

## CHAPTER V

### CLOSING

#### 5.1 Conclusions

Based on the results of hypothesis testing, it can be concluded as follows:

1. T test result for institutional ownership variable obtained significant value of  $0.003 < 0.05$ , then  $H_0$  is rejected and  $H_a$  accepted. The existence of institutional investors is considered capable of being an effective monitoring mechanism in every decision taken by managers. This is because institutional investors are involved in the company's strategic taking. The greater the ownership of the institution the greater the power of voice and encouragement of the institution to oversee management. As a result, it will give a bigger boost to optimize the value of the company so that the company's performance will increase.
2. Result of t test for independent commissioner variable obtained significant value equal to  $0,765 > 0,05$ , hence thus  $H_0$  accepted and  $H_a$  rejected. So it can be said that independent commissioners have no significant effect on the value of company companies, because the number of independent board of directors on the sample company average is already high, thus less affect the company's performance
3. Result of t test for auditor quality variable obtained significant value equal to  $0,212 > 0,05$ , hence hence  $H_0$  accepted and  $H_a$  rejected. So it can be said that the quality of auditors does not significantly affect the value of corporate companies. This finding means that investors in considering their investment decisions still do not fully maximize the information derived from the audited financial statements, but investors also consider other factors such as macro and micro economic conditions, political issues, leadership changes, and technical analysis.

4. Result of t test for audit committee variable obtained significant value equal to 0,041 <0,05, hence  $H_0$  is rejected and  $H_a$  accepted. So it can be said that there is a significant positive influence between the audit committee on the value of the company.
5. The result of t test for the variable number of directors obtained significant value of 0.043 <0.05, then  $H_0$  is rejected and  $H_a$  accepted. So it can be said that there is a significant positive influence between the number of directors to the value of the company. The presence of an audit committee that oversees the performance of the board of commissioners and improves the quality of information flow between shareholders and managers thereby helping to reduce agency problems and increase company value. The audit committee will effectively improve the credibility of the financial statements and assist the board of commissioners to gain the trust of shareholders. In terms of financial data manipulation, the audit committee contributes to assisting in examining the data on financial statements so that it can be accounted for. Having clear and transparent financial information will reduce misinformation and increase company value.

## 5.2 Limitations of Research

1. Population in this research is only limited to one type of company that is banking company. This resulted in this study being non-generalizable for all types of companies.
2. The value of determination coefficient ( $R^2$ ) produced is very small (14,3%), which means fit model in research still not good, because coefficient value of determination less than 50%.

### 5.3 Suggestions

Some suggestions addressed to further researchers from this research include:

- 1 .The results of this study can be used as a consideration to establish company policies related to corporate governance mechanisms in accordance with existing regulations, so as to increase the value of the company.
2. Further research is suggested to increase the number of independent variables, so that the results of research can be better, by multiplying the variables used as a proxy of corporate governance in order to obtain more accurate results of research on the effect of corporate governance mechanisms on corporate value.

