THE EFFECT OF GOOD CORPORATE GOVERNANCE ON COMPANY VALUE IN THE ERA OF INDUSTRIAL REVOLUTION 4.0 (Empirical Study of Telecommunication Sub-Sector Companies listed on the Indonesia Stock Exchange 2016-2018)

1st Fitria Rahma 2nd Muhammad Hasbi Saleh S.E.,Ak.,MM.,M.Ak.,CA.,CSP
Accounting
Sekolah Tinggi Ilmu Ekonomi Indonesia
Jakarta, Indonesia

fitriarahma044@gmail.com; m.hasbi_saleh@stei.ac.id;

***Abstract* -** *This study aimed to examine the effect of Good Corporate Governance of the Company Value (PBV) in the era of industrial revolution 4.0 either partially or simultaneously. This research uses associative research with quantitative and qualitative data approaches . The type of data used in this research is secondary data with the documentation method . The population in this study are telecommunication sub-sector companies listed on the Indonesia Stock Exchange 2016-2018. The sampling method in this study was purposive sampling .*

The results of this study indicate that: 1) Institutional Ownership has an effect on Firm Value ; 2) Managerial Ownership has no effect on Company Value ; 3) The Audit Committee has no effect on Company Value ; 4) Independent Commissioner has an effect on Company Value ; 5) The Board of Directors has influence on Company Value. 6) Dimensions of Good Corporate Governance, namely Institutional Ownership, Managerial Ownership, Audit Committee, Independent Commissioner and Board of Directors simultaneously affect Company Value (PBV) in the era of industrial revolution 4.0.

***Keywords* :** *Institutional Ownership, Managerial Ownership, the Audit Committee, Independent Commissioner, Board of Directors, Good Corporate Governance, the Era of the Industrial Revolution 4.0, Value Company*

1 . PRELIMINARY

The development of technology is currently developing very rapidly, coupled with the era of the industrial revolution 4.0, where the concentration in this era occurs in communication and information technology. Communication media plays a very important role in changing the level of public knowledge. The advantage of this internet communication network is to make it easier and faster to provide and obtain information (Cangara, 2016). This technological development has led to the emergence of a phenomenon, in which all companies are required to be able to adapt to be able to compete in the current development era, namely the 4.0 Revolution era, which is the threshold for a modern revolution that will holistically change the work system of business, economy and problems social at the national to international level. This phenomenon can have a good impact if the company is able to adapt to technological developments, but it can also have a negative impact if the company is unable to adapt to the existence of this 4.0 revolution.

If a company wants to continue to increase, then the company is encouraged to keep abreast of technological developments in the 4.0 Revolution era as a process of obtaining information for investors in investing their funds, one of which is in the telecommunications sub-sector company which is closely related to the development of communication and information technology in the era This 4.0 revolution. This can be seen from the increasing number of telecommunication subscribers, which is recorded at 143 million people from Indonesia's population of 262 million Indonesians (Kominfo, 2018). This increase makes telecommunications companies listed as public companies in the telecommunications sub-sector on the Indonesia Stock Exchange to have a high probability of having a positive impact on the growth of their shares. But in fact, one of the companies included in the shares of the telecommunications sub- sector company on the Indonesia Stock Exchange has decreased, where the equity value of PT Bakrie Telecom, Tbk (BTEL) from 2013 to 2018 showed negative results and BTEL shares traded on the IDX at the last level of IDR 50 / share and for the past 5 years, the shares are no longer traded, but Bakrie Telecom is still optimizing its telecommunication business (CNBC Indonesia, 2019). From this phenomenon, it causes the telecommunication sub-sector company to have a strategy for the sustainability of its company. Some things that need to be considered in this case are company value and corporate governance.

Shareholders or commonly referred to as investors are individuals or institutions that invest their funds in the company through a mechanism to buy shares in circulation for both the long and short term. Investors with long-term investments have a goal of getting welfare from the dividends distributed by the company. This welfare is the main goal of the company which is inseparable from efforts to increase the company's value (Dewanti, 2018). According to Repi *et al* . (2016) company value is the share price that investors are willing to pay for each share of the company, so it can be said that the relationship between company value and share price is part of an investor's understanding of buying company shares.

The company value is often taken into consideration by investors in investing. In this study, the company value is proxied in Price to Book Value (PBV), which is the result of dividing the share price circulating in the market by the book value of equity. Apart from considering the company's financial factors, investors often pay attention to non-financial factors in the company before deciding to invest. One of them is by looking at corporate governance. What is meant by corporate governance is the application of a good corporate governance mechanism or what is commonly known as Good Corporate Governance.

Companies that want to achieve Good Corporate Governance and increase corporate value require cooperation between parties or groups that can oversee the implementation of board of directors' policies which include institutional ownership, managerial ownership, audit committee, independent board of commissioners and board of directors. To determine whether Good Corporate Governance is significantly affected by company value, a good proportion of the institutional ownership board, managerial ownership, audit committee, independent commissioner and board of directors is required (Febrianti, 2019).

Practice of the mechanism of corporate governance that both will produce a good corporate value. The reflection of good or bad company values can be seen from the practice of Good Corporate Governance. The high value of the company shows the prosperity of the shareholders (Franita, 2018). Meanwhile, Dewanti (2018) states that Good Corporate Governance provides a set of mechanisms aimed at reducing agency risk due to information asymmetry between the principal and the agent.

Previous research conducted by Fajar and Isynuwardhana (2019) showed that simultaneously Good Corporate Governance has an effect on Company Value (PBV), but partially the indicators of Good Corporate Governance, namely managerial ownership, institutional ownership, and audit committee have no effect on firm value, while the board commissioners have a positive effect on firm value. In contrast to the research results of Lestari (2017) which show institutional ownership has a significant effect on firm value.

Previous research conducted by Rachman *et al* ., (2015) showed that good corporate governance had an insignificant effect on company value with GCG indicators, namely institutional ownership and independent commissioners. Another study also conducted by Putra and Wirawati (2020) shows that institutional ownership and managerial ownership have no effect on firm value.

According to Cooper and James (2009) in (Purwandini and Irwansyah, 2018) industrial technology 4.0 is a concept for a technology revolution based on continuous communication via the internet that allows interaction and exchange of information, which in this case is not only human interaction with humans or humans. with machines, but also the interactions between the machines themselves. As mentioned by the talent insight in the 10 Megatrends of Technology in 2025, one of which is communication without obstacles, namely artificial intelligence and big data analysis will play a role in building smooth communication, because this 4.0 revolution, whether we realize it or not, has changed many things in human life. It is even developing at a very high speed and creating disruptive innovations in markets and businesses. So that in the end, if business players with previous technology do not adapt, then the whole market will be controlled by new business actors (Insight Talenta, 2019). The statement above is closely related to the research conducted by Suhandi (2019) which states that the impact of technological progress in the era of the industrial revolution 4.0 is in terms of making decisions by managers and agents that are effective and efficient or can be interpreted as smooth communication in making a decision. Accuracy in decision making or in this case the effective and efficient exchange of information for all parties, both internal company (management) and external parties (investors and institutions outside the company), will have an impact on increasing company value. From the advancement of technology in the era of the industrial revolution 4.0, it also has an impact on increasing the knowledge of investors who take full advantage of technological advances by seeking information about the health of the companies they invest in.

This research takes the object of telecommunication sub-sector companies listed on the Indonesia Stock Exchange in 2016 - 2018. Research on the application of Good Corporate Governance to company value has indeed been carried out by many previous researchers, but researchers have expanded the impact that occurs on listed telecommunications sub-sector companies. on the Indonesia Stock Exchange in 2016 - 2018 in the era of the industrial revolution 4.0 which has never been studied by other researchers. According to Suhandi (2019) the impact of the 4.0 industrial revolution has also caused problems, especially in the form of business competition, in which entrepreneurs will certainly take advantage of this phenomenon as a stepping stone to be able to dominate the trade market. The researcher concluded that the growing competition between companies in the advancement of technology for the 4th generation is expected to be able to implement and develop a good corporate governance system (good corporate governance) . If Good Corpororate Governance has been carried out well, the company can attract more investors to invest (Dewi and Sanica, 2017).

Based on the description above, the researcher is interested in discussing further through research with the title "THE EFFECT OF GOOD CORPORATE GOVERNANCE ON COMPANY

VALUE IN THE ERA OF INDUSTRIAL REVOLUTION 4.0 (Empirical Study of Telecommunication Sub Sector Companies listed on the Indonesia Stock Exchange 2016-2018). This study aims: 1) To determine the effect of institutional ownership on firm value in telecommunications sub-sector companies listed on the Indonesia Stock Exchange from 2016 to 2018, 2) To determine the effect of managerial ownership on firm value in telecommunications sub-sector companies listed on the Stock Exchange. Indonesia 2016-2018, 3) To determine the effect of the audit committee on firm value in telecommunications sub-sector companies listed on the Indonesia Stock Exchange in 2016-2018, 4) To determine the effect of independent commissioners on firm value in telecommunications sub-sector companies listed in Indonesia Stock Exchange 2016-2018, 5) To determine the effect of the board of directors on company value in telecommunications sub-sector companies listed on the Indonesia Stock Exchange in 2016-2018, 6) To determine the effect of Good Corporate Governance (GCG) on company value in this era. industrial Revolution 4.0 in the telecommunications sub-sector companies listed on the Indonesia Stock Exchange in 2016-2018.

2. THEORY BASIS AND HYPOTHESIS DEVELOPMENT

Agency Theory

Agency theory was developed in 1976 in the journal Jensen and Meckling with the title "Theory of the firm: Managerial behavior, agency cost, and ownership structure" . According to Jensen and Meckling (1976) Agency Theory is a relationship that occurs between the company owner (principal) who acts as a shareholder with management who in this case acts as an agent. This is what makes company owners entrust all their authority to management to carry out work on behalf of the company owners. In practice, there is often a conflict within a company called agency conflict caused by the relationship between the principal or in this case the contract giver / shareholder with the agent or in this case, the contract recipient and principal fund manager , have different interests. If the agent and the principal seeks to maximize the benefits of each, as well as the motivation and desire are different, then it would be no reason to be able to inspire trust that the management or the agent does not always act according to the wishes principal or shareholder until the resulting agency costs (Agency Cost). Agency costs are costs incurred by the principal to supervise the agent. It is impossible for a company to have zero agency cost in order to guarantee that managers will make optimal decisions from the viewpoint of shareholders because of the large differences in interests between them. (Perdana, 2014).

Dimensions of Good Corporate Governance

Institutional Ownership

According to Widianingsih (2018) institutional ownership is the ownership of shares of non-bank financial institutions / institutions in a company, in which case the company manages funds for other people or shareholders. Meanwhile, according to Jensen and Meckling (1976) in Perdana (2014) states that institutional ownership plays a very important role in minimizing agency conflicts that can occur between managers and shareholders. Institutional ownership is calculated using the formula:

$$\text{Institusional Ownership} = \frac{\text{Institutional ownership of shares}}{\text{Total Outstanding Shares}} \text{ x } 100\%$$

Source : *e-Proceeding of Management* Nurfaza *et al.*, (2017)

Managerial ownership

According to Jensen and Meckling (1976) in Suastini *et al.*, (2016) Managerial ownership is the ownership of company shares by management (director, manager or commissioner) and is a party who actively participates in decision making in the company. This manager's ownership is often associated with an effort to increase the value of the company in this case because the manager is not only the management of the company but also acts as the owner of the company for his share ownership who will directly experience the consequences of making decisions so that the manager will not take actions that are personally beneficial. rather, managers will act for the sustainability of the company. In measuring managerial ownership, the following formula is used:

$$\text{Managerial Ownership} = \frac{\text{Managerial ownership of shares}}{\text{Total Outstanding Shares}} \times 100\%$$

Source : Hidayah (2015)

Audit Committee

According to the Indonesian Audit Committee Association in Effendi (2016) the audit committee is a committee that carries out its work independently and professionally formed by the board of commissioners, so that the task of the audit committee is to strengthen and assist the function of the board of commissioners or in this case as the supervisory board that carries out the supervisory function of the financial reporting process, audit implementation, risk management and implementation of corporate governance in each company.

The audit committee can also play an important role in ensuring the creation of Good Corporate Governance . The audit committee served as input provider professionals are independent to the board of commissioners of the report or any matter submitted by the board of directors to the board of commissioners and oversee any matters that require the attention of commissioners (Febrianti, 2019). So that the existence of audit committee members is expected to provide added value to the implementation of the Good Corporate Governance mechanism which in turn can reduce the occurrence of fraud or manipulation in the information presented in the financial statements (Effendi, 2016). The audit committee is measured by the formula:

$$\text{Audit Committee} = \text{Total Audit Committee}$$

Source : Syafaatul (2014)

Independent Commissioner

According to Zahra *et al* ., (2016) independent commissioners are members of the board of commissioners who in this case have no financial, share ownership, management and / or family relationships with members of the board of commissioners or other directors, and / or controlling shareholders or other relationships. which could affect his ability to work independently.

The essence of implementing the corporate governance mechanism which is assigned to ensure the implementation of the company's strategy, which requires accountability is the board of commissioners. In this case, the board of commissioners can also be defined as the center of a company's success and resilience. In carrying out its duties, the board of commissioners can also be assisted by the audit committee, because considering the duties of the board of commissioners as supervisors of the running of the company are quite heavy (Syafitri *et al.,* 2018). The measurement of independent commissioners can be formulated as follows:

$$\text{Independent Commissioner} = \frac{\text{Total Independent Commissioner}}{\text{Total Commissioner}} \times 100\%$$

Source : e-Proceeding of Management Nurfaza et al., (2017)

Board of Directors

The board of directors is a group of directors whose existence the president director knows about. The board of directors acts as an agent or manager of the company whose position is fully responsible for the company's operational activities. The board of directors is also required to provide information to the board of commissioners and answer any questions submitted by the board of commissioners (Effendi, 2016). The Board of Directors can be measured by the formula:

$$\text{Board of Directors} = \text{Total Board of Directors}$$

Source : Syafaatul (2014)

Industrial Revolution 4.0

According to Shwab (2016) in (Praherdhiono *et. al* , 2019) This industrial revolution 4.0 occurred as a result of technological developments such as the Internet of Things (IOT). Internet of Things is a concept that aims to expand the benefits of internet connectivity that is connected continuously (Maulana and Julianto, 2017). The impact of the industrial revolution 4.0 in this study is measured by measuring the number of internet users in 2016-2018 in Indonesia.

$$\text{Industrial Revolution 4.0} = \text{Total Internet User}$$

Source : Tripurwanta (2017)

The value of the company

According to Rachman *et al* ., (2015) company value is an illustration of the management of a company carried out by management. The firm value in this study is indicated by the Price to Book Value (PBV) which is disclosed in the company's financial statements. According to Repi *et al.* , (2016) The value of the company reflects the company in the eyes of investors, the value of the company as measured by Price to Book Value (PBV) is the value of the company which is reflected in the stock market price compared to its book value, the higher the market price compared to the book value, the higher The value of the company.

According to Rohaeni et al. (2018) Based on this comparison, it can be seen whether the share price is above or below the book value, a high PBV will make investors trust the company's future prospects. This proves that increasing company value has become a long-term goal for companies, especially companies listed on the stock exchange (Hasanah and Lekok, 2019). According to Gitman and Zutter (2010: 83) in (Bahri, 2018: 138) the PBV formula is as follows:

$$\text{Price book value (PBV)} = \frac{\text{Market price per share}}{\text{Book value per share of common stock}}$$

Information :
Market price per share = Price per share circulating in the market
Book values per share of common stock (BV) = Book value per share

Book Values (BV) = Total Equity / Price per share circulating in the market

Hypothesis Development
The Effect of Institutional Ownership on Firm Value

According to Widianingsih (2018) The level of institutional ownership can affect company value, where if the level of institutional ownership is higher, the level of control exercised by external parties will be stronger against the company so that agency costs that occur within the company will decrease along with the increase in share ownership by the institution. and company value can also increase. A monitoring system (monitoring) by the institution will require management to improve its performance so that it will ensure an increase in the welfare of shareholders (Warapsari and Suaryana, 2016).

The results show that institutional ownership has a positive influence on firm value. Each increase in institutional ownership will increase the value of the company. This increase is able to limit the opportunistic behavior of managers. With institutional ownership, the institution can carry out operational supervision (Poluan and Wicaksono, 2019). This research is in line with research (Lestari, 2017) which states that institutional ownership has succeeded in increasing firm value, this shows that the control function of the owner is very decisive in improving company performance. Based on the explanation above, the first hypothesis in this study is

H1: Institutional Ownership has an effect on Firm Value.

The Effect of Managerial Ownership on Firm Value

This managerial share ownership can help unify the interests of managers and shareholders. Share ownership of managers can trigger managers who feel the benefits and impacts of losses if wrong decisions are made. Therefore, it requires a control system that can balance the differences in interests between management and shareholders. Managers who also play an important role as shareholders will have an impact on increasing the value of the company, therefore by increasing the value of the company, the value of the manager's wealth as a shareholder will also increase (Astriani, 2014).

Managerial ownership affects firm value, where with an increase in managerial ownership, the company can increase its ability to add company value (Anita and Yulianto, 2016). Investors or those who invest their shares in a company also view the proportion of share ownership by managerial as a reference or as a good signal in increasing company value (Sasurya and Asandimitra, 2018). Based on the explanation above, the second hypothesis in this study is

H2: Managerial ownership has an effect on firm value.

The Effect of the Audit Committee on Firm Value

The existence of an audit committee member can be useful for ensuring the transparency of financial reports, transparency, fairness for all shareholders, and disclosure of all information carried out by management (Indrasari *et al* ., 2017).

The results of the study (Mayangsari, 2018) show that the existence of an audit committee has an influence on firm value . The results of these studies are also in line with agency theory. The existence of the audit committee can reduce the level of irregularities or fraud and negligence committed by the commissioners and their director so that the company will have an impact on the company's performance and value of companies. Based on the explanation above, the third hypothesis a in this study is

H3: The Audit Committee has an effect on firm value.

The Effect of Independent Commissioners on Company Value

According to Dahlia (2018) Independent commissioners are members of the board of commissioners who have nothing to do with any party, be it from management, other members of the board of commissioners and controlling shareholders and are free from business or other relationships that can affect their ability to act in favor of others or independent.

The large number of independent commissioners in the company is expected to be able to carry out supervisory duties and provide advice to the board of directors effectively (Salafudin, 2016). Therefore, the presence of independent commissioners is expected to trigger management to work better so that it can provide added value to the company or increase company value (Salafudin, 2016). The results of the study show a positive relationship between independent commissioners and firm value, because independent commissioners have a mission to encourage the creation of a more objective situation and place parallels between various relevances including the relevance of the company and stakeholders as the main objective in decision making by the Board of Commissioners. This can create good corporate governance so as to increase company value (Widianingsih, 2018). Based on the explanation above, then the fist t hypothesis in this study is

H4: Independent Commissioner has influence on company value.

Effect of the Board of Directors on Company Value

The board of directors is a corporate instrument whose main function is to pay attention responsibly (oversight function) to the implementation of corporate governance in order to achieve company goals. The board of directors in a company will determine the policies to be taken or the company's strategy in the short and long term (Taco and Ilat, 2016).

Research conducted by Sondokan *et al.* (2019) shows that the board of directors can affect company value. However, it is not in line with the results of research by Mawei and Tulung (2019) on manufacturing companies in the Food and Beverage sub-sector , which shows that there is no significant influence on the Board of Directors on Price to Book Value because the implementation of Corporate Governance is carried out only for mere formality so that it does not there is an independent board of commissioners whose job is to oversee the board of directors. Based on the explanation above, the fifth hypothesis in this study is

H5: The Board of Directors affects the value of the company.

The influence of Good Corporate Governance on company value in the era of the industrial revolution 4.0

Good corporate governance (GCG) will certainly increase the value of a company. With the existence of good corporate governance , it will balance the interests of various parties in the company in order to be in accordance with the objectives and benefit the company as a whole. Good corporate governance that is prioritized by the company will increase the overall value of the company (Sulastri and Nurdiansyah, 2016). In research conducted by Sulastri and Nurdiansyah (2016), it is stated that good corporate governance has a positive effect on firm value.

The era of the industrial revolution 4.0 here, researchers associate with the application of Good Corporate Governance to the value of a company that has never been studied by other researchers. Researchers suspect that the value of a company can increase if Good Corporate Governance is supported by technological advances in the era of the industrial revolution 4.0 which can increase the knowledge of shareholders so as to encourage each company to be able to improve internal corporate governance and external companies, so that the company value will be comparable. straight on the relationship between the three (Suhandi, 2019). Based on the explanation above, the sixth hypothesis in this study is

H6: Good Corporate Governance affects company value in the era of the industrial revolution 4.0.

Based on the theory stated above , the following is a framework based on the hypothesis in this study ;

H1: Institutional Ownership has an effect on Firm Value.
H2: Managerial ownership has an effect on firm value.
H3: The Audit Committee has an effect on firm value.
H4: Independent Commissioners have an effect on company value.
H5: The Board of Directors affects the value of the company.
H6: Good Corporate Governance affects company value in the era of the industrial revolution 4.0.

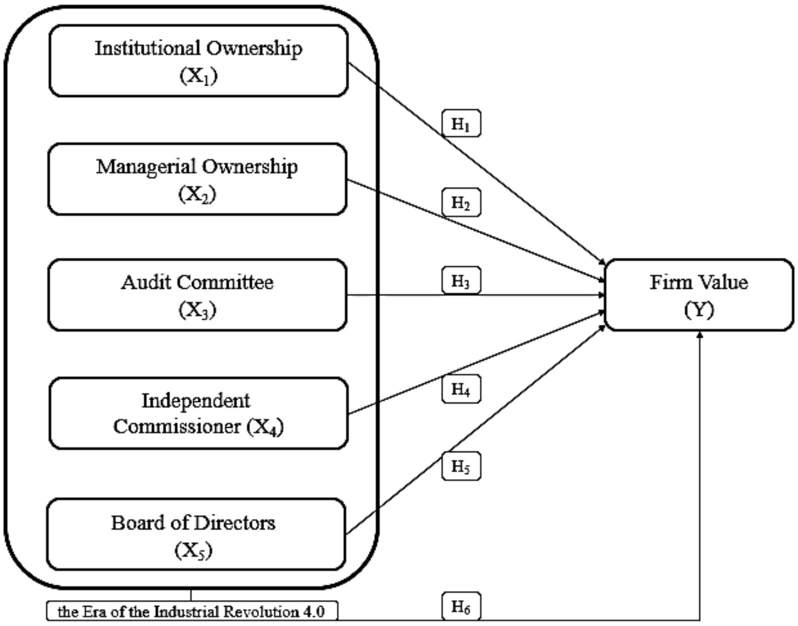


Figure 1. 1 . Research Conceptual Framework

3. RESEARCH METHOD

The strategy in this study uses associative research. Associative research aims to determine the relationship or influence between two or more variables (Bahri, 2018: 17). The independent variables used in this study are internal factors consisting of Institutional Ownership, Managerial Ownership, Audit Committee, Independent Commissioner, and Board of Directors as well as external factors, namely the impact of the industrial revolution 4.0. Meanwhile, the dependent variable used in this study is the company value proxied by Price to Book Value (PBV). This research uses quantitative and qualitative data analysis methods. Quantitive data, namely data in the form of numbers or numbers (Bahri, 2018: 85). While qualitative data is data in the form of opinions or sentences (Bahri, 2018: 84).

Population and Research Sample

The population is the entire object of research and fulfills certain characteristics (Bahri, 2018: 49). The population in this study were all telecommunication sub-sector companies listed on the Indonesia Stock Exchange (BEI) 2016-2018.

Samples are part of the population taken in certain ways which also have certain characteristics (Bahri, 2018: 51). Based on the above statement, it is concluded that the sample is part of the population. From this population, the method used in selecting the sample of the object of this study was purposive sampling, namely the method of selecting objects with certain criteria (Bahri, 2018: 66). The criteria referred to are as follows:

1. Telecommunications sub-sector companies listed on the Indonesia Stock Exchange 2016-2018.
2. Telecommunication sub-sector companies that did not publish financial reports and annual reports during 2016-2018.

There are 5 sub-sector population telecommunications company listed on the Indonesia Stock Exchange in the year 2016-2018. Based on the sample selection criteria above, the samples used in this study were 5 companies.

4. ANALYSIS AND DISCUSSION

4.1. Descriptive Statistical Analysis

Table 4.1. Descriptive Statistics Test Results

	PBV	Inst_Own	Mng_Own	Audit_Comm	Indp_Comm	BO_Directors
Mean	1.642	66.161333	0.001333	3.600000	44.134444	5.600000
Maximum	4.83	90.65	0.01	6.00	75.00	8.00
Minimum	-0.13	31.92	0.00	3.00	30.00	4.00
Std. Dev.	1.643616	18.22543	0.003519	1.121224	17.43864	1.298351
Observations	15	15	15	15	15	15

Source: The results of data processing with Eviews version 10.0 (2020)

In this study, the proxy used in measuring the dependent variable, namely firm value, is the Price to Book Value (PBV). The results of the descriptive statistical test above show that the minimum PBV value of -0.13 is owned by PT Bakrie Telecom Tbk in 2017 while the maximum PBV value of 4.83 is owned by PT Telekomunikasi Indonesia Tbk in 2017. Then for the mean or average value of the telecommunications sub-sector company shows a PBV of 1,642 or more than 1 which is said to be quite high, which means that during 2016-2018 the stock investors of telecommunication sub-sector companies are willing to pay shares on average 1,642 times the book value per share. Meanwhile, the standard deviation of PBV in this study was 1.643616. This can be interpreted statistically during the 2016-2018 research year in the telecommunication sub-sector companies the average value is smaller than the standard deviation indicating that the deviation is relatively high or not good, so the data shows abnormal results or the PBV data deviation is relatively poor and cause bias.

The first independent variable in this study is institutional ownership which is measured using the ratio of total shares owned by the institution divided by the number of shares outstanding. The results of the descriptive statistical test above show that the minimum value of 31.92 is owned by PT Bakrie Telecom Tbk in 2016 while the maximum value of 90.65 is owned by Smartfren Telecom Tbk in 2018. Then for the mean or average value of 66.161333 and a standard deviation of 18.22543. This can be interpreted statistically during the 2016-2018 research year in the telecommunications sub-sector companies that the average value is greater than the standard deviation indicating that the deviation is relatively low or good enough, so that the data shows normal results and does not cause bias.

The second independent variable in this study is managerial ownership which is measured using the ratio of total shares owned by managers divided by the number of shares outstanding. The results of the descriptive statistical test above show that the minimum value of 0.00 is owned by the majority of the companies studied while the maximum value of 0.01 is owned by PT Telekomunikasi Indonesia Tbk in 2016. Then for the mean or average value of 0.001333 and a standard deviation of 0.003519. This can be interpreted statistically during the 2016-2018 research year in the telecommunication sub-sector companies the average value is smaller than the standard deviation indicating that the deviation is relatively high or not good, so the data shows abnormal results and causes bias.

The third independent variable in this study is the audit committee which is measured using the number of audit committees in the company being studied. The results of the descriptive statistical test above show that the minimum value of 3 is owned by the majority of the companies studied, while the maximum value of 6 is owned by PT Telekomunikasi Indonesia Tbk in 2016-2017. Then for the mean or average value of 3.600000 and a standard deviation of 1.121224. This can be interpreted statistically during the 2016-2018 research year in the telecommunications sub-sector companies that the average value is greater than the standard deviation indicating that the deviation is relatively low or good enough, so that the data shows normal results and does not cause bias.

The fourth independent variable in this study is the independent commissioner, which is measured using the number of independent commissioners divided by the number of commissioners in the company under study. The results of the descriptive statistical test above show a minimum value of 30.00 owned by PT Indosat Tbk in 2016-2018 while a maximum value of 75.00 is owned by Smartfren Telecom Tbk in 2016-2018. Then for the mean or average value of 44.134444 and a standard deviation of 17.43864. This can be interpreted statistically during the 2016-2018 research year in the telecommunications sub-sector companies that the average value is greater than the standard deviation indicating that the deviation is relatively low or good enough, so that the data shows normal results and does not cause bias.

The fifth independent variable in this study is the board of directors as measured by the number of boards of directors in the company being studied. The results of the descriptive statistical test above show that a minimum value of 4 is owned by several companies studied while a maximum value of 8 is owned by PT Telekomunikasi Indonesia Tbk in 2017-2018. Then for the mean or average value of 5.600000 and standard deviation of 1.298351. This can be interpreted statistically during the 2016-2018 research year in the telecommunications sub-sector companies that the average value is greater than the standard deviation indicating that the deviation is relatively low or good enough, so that the data shows normal results and does not cause bias.

4.2 . Panel Data Regression Model Selection Test

4.2.1. Multiple Lagrange Test

Table 4.2. Lagrange Multiplier Test Results

Lagrange Multiplier Tests for Random Effects
Null hypotheses : No Effects
Alternative hypotheses : Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Cross-section	Test Hypothesis Time	Both
Breusch-Pagan	0.120909	0.123637	0.244546
	(0.7281)	(0.7251)	(0.6209)

Source: Eviews panel data regression output version 10.0 (2020)

Based on the results of the Lagrange Multiplier test in table 4.2 above, between the common effect and random effect models , the Breusch-pagan cross section value $\geq$ 0.05 is obtained, namely 0.7281 $\geq$ 0.05, so **H_0 is accepted and H_1 is rejected,** which means that the most appropriate model to use is Common Effect Model (CEM).

4.2.2. Chow Test

Table 4.2. Chow Test Results

Redundant Fixed Effects Tests

Equation : Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f	Prob.
Cross-section F	1.897492	(4.5)	**0.2492**
Cross-section Chi-square	13.851937	4	0.0078

Source: Eviews panel data regression output version 10.0 (2020)

Based on the results of the Chow test in table 4.3 above, between the common effect and fixed effect models , the probability value (P-value) for the cross section F $\geq$ 0.05 is obtained, namely 0.2492 $\geq$ 0.05, so **H_0 is accepted and H_1 is rejected,** which means that the most appropriate model for used is the Common Effect Model (CEM).

4.2.3. Hausman Test

Table 4.3. Hausman Test Results

Correlated Random Effects – Hausman Test
Equation : Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	23.978054	5	**0.0002**

Source: Eviews panel data regression output version 10.0 (2020)

Based on the results of the Hausman test in table 4.4 above, between the random effect and fixed effect models , the probability value (P-value) for random cross section $\leq$ 0.05 is 0.0002 $\leq$ 0.05, so **H_0 is rejected and H_1 is accepted,** which means that the most appropriate model for used is the Fixed Effect Model (FEM).

4.3. Conclusion : Selection of Regression Model and Panel Data Regression Estimation Method

4.3.1. Conclusion Regression Model Selection

Table 4.5. Conclusion of Regression Testing Results

No.	Method	Test	Result
1	*Lagrange Multiplier Test*	CEM vs. REM	***Common Effect Model***
2	*Chow Test*	CEM vs. FEM	***Common Effect Model***
3	*Hausman Test*	REM vs. FEM	***Fixed Effect Model***

Source: Eviews panel data regression output version 10.0 (2020)

The test results for selecting the panel data regression model in Table 4.5 above aim to strengthen the conclusions on the panel data regression estimation testing method used. Thus, it can be concluded that the Common Effect Model is a model used for further research data analysis in this study.

4.3.2. *Common Effect Model* (CEM)

Table 4.6. Results of Panel Data Regression Common Effect Model

Dependent Variable : PBV
Method : Panel Least Squares
Date : 07/29/20 Time : 13:01
Sample : 2016 2018
Periods included : 3

Cross-section included : 5
Total panel (balanced) observations : 15

Variable	Coefficient	Std. Error	t-Statistic	Prob.
INSTITUTIONAL_OWN	2.823068	0.618997	4.560711	0.0014
MANAGERIAL_OWN	-0.452420	0.210362	-2.150675	0.0600
AUDIT_COMMITTEE	1.140939	1.483151	0.769267	0.4614
INDEPENDENT_COMM	-1.003483	0.439227	-2.284660	0.0482
BOARDOF_DIRECTORS	-1.272219	1.137982	-2.317960	0.0425
C	3.352874	1.654655	-2.026328	0.0734

R-squared	0.921636	Mean dependent var	-0.012667
Adjusted R-squared	0.878100	S.D. dependent var	0.545533
S.E. of regression	0.190468	Akaike info criterion	-0.189488
Sum squared resid	0.326504	Schwarz criterion	0.093733
Log likelihood	7.421156	Hannan-Quinn criter	-0.192504
F-statistic	21.16970	Durbin-Watson stat	1.959794
Prob(F-statistic)	0.000099		

Source: Eviews panel data regression output version 10.0 (2020)

Based on the results of the Common Effect Model panel data regression in table 4.6 above, it shows that the constant value is 3.352874 with a probability of 0.0734. Equation of data regression Common Effect Model shows the adjusted R^2 of 0.878100, which means that the variable Institutional Ownership, Managerial Ownership, Audit Committee, Independent Commissioner and the Board of Directors amounted to 87.81% and the remainder, amounting to 12.19% influenced by other independent variables were not examined in the study this.

4.3.3. Panel Data Regression Analysis

This analysis aims to examine the influence of the independent variables on the dependent variable in which there are groups of companies within a certain period of time. The independent variables in this study are Institutional Ownership, Managerial Ownership, Audit Committee, Independent Commissioner and Board of Directors, while the dependent variable in this study is the Company Value as proxied in PBV.

Based on the results of table 4.6 above, the panel data regression equation can be formulated as follows:

CORPORATE VALUE = 3.352874 PBV + 2.823068 INSTITUTIONAL OWNERSHIP - 0.452420 MANAGERIAL OWNERSHIP + 1.140939 AUDIT COMMITTEE - 1,003483 INDEPENDENT COMMISSIONERS - 1.272219 BOARD OF DIRECTORS

4.4. Hypothesis test

4.4.1. T test statistic (t test)

The t test aims to determine the effect of the independent variables on the dependent variable. The determination of whether a hypothesis is accepted or rejected is by comparing t_{count} and t_{table} and determining the level of significance is by looking at the probability value in this study, namely 0.05. If $t_{count} \geq t_{table}$, the independent variable has an effect on the dependent variable, and vice versa. If $t_{count} \leq t_{table}$, the independent variable has no effect on the dependent variable. The number of studies is 15 or n = 15, where the number of independent variables is 5 or k = 5, then the degree of freedom or df = nk-1 is 15-5-1 = 9 with a significance level of 0.05, the result of t_{table} calculation is 2.262157 .

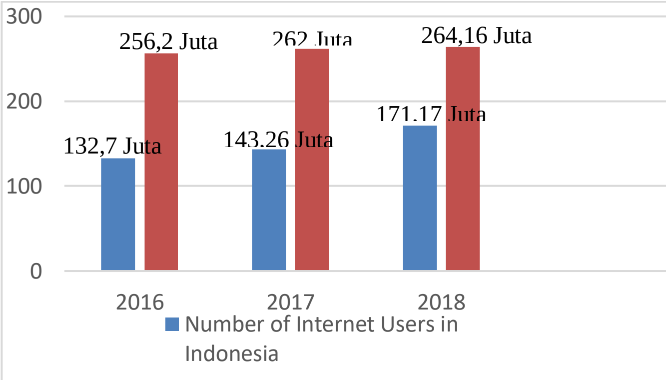
Based on table 4.6 above, the hypothesis results obtained are as follows:

1. The first hypothesis in this study is that Institutional Ownership has an effect on Firm Value (PBV). T statistical test results show the value of t_{count} greater than t_{table} is 4.560711 > 2.262157 and probability result is smaller than the significance level is 0.0014 < 0.05. So it can be concluded that Institutional Ownership partially **affects** Firm Value (PBV). Based on the test results, it can be concluded that H_1 which states that Institutional Ownership has an effect on Firm Value (PBV), is **accepted** .
2. The second hypothesis in this study is that Managerial Ownership has an effect on Firm Value (PBV). T statistical test results show the value of t_{count} is smaller than t_{table} is -2.150675 < 2.262157 and probability result is greater than the significance level is 0.0600 > 0.05. So it can be concluded that Managerial Ownership partially has **no effect** on Firm Value (PBV). Based on the test results, it can be concluded that H_2 which states that Managerial Ownership has an effect on Firm Value (PBV), is **rejected** . The test results contradict the results of the test by Salafudin (2016) which states that managerial ownership has a positive and significant effect on firm value, due to high managerial share ownership so as to increase firm value. High managerial ownership of shares is considered capable of reducing agency costs and agency conflicts, as well as being able to align the interests of management and shareholders to be able to enjoy profits. This profit can motivate the management to improve their performance so that they can increase the company's value.
3. The third hypothesis in this study is that the Audit Committee has an effect on Firm Value (PBV). T statistical test results show the value of t_{count} is smaller than t_{table} is 0.769267 < 2.262157 and probability result is greater than the significance level is 0.4614 > 0.05. So it can be concluded that the Audit Committee partially has **no effect** on Firm Value (PBV). Based on the test results, it can be concluded that H_3 which states that the Audit Committee has an effect on Firm Value (PBV), is **rejected** . In contrast to the results of Onasis (2016) test , which states that the audit committee has a positive and significant effect on firm value, because the function of the audit committee is to oversee the financial reporting process in the company and oversee the performance of the board of commissioners and improve the quality of information in good relations between shareholders and managers who are considered to help reduce agency problems so as to increase firm value.
4. The fourth hypothesis in this study is that the Independent Commissioner has an effect on Firm Value (PBV). T statistical test results show the value of t_{count} greater than t_{table} is -2.284660 > 2.262157 and probability result is smaller than the significance level is 0.0482 < 0.05. So it can be concluded that the Independent Commissioner partially **influences the** Firm Value (PBV). Based on the test results, it can be concluded that H_4 which states that the Independent Commissioner has an effect on Company Value (PBV), is **accepted** .
5. The fifth hypothesis in this study is that the Board of Directors has an effect on Firm Value (PBV). T statistical test results show the value of t_{count} greater than t_{table} is -2.317960 > 2.262157 and probability result is smaller than the significance level is 0.0425 < 0.05. So it can be concluded that the Board of Directors partially **affects the** Company Value (PBV). Based on the test results, it can be concluded that H_5 which states that the Board of Directors affects the Company Value (PBV), is **accepted** .

4.4.2. F Test Statistic (Test F)

F test is a test conducted to determine the effect of independent variables on the dependent variable simultaneously or as a whole. The sixth hypothesis in this study is the Good Corporate Governance ber influence on against the value of companies in the industrial revolution 4.0.

Table 4.7. Number of Internet Users in Indonesia in 2016-2018



Source: Indonesian Internet Service Providers Association (APJII) data processed (2020)

Based on the results of table 4.7 of the panel data regression *Common Effect Model* (CEM) of the obtained F_{count} amounted to 21.16970 and the *p-value* (F-statistic) amounted to 0.000099. Meanwhile, based on the F_{table}, the value is 3.481659 with $df_1 = (k-1) = (6-1) = 5$, $df_2 = (nk) = (15-6) = 9$ and the degree of freedom of 0.05. This means that $F_{count} \geq F_{table}$, namely 21.6970 ≥ 3.481659 with *p-value* (F-statistic) <0.05, namely 0.000099 <0.05. So it can be concluded that the independent variables, namely Institutional Ownership, Managerial Ownership, Audit Committee, Independent Commissioner and Board of Directors simultaneously affect the dependent variable, namely Company Value (PBV) in the era of industrial revolution 4.0. Based on the results of these tests, it can be concluded that H_5 which states that Good Corporate Governance affects Company Value (PBV) in the era of the industrial revolution 4.0, is **accepted** . Yes, where based on table 4.7 explains the increase in the number of internet users in Indonesia in 2016-2018, so that researchers conclude that the attachment to the impact of the 4.0 revolution has a good impact on efficiency in obtaining information through unlimited communication or with the use of the internet from parties or groups can oversee the implementation of Good Corporate Governance.

4.4.3. Determination Coefficient Test

In this study, the Adjusted R-Squared value is used to test the coefficient of determination which aims to determine how far the ability of the independent variable is in explaining the dependent variable. Coefficient of determination is between 0 and 1 or equal to $0 < R^2 < 1$. From 4.10 table can be seen that the value of Adjusted R-Squared of 0.878100 or equal to 87.81%, which means that all independent variables are able to explain the dependent variable of 87.81% while the rest namely 12.19% 12.19% (100% – 87.81%) explained by other independent variables not examined in this study.

4.5. Interpretation of Research Results

1. **The Effect of Institutional Ownership on Firm Value**

   The first hypothesis which states that Institutional Ownership has an effect on Firm Value (PBV) is accepted, it can be seen from the results of the calculation which shows the calculated t_{count} value is greater than the t_{table}, namely (4.560711> 2.262157) and the probability result is smaller than the significance level, namely (0.0014 <0.05). The positive coefficient on the Institutional Ownership variable is 2.823068, which means that for each increase in Institutional Ownership by 1 unit, the Firm Value (PBV) will increase by the coefficient figure, namely 2.823068. This is due to the large enough function of institutional ownership as an agent that participates in investment in the telecommunications sub-sector company, so as to convince investors in the capital market to participate in investing in the company. Due to the higher ownership by the institutions it will be higher the value of the company. The results of this study are the same as research conducted by Lestari (2017) and Efriyenti (2018) which states that institutional ownership has a significant effect on firm value by proxying PBV. However, this research is not in line with the results of research conducted by Rahma (2014) which states that institutional ownership has a negative and insignificant effect on firm value (PBV).

2. The Effect of Managerial Ownership on Firm Value

The second hypothesis in this study is the effect on the Managerial Ownership Company Value (PBV) is rejected, it can be seen from the results of calculations which show the value of t_{count} is smaller than t_{table} is (-2.150675 < 2.262157) and the results of the probability is greater than the level of significance namely (0.0600> 0.05). The negative coefficient on the Managerial Ownership variable is 0.452420, which means that every 1 unit increase in Managerial Ownership, the Firm Value (PBV) will decrease by the coefficient number, namely 0.452420. Managerial ownership has no effect on firm value, this is due to the lack of managerial ownership in the telecommunications sub-sector company. This can also be seen from the percentage of managerial ownership of only 1% in one company of all the telecommunications sub-sector companies studied. Low share ownership of management results in low management awareness in carrying out each of its responsibilities. If management share ownership is high, management performance will also be high and company value will increase. This is because the management feels that if the value of the company increases, they will also enjoy the benefits of the company that they invest in. The results of this study are in line with research conducted by Astriani (2014), Warapsari and Suaryana (2016) , Sasurya and Asandimitra (2018) which states that managerial ownership has no effect on firm value. However, this research contradicts the research by Puspaningrum (2017) which states that managerial ownership has a positive effect on firm value.

3. The Effect of the Audit Committee on Firm Value

The third hypothesis in this study is the Audit Committee affect the Company Value (PBV) is rejected, it can be seen from the results of calculations which show the value of t_{count} is smaller than t_{table} is (0.769267 < 2.262157) and the results of the probability is greater than the level of significance that (0.4614> 0.05). The positive coefficient on the Audit Committee variable is 1.140939, which means that every increase in the Audit Committee is 1 unit, the Company Value (PBV) will increase by the coefficient figure, namely 1.140939. The Audit Committee has no effect on company value, this is due to the formation of an audit committee which is only to fulfill the obligations in the stipulated regulations. It is also seen in the average percentage of descriptive statistics which show a value of 3,6 %, or in this case the number of audit committee formed on the sub-sector company telkomunikasi only minimum figures only the third person. This research is in line with research conducted by Syafitri *et al.*, (2018), Pratiwi (2017), and Valensia and Khairani (2019) which states that the audit committee has no effect on firm value. However, the results of this study are different from research conducted by Mayangsari (2018) which states that the audit committee has an effect on company value by proxying PBV.

4. The Effect of Independent Commissioners on Company Value

The fourth hypothesis in this study is that the Independent Commissioner has an effect on Firm Value (PBV) is accepted, it can be seen from the results of the calculation which shows that the calculated t_{count} value is greater than the $t_{table,}$ namely (-2.284660 > 2.262157) and the probability result is smaller than the significance level. namely (0.0482 <0.05). The negative coefficient on the Independent Commissioner variable is 1,003483, so the results show that for each increase in the Independent Commissioner by 1 unit, the Company Value (PBV) will decrease by the coefficient number, namely 1.003483. The results of this study indicate that the monitoring function of independent commissioners is considered to have been effective in reducing irregularities by management such as manipulation in corporate financial reporting, but the large number of independent commissioners or in this case the number of independent commissioners and commissioners can reduce the value of the company. considered to cause too large agency costs. This research is in line with research conducted by Permatasari and Yuliandhari (2019), Sarafina and Saifi (2017), Valensia and Khairani (2019) which states that independent commissioners have a significant effect on firm value. However, this research is in contrast to research conducted by Rachmania (2017) and Dahlia (2018) which states that independent commissioners do not have a significant effect on firm value.

5. Effect of the Board of Directors on Company Value

The fifth hypothesis in this study is the effect on the Board of Directors of the Company Value (PBV) is received, it can be seen from the results of calculations which show the value of t_{count} greater than t_{table} is (-2.317960 > 2.262157) and the results of a probability smaller than the level of significance namely (0.0425 <0.05). The negative coefficient on the variable of the Board of Directors is 1.272219, so the results show that for every increase in the Board of Directors by 1 unit, the Company Value (PBV) will decrease by the coefficient figure, namely 1.272219. The board of directors has an effect on the value of the company, this is due to the number of boards of directors that are quite good in the telecommunication sub-sector company on average 5,600,000 or in the case of 5 people as seen from the results of descriptive statistics. Too many boards of directors can cause communication barriers between management and shareholders. Stakeholder theory states that the high and low number of the board of directors in a company is a determining factor for increasing firm value. The optimal board of directors allows for more competitive decision-making meetings and focuses on company goals because it gets input from fellow directors so that it allows optimal decision making for the company. This research is in line with research conducted by Sondokan *et . al* ., (2019), Radhitiya and Purwanto (2017), Ardianto and Rivandi (2018) stated that the board of directors has a significant effect on firm value. However, these results differ from research conducted by Mawei and Tulung (2019) which states that the board of directors has no significant effect on firm value.

6. The Effect of *Good Corporate Governance* on Company Value in the era of the Industrial Revolution 4.0

The sixth hypothesis which states that the dimensions of Good Corporate Governance have an effect on Firm Value (PBV) in the era of the Industrial Revolution 4.0, is accepted , this can be seen from the results of calculations that show $F_{count} \geq F_{table,}$ namely (21.6970 ≥ 3.481659) and the probability result is smaller. from the level of significance, namely (0.000099 <0.05) and the increase in the number of internet users in Indonesia in the research year . This shows that the factors that can increase the value of the company both internally are Institutional Ownership, Managerial Ownership, Audit Committee, Independent Commissioner, Board of Directors, PBV and externals, namely the impact of the 4.0 revolution era. In which the 4.0 industrial revolution is considered to have an impact on increasing the number of internet users in Indonesia in the research year, so that researchers conclude that the attachment to the impact of the 4.0 revolution has a good impact on efficiency in obtaining information through unlimited communication or with the use of the internet from parties or groups who can supervise the implementation of Good Corporate Governance. This can be proven based on statistical data from the Indonesian Internet Service Provider Association (APJII) in 2016 out of a total population of 256.2 million Indonesians who are connected to the internet as many as 132.7 million people, in 2017 from a total population of 262.2 There are 143.26 million Indonesians connected to the internet and in 2018 out of a total population of 264 million Indonesians who are connected to the internet, 171.17 or around 64.8% of Indonesia's population. So it can be concluded that only the dimensions of institutional ownership, independent commissioners and board of directors are considered capable of following technological advances in the era of the industrial revolution 4.0.

This research is in line with the research conducted by Suhandi (2019) which states that the impact of technological advances in the era of the industrial revolution 4.0, namely in terms of making decisions for managers and agents that are effective and efficient. excels in providing relevant information to shareholders and stakeholders. Timeliness, clarity and accuracy in providing information are the main factors for shareholders and stakeholders in assessing the company that they will invest in.

The results of this study are also in line with research researched by (Purwandini and Irwansyah, 2018) which states that digitalization in the era of the industrial revolution 4.0 as the implementation of communication functions between parties both internal and external by technology for the exchange of certain information to the public has an effect on increasing companies in the eyes of the public. . Then this research is also in line with research researched by Tripurwanta (2017) which states that increasing the number of internet in Indonesia can have a positive impact on the sustainability of the company.

5. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusion

Based on the results of research on the effect of good corporate governance on value. Companies in the Industrial Revolution 4.0 Era , it can be concluded as follows:

1. Institutional Ownership has an effect on Firm Value. This means that the monitoring function of share ownership in the institution is monitored optimally by shareholders, thus limiting the opportunistic behavior of managers towards the company. As mentioned by Lestari (2017) and Efriyenti (2018) that the greater the value of institutional ownership, the stronger the control over the company so that company owners can control management behavior so that they act in accordance with company goals which will ultimately increase company value.
2. Managerial Ownership has no effect on Firm Value. Managerial parties are not maximally involved in investing in companies. Low share ownership of management results in low management awareness in carrying out each of its responsibilities. As mentioned by Sasurya and Asandimitra (2018), if management share ownership is high, management performance will also be high and company value will increase.
3. The Audit Committee has no effect on Firm Value. This is due to the number of members of the audit committee who only fulfill the regulations, namely with a minimum of 3 people based on OJK regulation Number 55 / POJK.04 / 2015. As stated by Indrasari *et al* ., (2017) , the maximum members of the audit committee can be useful in ensuring transparency of financial statements, transparency, fairness for all shareholders, and disclosure of all information carried out by management.

4. Independent Commissioners have an effect on Company Value. Independent commissioners have provided effective oversight in reducing irregularities committed by management, such as manipulation in corporate financial reporting, corporate management and decision making. As stated by Permatasari and Yuliandhari (2019) that with the existence of strong monitoring or control carried out by independent commissioners, it is hoped that it can minimize all activities carried out by agents that are contrary to the needs and agreements between management and shareholders.
5. The Board of Directors has an effect on Company Value The number of boards of directors that are quite good in the telecommunication sub-sector company is an average of 5 people. As stated by Radhitiya and Purwanto (2017) which states that the high and low number of the board of directors in a company is a determining factor for increasing company value. An optimal board of directors allows for more competitive decision-making meetings and is focused on company goals.
6. Simultaneously, the dimensions of Good Corporate Governance, namely Institutional Ownership, Managerial Ownership, Audit Committee, Independent Commissioners and the Board of Directors, have an effect on Company Value in the Industrial Revolution Era 4.0. This means that only the dimensions of Managerial Ownership and the Audit Committee are partially unable to influence the Company Value of the telecommunications sub-sector in the Industrial Revolution Era 4.0. In obtaining information through unlimited communication or by using the internet from the managerial ownership and the audit committee that can oversee the implementation of Good Corporate Governance, it is not yet effective and efficient. As stated by (Purwandini and Irwansyah, 2018) which states that digitalization in the era of the industrial revolution 4.0 as the implementation of communication functions between parties both internal and external by technology for the exchange of certain information to the public has an effect on increasing the company in the eyes of the public.

5.2. Suggestion

1. For the Company
   The results of this study prove that managerial ownership and audit committee have no effect on firm value. Therefore, companies are advised to maximize their managerial share ownership, so that management awareness in carrying out each of their responsibilities can have a good impact on increasing company value and can provide managerial benefits for the profits of the companies they invest in. Then the number of audit committee in the company is suggested to be added from the minimum rules for audit committee membership. And the results of this study can be used as a reference for companies in making improvements to the application of the principles of Good Corporate Governance in increasing corporate value.
2. For Investors
   It is better if before investing to pay attention to indicators that can provide an overview of the condition of the company first, such as price to book value, because PBV is able to reflect the shares of a company when traded.
3. For Regulators
   This research is expected to provide an overview and input for regulators to regulate the implementation of Good Corporate Governance in all companies in Indonesia, especially the regulations regarding the provisions of the audit committee as stipulated in OJK Regulation Number 55 / POJK.04 / 2015.

5.3. Research Limitations and Further Research Development

This study has the following limitations :

1. This study only uses the independent variable Good Corporate Governance in measuring the effect on firm value as the dependent variable. For further researchers, it is better to add other independent variables that can affect company value such as audit quality (Kurniawati, 2016) and Corporate Social Responsibility (Rachmania, 2017) .
2. This study only uses the Price to Book Value (PBV) indicator as an analysis tool for measuring firm value, for further researchers, other measurement models can be used, such as Price Earning Ratio (PER), Tobin's Q and others.

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