

ABSTRACT

Firm value reflects market perceptions of the quality of corporate management and future growth prospects, which subsequently serve as a basis for investment decision-making. This study aims to analyze and obtain empirical evidence regarding the effect of board of commissioners characteristics, including board size, board independence, and board activity, as well as financial performance proxied by Return on Assets (ROA), Current Ratio (CR), Total Asset Turnover (TATO), and Debt to Equity Ratio (DER), on firm value in manufacturing companies listed on the Indonesia Stock Exchange during the 2022–2024 period.

The sample of this study consists of 116 manufacturing companies listed on the Indonesia Stock Exchange during 2022–2024, selected using a purposive sampling method. The data used are secondary data obtained from annual reports and audited financial statements. The analysis method employed is panel data regression using the Fixed Effect Model (FEM) as the best model based on the Chow test and Hausman test results.

The results indicate that board size, board activity, profitability (ROA), and asset utilization efficiency (TATO) have a positive and significant effect on firm value. Capital structure measured by the Debt to Equity Ratio (DER) has a negative and significant effect on firm value. Meanwhile, board independence and liquidity measured by the Current Ratio (CR) do not have a significant effect on firm value. These findings suggest that the effectiveness of internal monitoring mechanisms through board structure and activity, as well as operational performance, plays a crucial role in enhancing firm value, whereas high leverage tends to reduce investor valuation.

Keywords: firm value, board of commissioners, profitability, liquidity, asset productivity, capital structure, Tobin's Q, panel data regression