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Good Corporate Governance and Financial Condition on Firm Value During the Covid-19 Era

Vina Priscilia[1], Astrid Rudyanto[2]
[1,2,] Accounting, Trisakti School of Management, Jakarta, Indonesia
Vinapriscilia25@gmail.com , Astrid@stietrisaktiac.id

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ABSTRACT

The purpose of this research is to get empirical evidence regarding the influence of board of commissioner, board of director, institutional ownership, profitability, tax planning, company size, and capital structure on firm value. The population in this research is consumer cyclical and consumer non-cyclical companies listed in the Indonesia Stock Exchange (IDX) during the years 2020-2022. This research used multiple linear regressions. The result of this research shows that board of director and company size, have a positive influence on firm value. Meanwhile, profitability has a negative influence on firm value. But board of commissioner, institutional ownership, tax planning, and capital structure have no influence on firm value. Based on the results of one research, profitability that investor tends not to believe in companies that have profit during covid-19 because they think that the companies make earnings management to make their company sustain during covid-19 era. Then the companies are advised to be more careful and careful in determining all decisions, include financial condition.

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A. INTRODUCTION

The most significant event of the 21st century is the COVID-19 pandemic impacting most companies across all industries in the world (Zenker and Kock 2020) especially consumer products industry. The pandemic was an unprecedented occurrence that put the world's health systems in danger and created a lot of difficulties for the financial system. The COVID-19 pandemic is partially to blame for this year's fluctuations in trading volume and prices, which affect both the Indonesian stock market and the global stock market. Different industries were impacted. The COVID-19 pandemic that struck Indonesia has been particularly disruptive to the country's economy, affecting nearly every industrial sector and causing changes in the values of these companies. Where these changes can reduce the value of the company significantly or drastically and will have an impact on decreasing company goals and performance.

The goal and obligation of the company, in addition to performance improvement, is to maximize values to increase the clients' well-being (Sari and Abundanti, 2014 and Mappadang 2021). The perception of the firm is one of the factors that the investors can influence when deciding whether to invest in the company (Bambang 2013). Firm value is a result from the Investors that will invest in a company so it can make firm value is high and conversely, if the company's value is low, investors will refrain from doing so. Firm value has a significant effect on the well-being of the employees, thus it is the goal of all parties inside the company to put the company ahead of the competition (Ismiyatun et al., 2021). Firm value is also crucial because a company's image will influence the company's reputation in the eyes of the public. If the firm has a good image, there will be a desire and confidence from investors to invest the capital. If the firm value is bad, the public will not trust the company and investors will not be interested anymore.

Enikolopov et al. (2014) cite two reasons why a company loses value in a crisis. The primary reason for this is the reduction in the size of investment opportunities, which makes it more difficult for the company to increase its cash flows in line with earlier estimates. The loss of access to outside funding, however, is the indirect cause. It may worsen the company's liquidity and solvency via several different avenues, raise risk, and ultimately result in increased capital costs. One of the causes of covid-19 is decrease in the profitability and the assets of the company, increasing debt, and making the equity is negative. Because company need more fund resources to maintain their operational activities, so company requires loans which then results in an increase in company debt. Covid-19 has affected all aspects from the lowest to the highest and this impact has resulted in bad or negative results. So, proper handling must be done to maintain the surrounding financial condition or condition of the company, one of which is by having good corporate governance.

One way that companies can defend their companies from COVID-19 is they implement good corporate governance to know their financial condition, and operational activities for their companies. Good corporate governance enables the general public and investors to know the real about the true state of the company (Febrianti & Uswati Dewi, 2019). People who believe in the company tend to buy their shares to raise the firm value. This occurs when there is good corporate governance.
Bandiyono and Indrianto (2019) stated that corporate governance will undoubtedly be a focus for businesses that have already filed to list on a stock exchange. Corporate governance is a set of structures, procedures, and mechanisms that were created for corporate management based on accounting principles to increase the value of the company over the long term (Velnampy 2013). Implementing a corporate governance system that works to improve the company's reputation is a gauge of how successful management has been in raising the firm value. Today, firm value is supposed to increase with the application of good corporate governance. So, if a lot of are eager to put money into the business, then the firm value will increase. However, investors will act as though good corporate governance offers significant benefits and gives them the confidence to invest in the companies they choose (Bandiyono and Indrianto 2019).

The global outbreak of COVID-19 has resulted in significant changes across several industries, most notably the acceleration of digital transformation (Kudyba 2020). It is imperative to look into how COVID-19 affects every area of the economy, including the financial sector (Nugroho, 2021). A sector that faces challenges in reaching consumers is consumer goods, as mobility restrictions limit the number of products that can be distributed to them (Setiany et al., 2023). For this reason, businesses must constantly strive to increase the value of their company by improving performance (Suartawan and Yasa 2016). In order to predict the current and future value of a company, Ding et al, (2020) developed four or more essential measurements that represent the financial condition of the company. Companies are searching for liquidity to cover expenses as the pandemic crisis puts pressure on their sales. Subsequently, the capital market reassesses the company's value, taking into some factors such as profitability (Nugroho and Pertiwi 2021).

This research will be different from previous research. To learn more about how good corporate governance is on company value in this era with previous research eras. Especially after Covid-19 attacked all countries in the world and Indonesia is one of them. Because the firm value greatly impacts the welfare of the firm, knowing the firm value will determine whether the firm is stable, profitable, or not, and how the public evaluates the firm. Also having some corporate governance, like board of

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director will affect to increase the value and company and profitability also affect to value of the company but it will give negative signals to the investor and auditor because covid-19 hit the company's condition at the time. Previous researchers by Febrianti and Dewi (2019), Sutrisno (2020),and Kifli and Juliarto (2022) have analyzed the influence of good corporate governance and financial condition on firm value. However, they do not analyze the influences of COVID-19 era. Because COVID-19 reduces companies' financial stability, knowing the factors that increase firm value has a more significant impact on companies. This research will use data from consumer cyclical and consumer non-cyclical from the period 2020 to 2022.

B. LITERATURE REVIEW

According to Jensen and Smith (2000), agency theory focuses on how principles and agents relate to one another or the relationship between the principals of the company (the owners) with the agents (management). Agency costs were divided into three groups, among other things: (1)monitoring cost, which is the cost incurred by the principal as a result of monitoring the agent's behavior, (2)bonding cost, which is the amount that the agent must pay to set up and maintain the system that ensures that, given the company's objective of maximizing shareholder profits, the agent acts in the principal's best interests, (3)residual loss, which is results from having to make different principal decisions, which in turn causes diminished principal prosperity. According to Bringham and Ehrhardt (2009) the concept of signaling theory is a measure used by the company's management that provides investors with information on how the management views the company's prospects. It is stated that the firm will consciously give some signals to the market and the market is anticipated to distinguish between high and inadequate firm's (Horne and Wachowicz, 2005). The information that companies provide is analyzed by market participants to determine whether it is good or bad news (Jogiyanto 2014). Good corporate governance will give good or bad signals to the external parties which are the investor and the stakeholders.

Board of commissioner has a collective obligation and accountability for monitoring, counseling, and ensuring that the company upholds good corporate governance as a corporate entity (Hamdani 2016). As an insider organizer, an efficient oversight committee can enhance managerial performance to maximize the company's value. The members of board of commissioners have a right to full and prompt access to information about the organization to carry out their duties individually or collectively. There are three key factors, including independence, competence, and commitment, which impact the efficacy of the board of commissioners (Febrianti and Dewi 2019). The board of commissioner is the core of good corporate governance and is responsible for overseeing managers during the management of the company and ensuring that the company's strategy is being followed, giving the board of commissioner a significant influence on the firm value (Chabachib et al. 2019). During the covid-19, the company's financial condition can not be used as a benchmark for making investments. Therefore, investors rely on supervision from the board of commissioners to ensure runs well.

According to the research that Febrianti and Dewi (2019) shows board of commissioner has an influence on firm value and research conducted by Sumarno et al. (2016) shows board of commissioner has a positive and influence on firm value. Meanwhile, research by Oktari et al. (2018) and Wardhani et al. (2021) shows that board of commissioner has no influence on firm value. Also, the research from Sutrisno (2020) shows a negative influence on firm value.

H_1: Board of commissioner has an influence on firm value in COVID era.

The company's policies or the immediate course of a company are determined by the board of directors. Hamdani (2016) states that directors are company entities tasked with being responsible and managing the company. The members of the board must comprehend and follow good corporate governance guidelines (Febrianti and Dewi 2019).

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The five main responsibilities of the company's management function as performed by the directors are administration, responsibility for society, communication, internal control, and risk management (Hamdani 2016). The performance of the company is significantly impacted by the size of the board of directors, which has an impact on the growth of firm's value. This board has significant power to make decisions that have this effect (Sutrisno, 2020). That’s why, board of director has an important role for the company during covid-19, because board of director can make a good strategy and communicate with all parties which makes investors and potential investors interested in investing and ensures the company condition runs well too.

According to the research by Febrianti and Dewi (2019) show board of director has an influence on firm value and research conducted by Pratama et al. (2020) and Widiatmoko (2020) showed that they found a positive effect on firm value. While the study done by Sumarno et al. (2016) shows a positive and influence on firm value. Research by Samasta et al. (2018) shows the that board of director has a positive but no influence on firm value. Lastly, the research from Sutrisno (2020) shows the board of director has a positive and influence on firm value.

H_2: Board of director has an influence on firm value in COVID era.

Institutional ownership is a firm's ownership proportion owned by institutions, other than subsidiary firms, affiliated companies, also associated firms. Institutional investors frequently hold a majority of the shares (Rasyid 2015). The management is encouraged and motivated to maximize the business value to a larger extent as institutional ownership increases. Due to its frequent use as a gauge of an emitter's performance, institutional ownership is also among the good corporate governance mechanisms.
Institutional investors have a high demand for well-performing investors. Institutional ownership companies may also assist in monitoring the management of the company and making sure that it is capable of properly managing the company's assets to achieve high Profitability (Abdullah et al. 2017). Institutional investors also ensure and monitor the company’s condition, especially during covid-19 era. They ensure the financial condition of the company is good and that the investors and stakeholders will be prosperous even in covid-19, they do not get a high dividend but institutional investor try the company is stable in covid-19.
According to the research that Sutrisno (2020) has done shows institutional ownership has a positive and influence on firm value with study by Febrianti and Dewi (2019), Sugiarto and Junitania (2018). Meanwhile, the research conducted by Samasta et al. (2018) showed that institutional ownership has a negative and no influence on firm value and other research that was done by Sembiring and Trisnawati (2021) results has no effect on firm value.

H_3: Institutional ownership has an influence on firm value in COVID era.

Profitability is a crucial need for a company's long-term sustainability. It demonstrates a relationship that both reflects and significantly influences the company's achievement of its financial goals, and it has a significant affect on the enterprise value. On the other hand, profitability is a fundamental aspect of the business because it measures the effectiveness and efficiency of the use of all resources that are used in the operations of the company and serves as a significant draw for investors who invest their money there (Harahap et al., 2018). Profitability is one of the most important aspects of a business because it serves as a gauge of how effectively and efficiently resources are used in the day-to-day operations of the company as well as a major draw for investors who invest their money in them (Ramdhonah et al. 2019). Increased profitability is a necessity for businesses to maintain the value of their stock to investors. Investors evaluate a company by using financial data as a tool for investment evaluation since financial data reflects both the high and low values of the company (Ramdhonah et al. 2019). The maximum amount of net profits that the company may realize while doing its business activities is known as profitability. Also, after the world hit by covid-19 make company is not stable then the company must to maintain their company to get a good profitability even in negative amount. Because investor see how good company in managing the asset company. According to Kumala et al. (2022), Before and after the COVID-19 pandemic entered Indonesia, there was a noticeable difference in return on assets. This suggests that COVID-19 may have an impact on profitability.

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According to the research Sutrisno (2020) shows profitability has a positive and influence on firm value with the research shows by Handriani (2020) and Pratiwi (2020) shows that firm value has an influence on firm value, also the research by Handriani (2020) again also shows a positive effect. While, another study by Ismiyatun et al. (2021) stated that profitability using ROA has a negative and influence on firm value and research from Novitasari and Sunarto (2021) states that profitability partially has no effect on firm value.

H_4: Profitability has an influence on firm value in COVID era.

The management of tax expenditures is one way to increase the firm value (Angelina & Darmawan, 2021). Taxes can be used by the firm in business as a deduction from income. The amount of tax that must be paid increases with income, having an impact on how much money the business makes after paying taxes (Rajab et al., 2022). When a company's profit after taxes declines, it has an impact on the value of its stock, which lowers the company's value. It is advised that companies conduct a tax planning process to legally minimize their tax liability and avoid breaking any tax laws (Angelina & Darmawan, 2021). Tax planning is carried out by careful analysis and the use of opportunities or chances provided by the laws as set forth by the government (Suandy 2014). The main goal of tax planning is to ensure that the tax burden is carried by tax laws. By utilizing provisions not covered by tax laws, it might be inferred that tax planning is being done to reduce tax obligations. This was done to adjust the actual amount of taxation, not to increase it. Beside, the company do this to minimum the tax burden, the company do this because covid-19 is one the reason why the management make decision and strategy to always pay tax but in minimum level and follow the laws. If can lower the tax burden, the company can allocate some residu from the original amount of tax burden to increase the operational of company. This is happen because covid-19 hit all every parts in our life.

According to the research by Angelina and Darmawan (2021) and Afiezan et al. (2022) had done shows tax planning has a positive and significant effect on firm value. Another research that Kifli and Juliarto (2022) show tax planning has a positive and no influence on firm value. However, research by Rajab et al. (2022) and Noviari and Suaryana (2020) shows that tax planning has no influence on firm value and research by Vu and Le (2021) shows tax planning has a negative effect on firm value.

H_5: Tax planning has an influence on firm value in COVID era.

The company’s size is a factor that might affect the firm’s value. The assets’ size held by a company is described by its size. It describes the company's capacity to offer a wide range of products or services. A large company's size is a good development indicator since it sends out encouraging signals to investors and raises the firm's value (Adiputra & Hermawan, 2020). Investors are more likely to be interested in companies with larger scales. This is because large businesses often operate in more stable environments (Adiputra & Hermawan, 2020). And make investors keep invest their money in the company that have a larger companies even in covid-19 condition. The financial condition of company and investor definitely hit but both the company and investors will do well to gain profits for both parties.

According to the research that Susanti and Restiana (2018) did company size has a negative effect on firm value. Therefore the research by Adiputra and Hermawan (2020) which resulted has a negative and no influence on firm value. Meanwhile, the study by Novitasari and Sunarto (2021) and Pratiwi (2020) shows that company size has no effect on firm value. While, the research by Handriani (2020) have a positive effect on firm value.

H_6: Company size has an influence on firm value in COVID era.

A comparison between the amount of long-term liabilities and the firm's capital is known as the capital structure (Novitasari & Sunarto, 2021). Capital that is distributed in then form of profit margins and ownership interests in the company is referred to as own capital. The best capital structure is one that

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optimizes the harmony of risk and return to raise prices of stocks to their highest level. The capital structure is only a portion of the financial structure. If the business can optimize its operations to achieve the anticipated return, it can also demonstrate that it has strong long-term business intentions, which will have a positive affect on the firm value.

Large companies need a lot of money to support their operations, and when their capital is insufficient, they might turn to foreign capital (debt) as an alternative. Therefore, companies must ensure how to obtain additional capital from investors or outside parties, especially in this Covid-19 condition. Therefore, capital structure is one of the considerations for companies to manage their capital and debt, and investors consider whether to invest or not.

According to the research by Susanti and Restiana (2018) and Novitasari and Sunarto (2021), the research shows that capital structure has a positive effect on firm value, also with the research from Pratiwi (2020) has an influence on firm value. While, the research for Sembiring and Trisnawati (2021) and Sugiarto and Junitania (2018) has no influence on firm value.

H_7: Capital structure has an influence on firm value in COVID era.

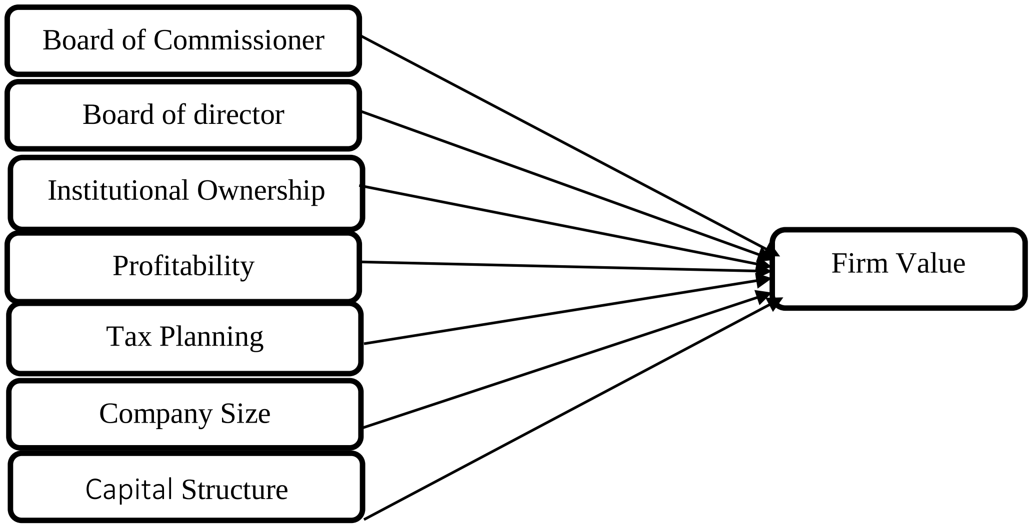

Image 1. Research Model

C. METHOD

The population in this research is consumer cyclical and consumer non-cyclical companies listed in the Indonesia Stock Exchange (IDX) during the years 2020-2022. Samples were obtained through the purposive sampling method and there are 177 companies listed in the IDX that meet the sampling criteria and are taken as samples for this research. This research used multiple linear regressions.This research uses multiple regression. The significant level, which is used in this research, is 5%. The model that was used to test this research is as follows:

$$FV = \propto + \beta 1\,(BoC) + \beta 2\,(BoD) + \beta 3\,(IOWN) + \beta 4\,(ROA) + \beta 5\,(ETR) + \beta 6\,(SIZE) + \beta 7\,(DER) + \varepsilon$$

FV	= Firm Value
$\propto$	= Constant
β1,2,3,4,5,6,7	= Coefficient Variables
BoC	= Board of Commissioner
BoD	= Board of Director
IOWN	= Institutional Ownership
ROA	= Profitability
ETR	= Tax Planning (ETR)
SIZE	= Company Size
DER	= Capital Structure

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ε = Error

Table 4. Variable Operational Definition

Research Variables	Measurement
Firm Value	Tobins' Q = (MVE +Debt)/ Total Assets
Febrianti and Dewi (2019)	
Board of Commissioner	
Febrianti and Dewi (2019)	∑Board of Commissioners
Board of Director	
Febrianti and Dewi (2019)	∑Board of Directors
Institutional Ownership	
Sutrisno (2020)	Number of shares owned by institution/ Number of shares in the market
Profitability	
Sutrisno (2020)	
Tax Planning	Earning After Tax/ Total Assets
Kifli and Juliarto (2022)	
Company Size	Tax Expense/ Income PreTax
Susanti and Restiana (2018)	
Capital Structure	LogN(Total Assets)
Susanti and Restiana (2018)	
	Total Liabilities/ Total Capital

D. RESULT

The research object used in this research is consumer cyclical and non-consumer cyclical company listed on the Indonesia Stock Exchange from 2020 to 2022. The sample selection technique used in this research is the purposive sampling method. 177 consumer cyclical and non consumer cyclical firms have been selected as samples and the total data used in this research is 531 data for this research. The sample selection procedures are shown in Table 1.

Table 1 Sample Selection Procedure

Criteria Description	Total Companies	Total Data
Consumer cyclical and consumer non-cyclical that are consistently listed in the Indonesia Stock Exchange from 2020 to 2022.	207	621
Consumer cyclical and consumer non-cyclical that did not publish complete financial reports available on the Indonesia Stock Exchange from 2020 to 2022	(16)	(48)
Consumer cyclical and consumer non-cyclical that did not consistently use the IDR as the currency in their financial statements from 2020 to 2022	(14)	(42)

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Consumer cyclical and consumer non-cyclical that did not consistently publish their financial statement as of 31st December from 2020 to 2022	(0)	(0)
Total Sample	177	531

Source: Data are obtained and processed from IDX

Table 2 Descriptive Statistics Result

	N	Mean	Minimum	Maximum	Std. Deviation
Q	531	2,63143	0,38938	115,46153	7,808842
BoC	531	3,59	2	9	1,505
BoD	531	4,23	2	12	1,936
IOWN	531	0,64172	0,00000	0,99958	0,239421
ROA	531	-0,05146	-7,88739	0,59902	0,573469
ETR	531	0,14294	-10,31074	7,73492	0,793945
SIZE	531	28,16054	22,93738	32,82638	1,732817
DER	531	0,68233	-598,44463	114,28958	27,472730

Source: Data output Statistics

Table 2 shows that 531 data are being observed. Firm Value with Tobin Q's has a standard deviation value of 7,808842. This variable also has a minimum value of 0,38938 and a maximum value of 115,46153.

Profitability with ROA has a minus mean value of -0,05146 and a minimum value of -7,88739. This happened because at that time the world was hit by covid-19, so one of the things that was affected was business, the company was shaken and ROA describes the company's condition at that time.

Tax planning with ETR has a minus minimum value of -10,31074. This happens because there is a huge tax meanwhile the profit that the company gets is below expectations even though the company has taken various steps to maintain the company's condition, one of which is its finances during Covid-19.

Capital structure with DER has a minus minimum value of - 598,44463. The minus minimum value happens because there is a huge minimum IDR for total equity which is -IDR1.001.131.762, it is means that the company has a huge deficit. This describes the covid-19 condition that changes all order of life in the world.

Table 3 T-Test Result

Variable	**Coefficient**	**Significance**	**Conclusion**
(Constant)	15,329	0,001	
BoC	-0,209	0,248	H_1 Not Supported
BoD	0,320	0,044	H_2 Supported
IOWN	-0,098	0,917	H_3 Not Supported
ROA	-10,094	0,000	H_4 Supported
ETR	0,258	0,351	H_5 Not Supported
SIZE	0,490	0,008	H_6 Supported
DER	-0,004	0,608	H_7 Not Supported

Source: Data output Statistics

Based table 3 on the results of the residual data normality test before the outlier and after the outlier test, the residual data was not normally distributed. <u>the residual data was not normally distributed which is using data ouput statistics of before the outlier test the value of Asymp. Sig. (2-tailed) is 0.000 with 531 data and with after the outlier test the value of Asymp. Sig. (2-tailed) is 0.000 with 522 data.</u> Thus, the data before the outlier are used for further data processing with a total of 531 data. In the classical assumption test, there is no autocorrelation and there is no multicollinearity in the regression model. The correlation coefficient result (not tabulated) shows that there is a very strong and positive

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relationship between a dependent variable and independent variables. The result of the analysis of the coefficient of determination shows that 58,9% of dependent variable can be explained by independent variables variation board of commissioner (BoC), board of director (BoD), institutional ownership (IOWN), profitability (ROA), tax planning (ETR), company size (SIZE), and capital structure (DER), while the remaining 41,1% can be explained by other factors that are not included in the regression model.

According to the F test result, the regression model fits for this research. From the t test result above, the regression model can be determined as: FV= 15,329 – 0,209 BoC + 0,320 BoD – 0,098 IOWN – 10,094 ROA + 0,258 ETR +0,490 SIZE – 0,004 DER + ε.

The t-test result shows that board of director (BoD) have a significant level of 0,044, which is lower than 0,05. It concludes that the H_2 is supported. Therefore, board of director has an influence and positive effect on firm value.

The t-test result shows that profitability (ROA) has a significant level of 0,000, which is lower than 0,05. It concludes that the H_4 is supported. In the end, profitability negatively influences firm value.

The t-test result shows company size (SIZE) has a significant level of 0,008, which is lower than 0,05. It indicates the H_6 Supported. Therefore, the company size positively influences firm value.

The t-test result shows capital structure (DER) has a significant level of 0,608, which is higher than 0,05. It indicates that H_7 is not supported. The result is in line with the previous research of Sembiring and Trisnawati (2021) and Sugiarto and Junitania (2018), in which capital structure has no influence on firm value.

Also, other variables which are board of commissioner (BoC), institutional ownership (IOWN), and tax planning (ETR) has a significant level higher than 0,05 which means the hypothesis is not supported or there is no influence on firm value.

DISCUSSION

The conclusion is in line with Ismiyatun et al. (2021) that an increase in profitability will make the company’s value lower because companies prefer to keep their profits rather than distribute them as dividends in this covid-19 era it shows that the company is trying to maintain their business, the company prefer to allocate their profit become increasing their company condition at that time, like do mass online or offline marketing, increasing production and selling the product and others. Also, if the company at that time is having a positive ROA, it will make negative signals to the investor because ROA describes a company condition at that time. It will make the investor and potential investor also auditor is suspect and then they will wonder that why only that companies have positive ROA while other companies don't. The investor tend suspect that company having a positive ROA is that they doing earnings management or else. Hence, it will have a big impact on the confidence of investors also other external parties and in the end will impact the company’s value. And profitability has a negative influence because the investor do not believe to the profitabile company.

That’s why because the investor do not believe to the profitable company make the capital structure is not in attention by investor as a benchmark for investing. Because capital structure is like a signal that managers deliver to the market, where an increase in a company’s debt will increase risk and raise the possibility of insolvency and can have a bad impact on the value of the company. Also, especially in Covid-19 era, company difficult to maintain their profit and make the company have an equity deficit dan lots of loan. This is reasonable to do because in covid-19 pandemic. And relate to the residual loss of agency theory because this is happen that the principal of company must make a different decisions which in turn causes diminished principal prosperity, then the investor and potential investor choose another company that the company is stable and survive in covid-19.

The company management is paying attention to the condition of the company during Covid-19, one of which is the board of directors. Because the condition of the company is shaken and make the company financial is affected, make the members of board director is inreasing. In accordance with Pratama et

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al. (2020), Widiatmoko (2020), Sumarno et al. (2016), and Sutrisno (2020) higher number of members of board of directors can allocate tasks will more to create a good business strategy for the company especially the strategy that very useful for company at that time and of course that the board of director always want to increase profit the company and at the end will impact to the company value. Also, with director is a person that have a high knowledge, professional, integrity, and high experience, so they can communicate well and allocate also reduce the obligation to the management of the company or internal more good. This is relate to the bonding cost, where the board of director must more pay with their strategy and others to set up and maintain the system that ensure the company sustainability especially in covid-19 era.

That's why with one of corporate governance is board of director and the company size can make the maintain the company's profit. Company size when the larger company has more resources and opportunities become easier and it is easier for public to get the information. It is one of good signal, because board of director or internal company will give a good information to the external parties like investor and potential investor to get information easily, than they will interest to invest their money at that company and it will increases the company's profit and value of the company.

Then the investor do not see such as board of commissioner, institutional ownership, and tax planning because they are not important for continuity the company. Board of commissioner and institutional ownership that they are only supervise, monitoring the management the company. They are not directly related to the company and make less efficient and effective the member of commissioner is high and do not relate to the company condition at that time in covid-19, meanwhile the investor want the company that can give a stable profit with a minimum low debt and deficit (Oktari et al. 2018 and Wardhani et al. 2021). This is relate to the monitoring cost that they only monitor the management of the company as a result monitoring the agent's behaviour. Then, tax planning is just a strategy about how can we pay the tax burden at the minimum level (Rajab et al. 2022 and Noviari and Suaryana 2020). Also why the companies keep thinking out tax in covid-19. It is not to forget about tax, but the companies can think another strategy to maintain their business or make they profit is stable or increase and not make the company insolvency.

E. CONCLUSION, IMPLICATIONS, LIMITATIONS AND SUGGESTIONS

Based on the research above, it can be concluded that board of director and company size, have a positive influence that they will give a positive signals to the investor and potential investor interest investing because board of director and company size directly and not directly can increase the profit and make the company try to maintain their business. Meanwhile, profitability has a negative influence for the value of company that investor is will be fine that the ROA is minus or small as long as the company keep trying to maintain their business and get more profit than before. But board of commissioner, institutional ownership, tax planning, and capital structure have no influence on the dependent variable which is firm value.

Based on the results of the research, companies need to improve their corporate governance to improve the performance and condition of companies. Then the companies are advised to be more careful and careful in determining in all decision and one of it is financial decision is if do earnings management in covid-19 era, because it will reflect to the financial condition and the investor do not believe the company that profitable in covid-19 era. Also, company must have a good and trustworthy board of director so that investors can invest in that company. Those who wish to invest their excess capital in a company should be more cautious and in-depth in their examination of the financial statements, having mastered the principles of financial knowledge. There are following recommendations that should be done for further researcher is this research only done by developing countries, one of which is Indonesia, so further research can do the research in other country beside developing country for get a different result. And analysis of the impact of the earnings management on firm value during the covid-19 era because the profitable company will be in suspect during covid-19 era, so in order to prove the results of this research whether is true or not then the further researcher can check whether earnings management really has a negative effect on firm value or not.

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