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THE EFFECT OF BOARD OF DIRECTORS, INDEPENDENT COMMISSIONERS, AND RETURN ON ASSETS ON FIRM VALUE IN LQ45 INDEXED COMPANIES ON THE INDONESIA STOCK EXCHANGE IN 2021-2024

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Abstrak

Penelitian ini bertujuan untuk mengetahui dan menganalisis pengaruh Dewan Direksi, Komisaris Independen, dan Return on Assets (ROA) terhadap Nilai Perusahaan pada perusahaan yang tergabung dalam Indeks LQ45 di Bursa Efek Indonesia periode 2021 sampai 2024. Pendekatan yang dipakai adalah kuantitatif deskriptif dan asosiatif. Populasi penelitian berjumlah 45 perusahaan, dengan 19 perusahaan terpilih sebagai sampel melalui purposive sampling, sehingga diperoleh 76 observasi data panel seimbang. Data sekunder bersumber dari laporan keuangan tahunan yang dipublikasikan melalui www.idx.co.id dan diolah dengan regresi data panel menggunakan EViews 12. Variabel Nilai Perusahaan ditransformasi ke logaritma (LogPBV) agar memenuhi asumsi normalitas, dan model terpilih adalah Fixed Effect Model berdasarkan Uji Chow dan Uji Hausman. Hasil penelitian menunjukkan secara parsial Dewan Direksi tidak berpengaruh signifikan terhadap Nilai Perusahaan (prob. 0,1018), Komisaris Independen tidak berpengaruh signifikan (prob. 0,3785), dan ROA juga tidak berpengaruh signifikan (prob. 0,2944). Namun secara simultan, ketiga variabel berpengaruh signifikan terhadap Nilai Perusahaan dengan F-statistic 72,943640 dan prob. 0,0000. Nilai Adjusted R-squared sebesar 95,27% menunjukkan

model mampu menjelaskan variasi Nilai Perusahaan dengan baik, sedangkan 4,73% sisanya dijelaskan faktor lain di luar model.

Kata Kunci: Dewan direksi, Komisaris independen, Return on Assets, Nilai perusahaan, LQ45

Abstract

This study aims to examine and analyze the effect of the Board of Directors, Independent Commissioners, and Return on Assets (ROA) on firm value in companies listed in the LQ45 Index on the Indonesia Stock Exchange for the period 2021 to 2024. The method employed is a quantitative descriptive and associative approach. The research population consists of 45 companies, with 19 companies selected through purposive sampling, resulting in 76 balanced panel observations. Secondary data were obtained from annual financial reports published on www.idx.co.id and analyzed using panel data regression with EViews 12. Firm value was transformed using logarithm (LogPBV) to satisfy the normality assumption, and the Fixed Effect Model was selected based on the Chow Test and Hausman Test. Findings show that partially, the Board of Directors has no significant effect on firm value (prob. 0.1018), Independent Commissioners have no significant effect (prob. 0.3785), and ROA has no significant effect (prob. 0.2944). However, simultaneously, all three variables have a significant effect on firm value (F-statistic 72.943640; prob. 0.0000). Adjusted R-squared of 95.27% indicates the model explains most of the variation in firm value, while the remaining 4.73% is explained by other factors

Keywords: board of directors, independent commissioners, return on assets, firm value, LQ45

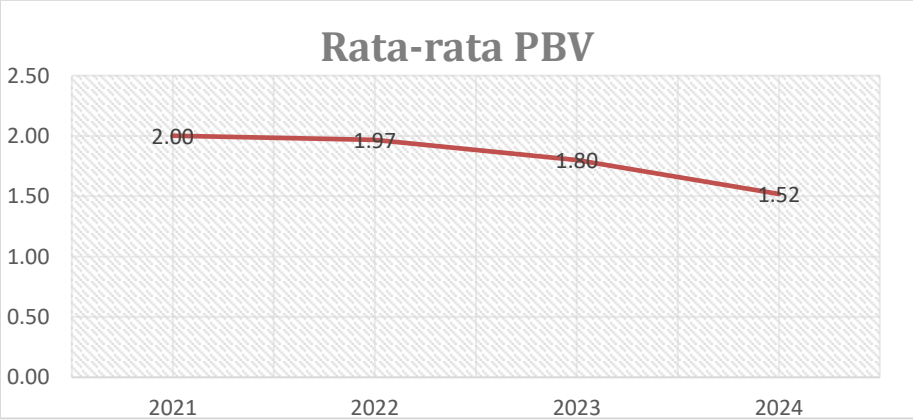
INTRODUCTION

A company's success is determined not only by the magnitude of the profits it generates but also by the level of responsibility and transparency with which it is managed. Corporate governance or Good Corporate Governance (GCG) has become a crucial foundation for professional, transparent, and responsible corporate management. According to (Ghozali 2020), good corporate governance is believed to minimize conflicts of interest between management and shareholders a phenomenon known in agency theory as the agency problem. Agency theory explains that an agency relationship arises when a principal delegates authority to an agent, a situation that potentially gives rise to conflicts of interest between the two parties (Lesmono dan Siregar 2021). Among the various Good Corporate Governance (GCG) mechanisms, the board of

directors and independent commissioners stand out as two of the most strategic elements, as both are directly involved in policy formulation and the oversight of corporate operations factors that have a direct impact on performance and investor confidence.

In addition to governance mechanisms, Return on Assets (ROA) as a key profitability ratio shapes investor perception; a high ROA reflects optimal asset management by the leadership, which ultimately boosts investor confidence and the share price (Puspita 2023). These three factors collectively effect firm value, which is generally measured using the Price-to-Book Value (PBV) ratio the ratio of the market share price to the book value per share (Dharma 2023).

This study focuses on a specific subject the LQ45, a stock index comprising the 45 companies with the highest liquidity and largest market capitalization on the Indonesia Stock Exchange (IDX), making it a primary reference for both domestic and foreign investors in making investment decisions. However, empirical data indicate that the firm value of LQ45 companiesmeasured by the Price to Book Value (PBV) ratio experienced significant fluctuations during the 2021–2024 period, as illustrated in the following diagram.



Source: Adapted and processed by authors (2026)

Figure 1 Avarage Firm Value PBV

Based on Figure 1, the average PBV stood at 2.00 in 2021, subsequently falling to 1.97 in 2022 and 1.80 in 2023, before reaching a low of 1.52 in 2024; the sharpest decline occurred between 2023 and 2024. This decline coincided with a 15.60% drop in the LQ45 index throughout 2024 a slump attributed by OJK Chairman Mahendra Siregar to high volatility in global stock markets. The situation was exacerbated by uncertainty regarding the Federal Reserve's interest rate policy, which triggered net selling by foreign investors in large-cap stocks particularly in the banking sector and by the weakening performance of key index constituents notably, BBRI shares

fell by 22.42%, while SMGR shares plummeted by nearly 50% due to declining retail purchasing power. Other external factors, such as the hike in Bank Indonesia's benchmark interest rate and the depreciation of the rupiah, further prompted investors to shift their portfolios toward more conservative instruments, thereby depressing the valuations of blue chip stocks and lowering the aggregate PBV ratio of the LQ45 index. This phenomenon underscores that the decline in corporate value among LQ45 issuers does not merely reflect weak internal governance but is also driven by systemic market sentiment.

The phenomenon of declining firm value among companies as robust as those in the LQ45 index signals that corporate governance quality and financial performance are not yet fully optimizing firm value; thus, it is relevant to examine the extent to which the board of directors, independent commissioners, and Return on Assets (ROA) can still explain variations in firm value amidst such external pressures. This has prompted academics to investigate the influencing factors, yet prior research yields inconsistent results: (Puspita 2023) found that the board of directors had a significant positive impact on firm value, whereas (Putri 2026) found the opposite, arguing that an excessively large board tends to cause inefficiencies in decision-making. Similar inconsistencies appear regarding independent commissioners with (Ferwita Oktaviani 2019) finding a positive effect while (Nurhaliza 2025) found different results and regarding ROA, which (Vidyana dan Buchory 2024) found to have no effect in the mining sector, contrasting with other studies that identified a significant positive impact.

Based on empirical phenomena and the research gap identified in previous studies, the researcher is interested in conducting a study titled "The Effect of the Board of Directors, Independent Commissioners, and Return on Assets (ROA) on Firm Value (An Empirical Study of Companies Listed on the LQ45 Index at the Indonesia Stock Exchange for the 2021–2024 Period)."

Literature Review

Agency Theory

According to (Jensen and Meckling ,1976), agency theory concerns the contract between managers (agents) and owners (principals). To facilitate this contractual relationship, owners delegate decision-making authority to executive directors. The core of agency theory lies in establishing an appropriate contractual arrangement to align the interests of managers and owners in the event of a conflict of interest. Such relationships often give rise to a misalignment of interests

because management possesses access to internal information that is not fully known to capital owners; consequently, the implementation of good governancespecifically through the presence of a board of directors and independent commissionerss crucial for fostering a balanced relationship between owners and managers, thereby helping to both minimize and prevent such conflicts.

Signaling Theory

Signaling theory examines how companies transmit signals to investors to reduce information asymmetry. A high ROA serves as a positive signal that the company is being managed efficiently investors respond to this by raising their valuation of the stock, thereby driving up the PBV ratio.

Literature Review And Hypothesis Development

Board of Directors

The Board of Directors is the corporate organ authorized and fully responsible for managing the company in accordance with UU No. 40 of 2007 concerning Limited Liability Companies. A larger Board of Directors has the potential to foster diverse expertise and expand external networks however, excessive size can also lead to coordination inefficiencies. Research by (kristanto et al. 2023) found that board size positively effect to firm value, as larger boards expand external networks and diversify expertise conversely, Putri (2026) presented conflicting findings, arguing that large boards actually create coordination inefficiencies and slow down decision-making processes, thereby negatively impacting firm value. Board size is measured using the following formula:

Board of Directors Size = Number of members of the board of directors

Independent Commissioner

An independent commissioner is a member of the Board of Commissioners who has no affiliation with the company, controlling shareholders, or the Board of Directors in accordance with POJK No. 33/POJK.04/2014 and who accounts for at least 30% of the total Board of Commissioners members to ensure the effectiveness of independent oversight. Within the framework of agency theory, the presence of independent commissioners serves to reduce agency costs through objective oversight of management performance, thereby enhancing transparency and preventing practices that disadvantage minority shareholders (Putranto et al. 2022). Research (Nanda Bakti Laksana dan Asih Handayani 2022) on LQ45 companies for the 2016–2020 period found that independent commissioners have a positive effect on firm value, and this effect is

strengthened when moderated by audit quality. The measurement of independent commissioners can be formulated as follows:

$$\text{Independent Commissioner} = \frac{\text{Number of Independet Commissioner}}{Total\ Number\ of\ Commissioners}\ X\ 100\%$$

Return on Assets **(ROA)**

Return on Assets (ROA) is a profitability ratio that measures a company's ability to generate profit from the management of its assets (Amelia dan Sunarsi 2020). From the perspective of signaling theory, a high ROA serves as a positive signal from management to the market that the company is being managed efficiently investors respond to this by raising their valuation of the stock, thereby driving up the PBV ratio (Kinasih & Suprihhadi, 2019). (Hery, 2017:193) This ratio measures the amount of net profit generated from every rupiah of funds invested in total assets it is calculated by dividing net profit by total assets. A lower ratio indicates a less favorable outcome, and vice versa.

The measurement of Return on Assets (ROA) is performed using the following formula:

$$\text{Return on Assets (ROA)} = \frac{\text{Net Profit}}{\text{Total Assets}} \text{x } 100$$

Firm Value

According to (Hery, 2017), firm value represents a state achieved by a company that reflects the level of public confidence in it, resulting from its operational activities spanning from its inception to the present. In this study, firm value is measured using the Price to Book Value (PBV) ratio, a key indicator frequently used by investors to evaluate and select stocks for investment. For well-performing companies, this ratio typically indicates that the stock's market value exceeds its book value. A higher PBV ratio signifies greater market confidence in the company's prospects and its ability to generate future value. The PBV ratio is calculated using the following formula:

$$\text{Price to Book Value (PBV)} = \frac{\text{Share Price}}{\text{Book Value per share}}$$

H1: The Effect of the Board of Directors on Firm Value for companies included in the LQ45 index on the Indonesia Stock Exchange during the 2021–2024 period.

The board of directors can influence a company's value because they are the key decision makers who determine strategic direction, operational efficiency, and the quality of governance. The market and investors interpret these decisions as signals of confidence, where strong performance drives up the share price and the company's overall value.

H2: The Effect of Independent Commissioners on Firm Value in companies listed on the LQ45 index of the Indonesia Stock Exchange during the 2021–2024 period.

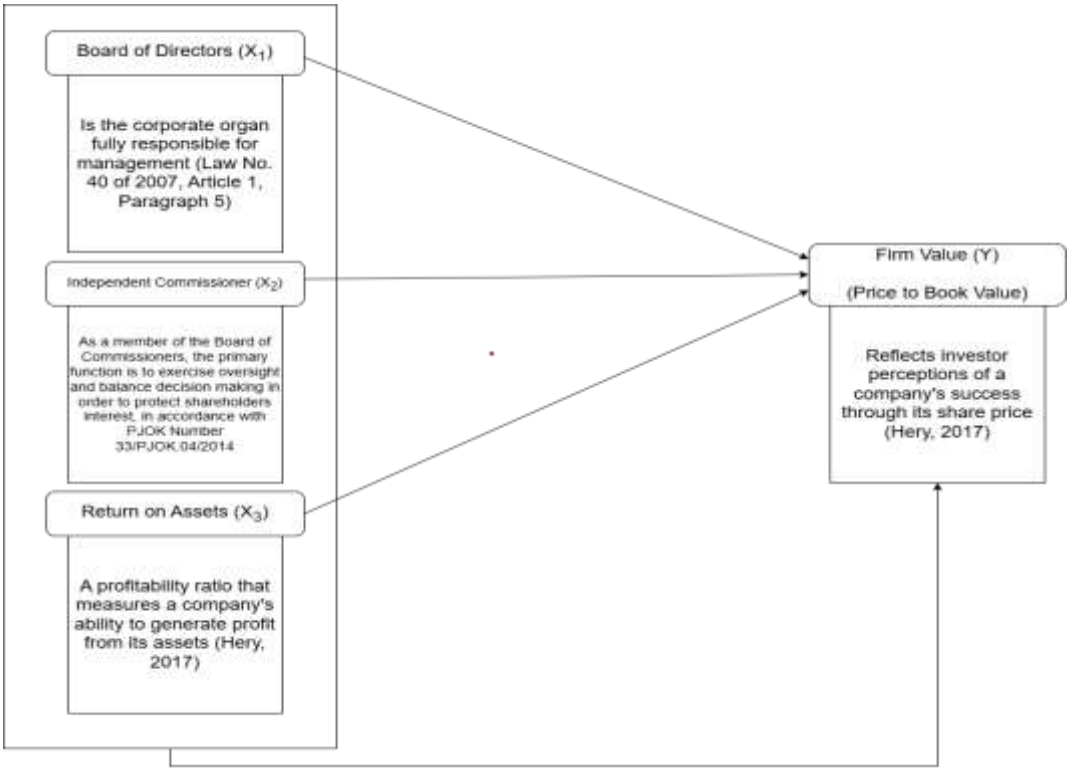
Independent commissioners influence firm value by serving as guarantors of objectivity. Through oversight free from conflicts of interest, their presence boosts investor confidence. This sound governance positions the company as having better prospects and lower risk, ultimately driving up its value.

H3: The Effect of Return on Assets on Firm Value for companies listed on the LQ45 index of the Indonesia Stock Exchange during the 2021–2024 period.

It can influence firm value because it measures management's efficiency in utilizing assets to generate profit. Investors view ROA calculated as the ratio of net income to total assets as a reflection of the company's future prospects. A high ROA boosts demand for shares, thereby driving up the share price and the overall value of the company.

H4: Dewan direksi, komisaris independen, dan *Return on Assets* (ROA) secara simultan berpengaruh terhadap nilai perusahaan pada perusahaan yang tergabung dalam indeks LQ45 di Bursa Efek Indonesia periode 2021–2024.

Conceptual Framework



Source: Adapted and processed by authors (2026)

Figure 2 Conceptual Framework

RESEARCH METHODOLGY

This study examines the influence of the Board of Directors (X_1), Independent Commissioners (X_2), and Return on Assets (X_3) acting as independent variables on Firm Value (proxied by PBV, the dependent variable), employing descriptive and associative quantitative approaches. The study population consists of the 45 companies listed on the Indonesia Stock Exchange's LQ45 index for the 2021–2024 period. A purposive sampling method was used to select the sample, resulting in 19 companies and a total of 76 balanced panel data observations. Secondary data were obtained from annual financial reports published on www.idx.co.id.

The criteria established for determining the sample are as follows:

Table 1 Sample Criteria

Information	Amount
Population: LQ45 companies listed on the Indonesia Stock Exchange (IDX)	45
1. Companies that are not consistently included in the LQ45 index	(18)

Information	Amount
2. LQ45 companies delisted during the study period	0
3. LQ45 companies that do not present financial statements in Rupiah (Rp)	(8)
4. LQ45 companies that incurred losses during the study period	0
Number of samples collected	**19**
Observation Period	**4**
Number of Observations	**76**

Source: Adapted and processed by authors (2026)

Based on the sample criteria in Table 1, 19 companies from the LQ45 index listed on the Indonesia Stock Exchange during the 2021–2024 period were selected as meeting the study's requirements.

RESULTS AND DISCUSSION

Descriptive Statistics

Table 2 Descriptive Statistics Results for Research Variables

	Y	X1	X2	X3
Mean	3.758553	8.368421	0.484079	0.075447
Median	1.665000	8.500000	0.440000	0.060000
Maximum	44.86000	12.00000	0.830000	0.300000
Minimum	0.460000	4.000000	0.290000	0.010000
Std. Dev.	8.395034	2.846481	0.133718	1.710220
Kurtosis	17..53485	1.389958	3.393453	5.804527
Observation	**76**	**76**	**76**	**76**

Source: eviews 12, Adapted and processed by authors (2026)

The table presents descriptive statistics for 76 panel data observations, showing that Firm Value (Y/PBV) has a mean of 3.758553 with a wide range from 0.46 to 44.86 times and a kurtosis value of 17.53485. This kurtosis value, being well above 3, indicates a leptokurtic (highly peaked) data distribution, necessitating a logarithmic transformation (LogPBV) to satisfy the normality assumption. The Board of Directors variable (X_1) has a mean of 8.368421 members, ranging from 4 to 12, indicating moderate variation in board size among the sample companies. Independent

Commissioners (X_2) show a mean proportion of 0.484079 (approximately 48.4% of the total board of commissioners), with a range of 0.29 to 0.83; this indicates that, in general, the sample companies have met the minimum 30% requirement stipulated by OJK regulations. Meanwhile, Return on Assets (X_3) shows a mean of 0.075447 (7.54%), ranging from 0.01 to 0.30, reflecting varying levels of profitability that generally remain within a healthy range for LQ45 companies.

Estimation Models. Panel data regression estimation can be conducted using three approaches: **the Chow Test, the Hausman Test, and the Lagrange Multiplier Test**. These approaches aim to determine the best regression estimation method for the analysis.

Table 3 Chow Test

Redundant Fixed Effects Tests
Equation: MODEL_FEM
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	33.516236	(18,54)	0.0000
Cross-section Chi-square	189.934996	18	0.0000

Source: eviews 12, Adapted and processed by authors (2026)

The Chow test results in Table 4 show a probability of less than 0.05, indicating that the fixed effect model is preferable to the common effect model.

Table 4 Hausman Test

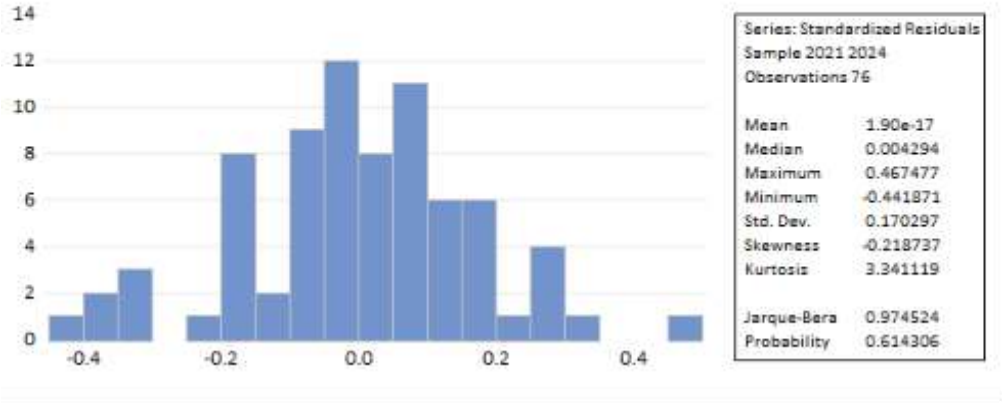
Correlated Random Effects - Hausman Test
Equation: MODEL_REM
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	23.164228	3	0.0000

Source: eviews 12, Adapted and processed by authors (2026)

The results of the Hausman test in Table 5 show a probability of less than 0.05. This indicates that the fixed-effect model is preferable to the random-effect model. Therefore, it can be concluded that the best model to use is the random-effect model.

Normality Test



Source: eviews 12, Adapted and processed by authors (2026)

Figure 3 Normality Test Results

Based on the normality test results shown in Figure 4.1, a Jarque-Bera value of 0.974524 was obtained, with a probability value of 0.614306. Since the probability value of 0.614306 is greater than 0.05, H_0 is accepted; thus, it can be concluded that the regression model residuals are normally distributed following the natural logarithm transformation of the PBV variable.

Table 5 Heteroskedasticity Test

Heteroskedasticity Test: Glejser
Null hypothesis: Homoskedasticity

F-statistic	0.300658	Prob. F(3,72)	0.8248
Obs*R-squared	0.940305	Prob. Chi-Square(3)	0.8157
Scaled explained SS	0.741033	Prob. Chi-Square(3)	0.8635

Source: eviews 12, Adapted and processed by authors (2026)

The results of the heteroskedasticity test using the Glejser test indicate that the probability value for the F-statistic is 0.8248, the probability value for Obs*R-squared is 0.8157, and the probability value for the Scaled explained SS is 0.8635. All these probability values are well above 0.05 therefore, H_0 is accepted, and it can be concluded that there is no heteroskedasticity in the study's regression model.

Table 6 Multicollinearity Test Results

Variance Inflation Factors
Date: 06/21/26 Time: 20:36
Sample: 1 76
Included observations: 76

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.086204	17.85858	NA
X1	0.000832	13.44745	1.378044
X2	0.361923	18.88818	1.329414
X3	1.115969	2.449290	1.098138

Source: eviews 12, Adapted and processed by authors (2026)

The multicollinearity test results indicate that all independent variables have Centered VIF values below 10 Board of Directors (X_1) at 1.378044, Independent Commissioners (X_2) at 1.329414, and Return on Assets (X_3) at 1.098138. Since all Centered VIF values are less than 10, it can be concluded that there is no multicollinearity among the independent variables in this study's regression model.

Table 7 Autocorrelation Test Results

Root MSE	0.169173
Mean dependent var	0.600580
S.D. dependent var	0.922862
Akaike info criterion	-0.136842
Schwarz criterion	0.537844
Hannan-Quinn criter.	0.132795
Durbin-Watson stat	1.467672

Source: eviews 12, Adapted and processed by authors (2026)

The Durbin-Watson statistic obtained from the Fixed Effect Model is 1.467672. This value falls below the lower critical value (dL = 1.5313), placing it in the inconclusive zone according to Durbin-Watson table criteria thus, no immediate conclusion can be drawn. Consequently, further testing using the BreuschGodfrey Serial Correlation LM Test was conducted to reach a more definitive conclusion.

The Breusch-Godfrey test results show an Obs*R-squared probability value of 0.0000 (< 0.05), indicating the presence of autocorrelation in the model. This condition is common in panel data with a short observation period specifically, T = 4 years (2021–2024). However, according to Ghozali (2018:111–112), autocorrelation tests are primarily intended for pure time-series regression models; in contrast, within the Fixed Effect Model for panel data, the model structure which captures individual effects through dummy variables mitigates most cross-entity bias. With

a sample size of n = 76 (> 30), the regression coefficient estimates can still be considered consistent and unbiased; therefore, the Fixed Effect Model used in this study remains valid for further analysis.

Hypothesis Test Results

Partial Test (t-test)

Table 8 Partial Test Results (t-test) for Linear Regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.953825	0.317615	3.003082	0.0575
X1	-0.025772	0.011045	-2.333362	0.1018
X2	-0.484449	0.469968	-1.030813	0.3785
X3	1.268051	1.000265	1.267715	0.2944

Source: eviews 12, Adapted and processed by authors (2026)

Based on the partial test results (t-test) in the table above, it can be concluded that the probability value for variable X1 is 0.1018 (> 0.05) this indicates that Ha is rejected, meaning X1 does not have a significant effect on the dependent variable. The probability value for variable X2 is 0.3785 (> 0.05) this indicates that Ha is rejected, meaning X2 does not have a significant effect on the dependent variable. The probability value for variable X3 is 0.2944 (> 0.05); this indicates that Ha is rejected, meaning X3 does not have a significant effect on the dependent variable.

Simultaneous Test (F-test)

Table 9 Results of Simultaneous Regression Test (F-test)

R-squared	0.965948
Adjusted R-squared	0.952706
S.E. of regression	0.200697
Sum squared resid	2.175084
Log likelihood	27.19998
F-statistic	72.94364
Prob(F-statistic)	0.000000

Source: eviews 12, Adapted and processed by authors (2026)

The F-test yielded an F-statistic of 72.943640 with a probability value of 0.0000 (< 0.05); consequently, H_0 was rejected and H_4 was accepted. Thus, it can be concluded that the Board of Directors (X_1), Independent Commissioners (X_2), and Return on Assets/ROA (X_3) simultaneously have a significant effect on Firm Value for companies listed on the LQ45 index of the Indonesia Stock Exchange during the 2021–2024 period.

These results indicate that, although the individual variables do not show a significant effect in isolation, the combination of the three variables collectively proves capable of significantly explaining movements in firm value, consistent with the research (Ardianto 2023) which states that profitability, the board of directors, and independent commissioners simultaneously contribute significantly to firm value

Table 10 Linear Regression Coefficient of Determination

R-squared	0.965948
Adjusted R-squared	0.952706
S.E. of regression	0.200697
Sum squared resid	2.175084
Log likelihood	27.19998
F-statistic	72.94364
Prob(F-statistic)	0.000000

Source: eviews 12, Adapted and processed by authors (2026)

This result contrasts with the earlier partial t-tests, in which the three independent variables (X_1, X_2, X_3) were individually insignificant (with $p > 0.05$ for each). This outcome arises because the analysis employs a Fixed Effect Model (FEM), which structurally utilizes cross-sectional dummy variables to capture characteristic differences (heterogeneity) among the 19 sample companies consequently, the intercept varies for each company while the slope remains constant. These dummy variables contribute to the model's overall explanatory power, as evidenced by the very high R-squared value (0.965948) and an Adjusted R-squared of 0.952706 this indicates that the model (including individual dummy effects) accounts for 95.27% of the variation in Firm Value, while the remaining 4.73% is explained by factors outside the model.

The finding that the three variables are significant simultaneously but not individually is consistent with research by (Ardianto 2023), which states that profitability, the board of directors, and independent commissioners contribute significantly to firm value in the aggregate, despite their individual effects being weak. Therefore, the discussion should emphasize that the high R-squared value and the significance of the F-test do not solely reflect the explanatory power of X_1, X_2, and X_3 rather, they are also influenced by the substantial contribution of individual dummy effects (fixed effects) that capture the unique characteristics of each firm, necessitating a cautious interpretation of these results.

The Effect of the Board of Directors (X_1) on Firm Value

The partial test results for the Board of Directors variable (X_1) yielded a coefficient of -0.025772 with a significance level of 0.1018, which is greater than 0.05. Consequently, it can be concluded that the Board of Directors variable (X_1) does not significantly affect firm value thus, the alternative hypothesis (H_a) is rejected, and the null hypothesis (H_0) is accepted. This result contradicts the expectation that a larger board of directors strengthens management and strategic decision making functions, thereby enhancing firm value. This discrepancy may arise because a large board can actually lead to coordination inefficiencies in decision-making. These findings are consistent with research by Putri (2026), which indicates that a large board size tends to negatively impact firm value due to the increased potential for conflicts of interest among board members, as well as differences in the study period and scope compared to previous research.

The Effect of Independent Commissioners (X_2) on Firm Value

The partial test results for the Independent Commissioners variable (X_2) showed a coefficient value of -0.484449 with a significance level of 0.3785, which is greater than 0.05. Therefore, it can be concluded that the Independent Commissioners variable (X_2) does not have a significant effect on firm value. Thus, Ha is rejected and H_0 is accepted. This finding indicates that the presence of independent commissioners within the corporate governance structure of the sampled companies has not been fully effective in carrying out its independent monitoring function, and therefore has not been able to provide a positive signal to investors as reflected in an increase in firm value. These results are inconsistent with the expectation that a higher proportion of independent commissioners would strengthen oversight of management, reduce agency costs, and ultimately enhance firm value. The difference in findings may be attributed to variations in the research period, industry sectors, and characteristics of the sample companies included in the study.

The Effect of Return on Assets (ROA) (X_3) on Firm Value

The partial test results for the Return on Assets (ROA) variable (X_3) showed a coefficient value of 1.268051 with a significance level of 0.2944, which is greater than 0.05. Therefore, it can be concluded that the Return on Assets (ROA) variable (X_3) does not have a significant effect on firm value. Thus, Ha is rejected and H_0 is accepted. These findings are inconsistent with the expectation that a higher ROA ratio reflects greater profitability, which would attract investors to invest in the company, ultimately increasing stock prices and firm value. This result is consistent

with the study conducted by Vidyana and Buchory (2024), which also found that ROA has no significant effect on firm value among companies included in the LQ45 Index.The insignificance of ROA may be attributed to the tendency of investors in LQ45 companies to consider factors beyond short-term profitability, such as growth prospects and macroeconomic conditions, when assessing a company's value.

The Simultaneous Effect of the Board of Directors (X_1), Independent Commissioners (X_2), and Return on Assets (ROA) (X_3) on Firm Value

Based on the simultaneous test results, the F-statistic value was 72.94364 with a significance level of 0.000000, which is lower than 0.05. Therefore, Ha is accepted and H0 is rejected. This indicates that the Board of Directors (X_1), Independent Commissioners (X_2), and Return on Assets (ROA) (X_3) jointly or simultaneously have a significant effect on firm value among companies included in the LQ45 Index on the Indonesia Stock Exchange during the 2021–2024 period.

The Adjusted R-squared value of 0.952706 indicates that these three independent variables, together with the individual company effects incorporated in the Fixed Effect Model, are able to explain 95.27% of the variation in firm value. The remaining 4.73% is explained by other factors outside the scope of this research model.

CONCLUSION

Based on the results of the research and data analysis conducted regarding the effect of the Board of Directors, Independent Commissioners, and Return on Assets (ROA) on firm value among companies included in the LQ45 Index on the Indonesia Stock Exchange (IDX) during the 2021–2024 period, the following conclusions can be drawn:

1. The Board of Directors does not have a significant effect on firm value. This may be attributed to the fact that a larger board of directors in LQ45-listed companies can lead to coordination inefficiencies and greater complexity in the decision-making process. As a result, the strategic management function of the board may not be fully reflected in an increase in firm value.
2. Independent Commissioners do not have a significant effect on firm value. This finding indicates that the presence of independent commissioners within the corporate governance structure of the sampled companies has not been fully effective in carrying out its

independent monitoring function. Consequently, their presence has not been able to provide a positive signal that enhances investor confidence and increases firm value.

3. Return on Assets (ROA) does not have a significant effect on firm value. This finding indicates that investors in companies included in the LQ45 Index tend to consider factors beyond short-term profitability when evaluating a company, such as growth prospects and macroeconomic conditions. Consequently, ROA is not a primary determinant of firm value in the context of this study.
4. The Board of Directors, Independent Commissioners, and Return on Assets (ROA) jointly have a significant effect on firm value. The results indicate that 95.27% of the variation in the dependent variable, firm value (LogPBV), can be explained by the three independent variables along with the individual company effects incorporated in the Fixed Effect Model. The remaining 4.73% is explained by other factors outside the scope of this research model.

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