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## What do we know about corporate governance, family ownership, and firm value?

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### ABSTRACT

The purpose of this study was to obtain empirical evidence that the company's independent board of commissioners has a positive effect on firm value, to obtain empirical evidence that audit committees have a positive effect on firm value, to obtain empirical evidence that profitability has a positive effect on firm value, to obtain empirical evidence that family ownership strengthens good relations. Corporate governance on firm value and to obtain empirical evidence of family ownership strengthens the relationship between financial performance and firm value. Variable measurement in this study uses the dependent variable, independent variable, moderating variable, and control variable. The results of the study show that the board of commissioners and ROE have an effect on firm value. While the audit committee has no effect on firm value. And family ownership strengthens the relationship between ROE and audit committee on firm value, but cannot moderate the relationship between independent commissioners and firm value.

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## INTRODUCTION

Firm value is a company's long-term goal which can be assessed from the price per share because it is an investor's assessment of the company, which can be observed through the movement of the company's stock price listed on the stock exchange for companies that have gone public. Companies that have high corporate value will be followed by high shareholder prosperity so that profits will also be obtained by investors (Akhmadi & Robiyanto, 2020; Ha et al., 2022; Pham et al., 2021). However, several factors can influence and determine the value of the company.

An investor needs to consider the feasibility of a company before investing so that the goal of making a profit can be achieved. Financial performance is an analysis to see the benefits reflected in

financial ratios. Several previous research studies have shown that financial performance affects the company's corporate value (Ahmed et al., 2021; Asni & Agustia, 2021; Canarella et al., 2013; Deswanto & Siregar, 2018; Mohammed & Ani, 2020; Prosvirkina & Wolfs, 2021; Rose et al., 2007; Setiawanta et al., 2021; Sholichah et al., 2021), so it can be concluded that financial performance is very important and can affect fluctuations in firm value.

Besides profit, corporate governance is another factor that influences firm value. Companies must, of course, ensure investors that the funds they invest for financing, investment and company growth activities are used appropriately and as efficiently as possible and ensure that management acts in the company's best interest. The establishment of a company must have clear goals, but the main goal is to achieve maximum profit (Hidayat & Yuliah, 2018). CG is a necessity for every company. Good corporate governance is no longer necessary but necessary for companies to run their business. CG is corporate governance that explains the relationship between various parties within the company that determines the direction and performance of the company (Monks, 2001). Several research studies (Anggriani & Amin, 2022; Putri Kartika Sari & Sanjaya, 2019; Sarafina & Saifi, 2017; Sixpria & Suhartati, 2013; Yuliyanti, 2019) show that CG can influence firm value. Thus the importance of implementing CG is to increase the company's value.

Although CG and financial performance can increase firm value, there are still inconsistencies in the results of previous research showing the relationship between CG and financial performance on firm value. Research conducted by (Khumairoh et al., 2014; Yusuf & Zuhri, 2016) found that CG does not affect firm value. Meanwhile, research conducted by Setiawanta et al. (2021) found that financial performance, as measured by profitability ratios, does not affect firm value. Therefore, this study suspects other factors influence the relationship between CG and financial performance on firm value.

Family ownership is one of the factors that can increase firm value, especially for companies in Indonesia. According to a family business survey around 95% of companies in Indonesia are owned by families, and the most dominant distribution of family-owned companies is in the manufacturing sector compared to other sectors. Barontini & Caprio (2006) found that there is a positive influence between family ownership and firm value. Astuti (2017) also found that family ownership significantly affects firm value and shows that the family can improve and make the right decisions to increase the company's value and survival. It can be concluded that family ownership has a positive relationship with firm value.

This research was conducted to prove the effect of CG and financial performance on firm value with family ownership as a moderating variable. This research also contributes and expands empirical evidence with family ownership as a variable in this research. In addition, this research also contributes to filling the gaps in previous studies that have yet to be consistent and adds to literacy and empirical evidence about the effect of family ownership on firm value. The sample in this study is companies listed on the Indonesian Stock Exchange (IDX) on the Kompas 100 index for the 2015-2019 period for reasons of data availability. The limitation of this study is using the 100-year compass index for five years (2015-2019) to avoid recent data instability caused by the impact of the pandemic.

## Literature Review

### *Agency Theory*

*Agency theory* explains the relationship between the agent and the principal, which is built to achieve the company's goals optimally. (Meekling, 1976) agency theory is a theory that explains the phenomenon of different interests between principals and agents. An agency relationship is a contract between the shareholder (principal) and the company manager (agent). The purpose of agency theory is, firstly, to increase the ability of individuals (both principals and agents) to evaluate the environment in which decisions must be taken (the beliefs revision rule). Second, to evaluate the results of decisions

taken to facilitate the allocation of results between principals and agents according to the work contract (The Performance Evaluation Role).

The problem occurs when a company's management is separated from its owner. C.G. is all the efforts made to find the best way to run a company, where the policies and regulations contained in C.G. can be used to control management (Harahap & Wardhani, 2012). According to the Forum for corporate governance in Indonesia (FGGI, 2001) states that C.G. is a set of rules that determine the relationship between shareholders, management, creditors, government, employees, and other internal and external stakeholders concerning their rights and obligations, or in other words, C.G. is a system that directs and controls the company. In general, the application of C.G. is believed to improve the performance or value of the company.

According to Pukthuanthong et al. (2013) family ownership in a company can positively or negatively impact firm value. With a large enough share ownership, the family will have a big role in overseeing management decisions to align with the increase in firm value. Vice versa, if large family ownership and involvement in managing the company can make them make decisions more concerned with non-financial values, such as social values in the family, compared to the interests of the company's financial performance. Meanwhile, research conducted by Barontini and Caprio (2006) found that when family members manage a company with family ownership, the conflict between shareholders and managers can be minimized, so this can eliminate agency costs and able to increase the value of the company. Connelly et al. (2012) found that family ownership hurts firm value because family ownership focuses more on personal gain, harming profitability and firm value.

The link between agency theory and family ownership, namely companies with large family ownership, can cause agency conflict between shareholders and company managers. Companies with many family-owned companies can cause agency problems between majority and minority shareholders. According to agency theory, company managers from family members try to improve company performance to achieve their interests, namely to get large profit. The agency theory explains the relationship between company performance and environmental information disclosure. If the company has good financial performance, it will increase company profits which will affect the extent of information disclosure so that it can reduce agency costs. Companies with large profits will encourage management to expand the disclosure of company information because the costs of the disclosure are met. In this study, the ratio used to assess a company's financial performance is the profitability ratio measured by return on equity.

## **Hypotheses Development**

### ***The Influence of the independent board of Commissioners on firm value***

The independent board of commissioners is the proportion of independent commissioners in the company. The task of the independent commissioner is to encourage the application of the principles of good corporate governance within the company by carrying out effective oversight duties and providing advice to the board of directors regarding irregularities in the company's management. Sixpria & Suhartati (2013) states that the number of independent commissioners significantly affects firm value and has a positive direction so that the more commissioners, the more the firm value increases. Based on this description, the following hypothesis can be drawn:

H1a: Independent board of commissioners has a significant influence on firm value

### ***The influence of the audit committee on firm value***

An audit committee is some people selected from the board of commissioners who are responsible for assisting the auditor in maintaining its independence from management. Independence is a trait that an audit committee must own. The audit committee's responsibility to protect the interests of minority shareholders can convince investors to entrust their investment in the company. Firm value

can increase with the existence of an audit committee so that the company can run effectively and efficiently. The existence of supervision from the audit committee will ensure the achievement of company performance so that it is at the company's value and is expected to create a transparent business environment (Sarafina & Saifi, 2017; Widianingsih, 2018).

H1b: The audit committee has a partially significant effect on firm value

### *Effect of return on Equity on firm value*

Return on Equity is a ratio to measure profitability which aims to know how far the results will be obtained from investing in shares. The higher the profit that the company gets, the more interested investors are in investing in companies with high profitability. Using an analysis of the ROE assessment will inform investors about what percentage of profits the company gets from the capital invested by investors (Dahar et al., 2019; Fiadicha & Hanny, 2016; Sari & Sanjaya, 2019). Based on this, the hypothesis formulated in the study is as follows:

H2: Return on Equity has a positive effect on firm value

### *Moderating Effect of Family Firm*

Families own most public companies in Indonesia. Anderson (2003) states that a family company is any company that has dominant shareholders. As the principal owner of the company, the family can participate in managing the company and carry out maximum supervision and control that will improve company performance; there is the responsibility by the owner, namely the family, so the decisions taken will be aimed at increasing the value of the company. Komalasari and Nor (2014) Found that family ownership can reduce agency costs because the owners and management of the company are the same parties. Not only that, in companies owned by families, there is usually a transfer of experience and knowledge from one generation to the next. Suppose the next generation grows up and has been with the company for a long time. In that case, it will create trusting relationships with employees and long-term oriented relationships with suppliers and other external parties.

Family companies can also create trust and work royalty, thereby reducing recruitment costs and employee turnover in Andres's company). Considerations in investing in family companies tend to be more careful compared to non-family companies. Non-family companies make short-term considerations by looking at stock price fluctuations. In contrast to family, companies consider the company's long-term sustainability to produce better investment decisions (Authors, 2016). Thus it will increase the value of the company. Based on the description above, the hypotheses that can be built are as follows:

H3a: family ownership strengthens the relationship between Corporate Governance and firm value.

H3b: Family ownership strengthens the relationship between financial performance and firm value.

## **METHOD**

This study aimed to examine the relationship between good corporate governance and environmental performance on firm value, with family ownership as a moderating variable. The population in this study is Kompas, 100 companies listed on the Indonesian stock exchange for the period (2015-2019), with the reason being to avoid data instability caused by the impact of the pandemic. Table 1 below describes the operational definitions of each ratio used.

Table 1. Operational Definition of Variables

No	Variable	Definition	Indicator
1	Firm value	Firm value is one indicator in describing the condition of the company (Utomo & Ariska, 2021)	$q = \frac{(EMV + D)}{(EBV + D)}$ (Utomo & Ariska, 2021)

2	The independent board of commissioners	The independent board of commissioners is a position that is part of a membership of the board of commissioners but is independent and has no affiliation with other members of the commissioners, such as shareholders, directors or company management. (Fiadicha & Hanny, 2016)	$IBC = \frac{\text{number of independent commissioners}}{\text{number of commissioners}}$ (Fiadicha & Hanny, 2016)
3	Audit committees	An <i>audit committee</i> is a body or committee formed by the board of commissioners whose aim is to help carry out checks, examinations, and research that are considered necessary for the implementation of the duties and functions of the board of directors in managing a listed company (Meindarto & Lukiastuti, 2017)	$AC = \text{number of audit committees}$ (Meindarto & Lukiastuti, 2017)
4	Financial performance	Financial performance is the result of policies taken by company management (Anggriani & Amin, 2022)	$ROE = \frac{\text{Net profit}}{\text{Total equity}}$ (Anggriani & Amin, 2022)
5	Family ownership	A family company can be identified by the characteristics of its board of commissioners where the owner's family members are or main commissioners. (Pukthuanthong et al., 2013)	For measuring family ownership in, this study uses a measurement of 1 for companies with family ownership and 0 for companies that do not have a family in it (Pukthuanthong et al., 2013)
6	Size, leverage, Age	This study uses control variables consisting of firm age, firm leverage and firm size (Anggriani & Amin, 2022)	$\text{Size} = \ln \text{total asset}$ $\text{Leverage} = \text{total debt per total asset}$ $\text{Age} = \text{the number of years since the company was founded}$ (Anggriani & Amin, 2022)

## RESULTS AND DISCUSSION

### Results

#### *Descriptive Statistics*

It is known from Table 2 that describes a summary of descriptive statistics on all the variables tested in the research model. It can be seen that the companies on the compass index were 100 from 2015 to 2019. The amount of data used in this study is 335 observations. Based on the calculation results in table 1, it can be concluded that the research results for Tobin's Q variable data have an average value (mean) of 1.375045, a median value of 0.620000, with a minimum value and maximum value of 0.040000 and 22, 56000, and a standard deviation value of 2.591086. Tobin's Q has a relatively higher distribution for this index company.

The results of the calculation table 2 show that the ROE variable has an average (mean) value of 0.161710, a median value of 0.120000, with a minimum and maximum value of -0.265000 and 2.8146000 and a standard deviation value of 0.249637. So it can be concluded that ROE is relatively higher in this company. Table 2 shows that the audit committee variable has an average (mean) of 3.441791, a median value of 3.000000, a minimum and maximum value of 2.000000 and 7.000000, and a deviation value of 0.873109. So the largest number of audit committees is 7 people, and there are still companies that do not follow applicable regulations which require a minimum number of audit committees of 3.

Furthermore, independent commissioners have an average value (mean) of 0.418478, a median value of 0.400000, with minimum and maximum values of 0.14000 and 0.830000, and a standard deviation value of 0.125095. This means that the mean value is greater than the standard deviation value, indicating that the variables are grouped and homogeneous. Table 2 shows that the

family ownership variable has an average (mean) value of 0.400000, a median value of 0.000000, a minimum and maximum value of 0.000000 and 1.000000, and a standard deviation value of 0.490631. So the total percentage of family ownership is relatively higher, namely 1% of the distribution in this index company. As for the control variables, namely the size and age of the company, the data distribution is good.

Table 2. Descriptive Statistics

Criteria	Tobin_S_Q	ROE	AC	IC	FO	Age	Size
Mean	1.375045	0.161710	3.441791	0.418478	0.400000	42.07463	23.47467
Median	0.620000	0.120000	3.000000	0.400000	0.000000	39.00000	23.92700
Maximum	22.56000	2.814600	7.000000	0.830000	1.000000	122.0000	29.33920
Minimum	0.040000	-0.265000	2.000000	0.140000	0.000000	6.000000	0.751416
Std. Dev.	2.591086	0.249637	0.873109	0.125095	0.490631	22.48773	3.962720
Skewness	4.982223	5.619665	2.097779	1.176268	0.408248	1.503786	-4.284005
Kurtosis	32.19249	47.51507	7.328379	4.511351	1.166667	5.997205	23.37469
Jarque –Bere	13281.24	29422.96	507.2118	109.1347	56.22106	251.6510	6819.185
Probability	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	460.6400	54.17276	1153.000	140.1900	134.0000	14095.00	7864.013
Sum Sq. Dev.	2242.385	20.81450	254.6149	5.226724	80.40000	168903.1	5244.851
Observations	335	335	335	335	335	335	335

### Correlation test

Table 3 illustrates the results among the variables used; no value gets above 0.80. It can be concluded that the independent variables in this study are free from multicollinearity data.

Table 3. Correlation Test

	Q	ROE	AC	IC	FO	Age	Size
Tobin	1	0.65695572	-0.1633472	0.1959521	-0.0536406	0.0661408	-0.0822502
ROE	0.65695572	1	-0.0563692	0.2122340	0.0241089	0.0440519	-0.0101988
Jumla..	-0.1633472	-0.0563692	1	0.1377547	0.0335483	0.3190006	0.2346986
Kom..	0.19595219	0.21223401	0.1377547	1	0.0904413	0.1995126	-0.0132623
Fo_D	-0.0536406	0.02410893	0.0335483	0.0904413	1	-0.0993194	0.1578951
Age	0.06614089	0.04405193	0.3290006	0.1995126	-0.0993194	1	0.2721839
Size	-0.0822502	-0.0101988	0.2346986	-0.0132623	0.1578951	0.2721839	1

### Regression and Moderation Test

From the results of table 4, it can be seen that the regression equation, then the results obtained from each variable constant value of 5.146084 indicates the average value of the company's compass index 100 in the 2015-2019 period used in this study on the variables ROA, independent board of commissioners, audit committee, FO dummy, size, age, FO dummy\* ROE, FO dummy\* audit committee, FO dummy\*independent commissioner equals 1. The value of the ROE regression coefficient is positive by 0.446250, meaning that every increase in ROE by 1 unit is observed to increase firm value by 0.446250. The regression coefficient value for the number of audit committees is negative by -0.054907, meaning that every increase in the number of audit committees by 1 unit is observed to decrease the firm's value by -0.054907. The independent commissioner coefficient value is negative by -0.667671, meaning that every 1 unit increase in the independent commissioner is assessed will decrease the company's value by -0.667671.

The dummy FO coefficient has a positive sign of 0.058589, meaning that every increase of 1 unit of dummy FO is predicted to increase firm value by 0.058589. The value of the AGE coefficient is negative at -0.072349, meaning that every 1 unit increase in AGE is observed to reduce the company's value by -0.07234. The coefficient SIZE has a negative sign of -0.031234, meaning that every increase in SIZE by 1 unit is observed to reduce the company's value by -.031234. The coefficient FO dummy\*ROE has a positive sign of 2.436268, meaning that every increase of 1 unit will increase the company's value by 2.436268. The dummy FO coefficient value for the number of audit committees is positive at 0.106317, meaning that every increase of 1 unit is observed to increase firm value by 0.106317. The coefficient FO dummy\*board of independent commissioners has a positive sign of 0.38379, meaning that every increase of 1 unit will be examined to increase the company's value by 0.8379

For the results of the regression and moderation tests, it can be seen in table 4 that the t-statistic value with the ROE variable is 3.020412 while the probability value is 0.0028, which is smaller than the alpha value of 5%, so it can be concluded that ROE has a significant positive effect on firm value. The audit committee variable has a t-statistic value of -1.932236 while the probability value is 0.0544, which is greater than the alpha value of 5%, so it can be concluded that the audit committee has a significant negative effect on firm value. The independent commissioner variable has a t-statistic value of -4.381397. In contrast, the probability value is 0.0000 less than the 5% alpha value, so it can be concluded that the independent commissioner significantly affects firm value. The t-statistic value of the family ownership variable is 0.127350, while the probability value is 0.8988, which is greater than the 5% alpha value, so it can be concluded that family ownership does not affect firm value. Moreover, the control variables (size and age) significantly affect firm value.

Based on table 4, simultaneous test results (test f). Simultaneous test results show a probability value of 1.726657 while the F-statistic value is 57.42505 for a probability value of 1.726657 greater than 5% alpha. So it can be concluded that simultaneously the variables ROE, audit committee, independent commissioners, and control variables (size and age) do not affect firm value. Based on table 4 of the regression test results, the R-squared value shows several 92.6837 or 92.68%, meaning that the ROE, audit committee, independent commissioner, and control variables (size and age) have a powerful influence on firm value. From the calculation results for the family ownership variable, it can be concluded that family ownership strengthens the relationship between ROE and the audit committee on firm value. However, it does not moderate the relationship between independent commissioners and firm value.

Table 4. Regression Result

Variable	Coefficient	Std.Error	T-Statistic	Prob
C	5.146084	0.474972	10.834550	0.0000
ROE	0.446250	0.147745	3.020412	0.0028
AC	-0.054907	0.028426	-1.932236	0.0544
IC	-0.667671	0.252388	-4.381397	0.0000
Fo dummy	0.058589	0.460083	0.127350	0.8988
Age	-0.072349	0.005919	-12.22346	0.0000
Size	-0.031234	0.018015	-1.733775	0.0841
Fo Dummy*Roe	2.436268	0.443524	5.492983	0.0000
Fo Dummy*jumlah komite audit	0.106317	0.061651	1.724499	0.0858
Fo Dummy* komisaris independen	0.383739	0.287057	1.336804	0.1825
R-squared		0.943266	Mean dependent	2.390318
Adjusted R-squared		0.926837	S.D dependen	2.014016

S.E of regression	0.624569	Sum squared resi	101.0323
F-Statistic	57.41505	Durbin-watson st	1.726657
Prob (F-statistic)	0.000000		
Unweighted stat			
R-squared	0.939800	Mean dependent	1.375045
Sum Squared Resid	134.9919	Durbin-watson st	1.529293

## Discussion

### *The effect of an independent board of commissioners on firm value*

Based on the calculation results in table 4, the results of the hypothesis show that the board of independent commissioners has a significant negative effect on firm value. The independent commissioner has a t-statistic value of -4.381397 while the probability value is 0.0000, which is less than the alpha value of 5% or 0.05, so it can be concluded that the independent commissioner has a significant effect on firm value. Thus, the first hypothesis (H1a) can be accepted so that the independent board of commissioners significantly affects firm value. This shows that the more members of the board of independent commissioners, the more influential the oversight process of oversight of financial reporting carried out by the board of independent commissioners will be so that it can improve company performance by increasing company performance because of effective oversight from independent commissioners, of course, investors are willing to pay more expensive and high-value company stock. This research is in line with research conducted by (Widianingsih, 2018) which states that independent commissioners significantly affect firm value. Moreover, previous research conducted by Anggraini (2013) found that independent commissioners significantly affect firm value. This is different from research conducted by Anggraini and Amin (2022) and Utomo and Ariska (2021) who found that independent commissioners have a negative effect and have no effect on firm value.

### *The influence of the audit committee on firm value*

Based on the calculation results in table 4, the hypothesis results show that the audit committee has a t-statistic value of -1.932236 while the probability value is 0.0544, which is greater than the alpha value of 5%, so it can be concluded that the audit committee has a significant negative effect on firm value. Thus the first hypothesis (H1b), positive influence on firm value, is rejected or cannot be proven. Therefore the audit committee variable does not affect firm value. This study's results align with those Lembayung et al. (2022) who found that independent commissioners have a negative effect and have no effect on firm value. The findings of this study are consistent with the research conducted by Lembayung et al. (2022), which suggests that such outcomes can be attributed to the suboptimal role of audit committees in carrying out their supervisory and control functions within the management of companies. Consequently, this can lead to opaque management accountability and a decrease in the trust of capital market participants, resulting in a decline in firm value. Moreover, the data reveal that there are still companies that have fewer audit committee members than the minimum requirement mandated by OJK regulations, which stipulate a minimum of three members. It is believed that one of the reasons for the lack of influence of the number of audit committee members in this study is due to the inadequate compliance of companies with the applicable regulations.

### *The influence of financial performance on firm value*

Based on the calculations presented in Table 4, the hypothesis results indicate that the t-statistic value for the ROE variable is 3.020412, with a corresponding probability value of 0.0028, which is smaller than the 5% alpha level. Therefore, it can be concluded that ROE has a significant



positive effect on firm value. Thus, the second hypothesis (H2) regarding the positive relationship between ROE and firm value is accepted and supported. These findings are consistent with the research conducted by [Thaharah and Asyik \(2016\)](#), which states that financial performance (ROE) has a significant impact on firm value. A higher ROE implies that the company can generate substantial profits for its shareholders. ROE represents the return on investment for shareholders and reflects the company's ability to generate earnings for its equity owners. When making investment decisions, ROE is an important ratio that is considered, and a higher ROE ratio tends to attract greater interest from investors.

***Family ownership strengthens the relationship between corporate overnance and firm value.***

Regarding the moderation effect of family ownership on the relationship between corporate governance and firm value, the direct testing of family ownership on firm value in Table 4 yields a probability value of 0.8988, which is greater than 5%. Thus, it can be concluded that family ownership does not have an impact on firm value. However, when testing the interaction between family ownership and the audit committee and independent commissioners as proxies for measuring corporate governance, respective probability values of 0.0858 and 0.1825 are obtained, indicating that they also do not have an impact on firm value. These findings suggest that family ownership cannot influence the effects brought by corporate governance as an organizational culture on the perception of society, as reflected in firm value. Referring to Sharma's classification, this condition falls into type 2, where family ownership has the potential to act as a moderator (homogenizer)

***Family ownership strengthens the relationship between financial performance and firm value***

Family ownership does not have a direct impact on firm value. However, when integrated with ROE, it yields a probability value of 0.0000. Based on this value, it can be concluded that family ownership acts as a pure moderator in type 4. Furthermore, a positive coefficient of 2.436268 is obtained, indicating that family ownership serves as a moderator that strengthens the relationship between ROE and firm value. The return on investment for shareholders has a stronger impact on family-owned firms. The moderation of family ownership in the relationship between ROE and firm value is considered a pure moderator. Therefore, it can be inferred that ROE, which is one of the ratios considered by investors when making decisions, plays a more significant role in companies with family ownership. This suggests that family owners strive to create companies with a long-term orientation, aiming to fulfill the needs of investors as a major target to achieve.

## CONCLUSION

The conclusions from the research results can be stated as follows: the board of commissioners and ROE affect firm value. At the same time, the audit committee does not affect firm value. Moreover, family ownership strengthens the relationship between ROE and audit committee on firm value but needs to moderate the relationship between independent commissioners and firm value. This research makes a theoretical contribution by identifying the factors that determine firm value, among them being the utilization of corporate governance and family ownership.

This research has limitations, weaknesses, and suggestions that need to be refined in the future. In this study, the authors used company data at the compass index of 100 for five years (2015-2019), so the study's results still need to generalize to other data or situations. Furthermore, for further research, it is hoped that it will increase the research period by taking a more extended period and using a wider research object. This study uses company data on the Kompas 100 index for 2015-2019 to avoid the latest data instability that has impacted the pandemic. It is hoped that future research can include pandemic factors to make comparisons between normal conditions and conditions during a pandemic.

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