effect of independent commissioners, EVA, and ROA on firm value. *Journal of Business and Information Systems (e-ISSN: 2685-2543)*, *5*(2), 211–221. https://doi.org/10.36067/JBIS.V5I2.207

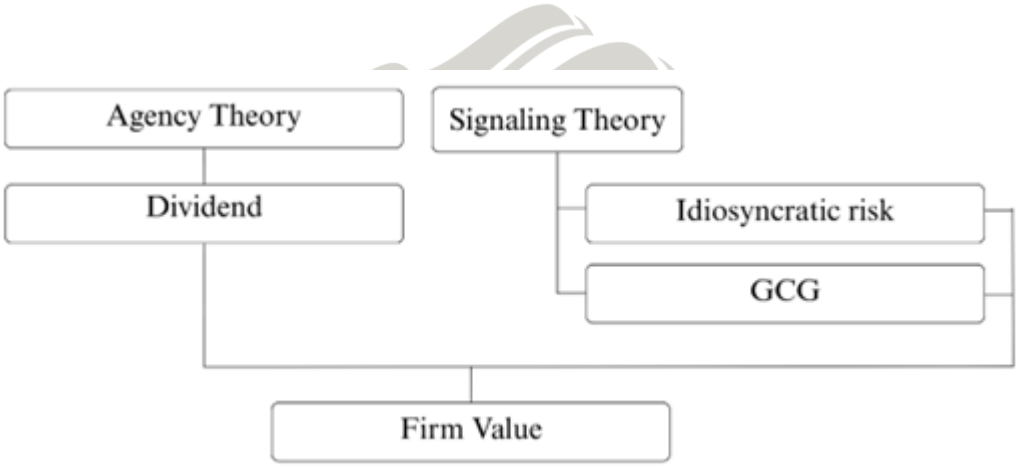
Xu, J., & Sim, J. W. (2018). Characteristics of corporate R & D investment in emerging markets: Evidence from manufacturing industry in China and South Korea. *Sustainability (Switzerland)*, *10*(9). https://doi.org/10.3390/su10093002

Yusbardini, & Andani, K. (2025). The Effect of Board Size, Board Independence and CEO Duality on Firm Value with Financial Performance as A Mediating Variable. *INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY*

RESEARCH AND ANALYSIS, *08*(01). https://doi.org/10.47191/IJMRA/V8-I01-11

APPENDIX


Idiosyncratic Risk
Director Board Size
Commisaries Board Size
Independent Commisaries
H1,H2,H3,H4
H6,H7,H8,H9
Dividend Policy
PBV
H5a,H5b,H5c,H5d
H10a,H10b,H10c,H10d
Tobins'Q


Agency Theory
Signaling Theory
Dividend
Idiosyncratic risk
GCG
Firm Value