

Dividend Policy and Profitability Moderate Good Corporate Governance on Company Value

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ABSTRACT

This study examines the effect of good corporate governance on firm value in the mining sector listed on the Indonesia Stock Exchange during the 2020–2023 period, focusing on independent commissioners and audit committees, as well as the moderating roles of dividend policy and profitability. Using a purposive sampling method, 88 companies were selected as the sample. The analysis was conducted using multiple regression and moderated regression analysis. The results indicate that independent commissioners have a positive effect on firm value, while audit committees do not have a significant effect. Dividend policy and profitability are proven to strengthen the relationship between good corporate governance and firm value.

INTRODUCTION

The valuation of a firm is a critical indicator of its success and sustainability (Amaliyah & Herwiyanti, 2019; Suwardika & Mustanda, 2017; Yunita et al., 2025). In an increasingly competitive landscape, firms must prioritize objectives beyond just profit generation. They must enhance their management and governance. Investors and other key stakeholders significantly enhance a business's value (Ramdhonah et al., 2019; Tulcanaza-Prieto & Lee, 2022). To establish confidence, organizations must implement strong corporate governance protocols. This indicates that they must comprehend and apply the concepts of efficient company governance (Susilo et al., 2018). Companies anticipate that robust corporate governance will foster an atmosphere conducive to long-term success and enhance their market reputation (Oktavira et al., 2024; Wahyuni & Cipta, 2022).

Effective corporate governance can have a big effect on how well a company does as a whole (Suharto et al., 2022). Companies can lower the risk of conflicts of interest and make their operations more efficient by having a strong supervisory structure and being open about how decisions are made. This helps the business make more money, and everyone involved gets more out of it. Companies that always follow acceptable corporate governance rules will be better able to attract investors and keep customers, which will raise the company's overall value (Muttaqin et al., 2019; Susilo et al., 2018; Wahyuni & Cipta, 2022). Companies need to focus on effective governance if they want to reach their long-term goals and improve their position in the market.

Good corporate governance sets rules for how a company should be run and overseen, with an emphasis on making decisions that are fair, open, and responsible. The board of commissioners and the audit committee are two important parts of good corporate governance (Harahap & Ritonga, 2024; Tambunan & Tambunan, 2021). They are very important for keeping the company honest and working well (Amaliyah & Herwiyanti, 2019; Prasetyaningsih & Purwaningsih, 2023). The board of commissioners is in charge of overseeing management, making sure that every choice is in the best interests of shareholders, and coming up with plans that will lead to long-term growth. The audit committee makes sure that financial reports are correct and that all rules are followed (Nofitasari & Triyonowati, 2021). This gives investors and other stakeholders more faith in the company. Companies can create an environment that supports long-term growth and improves their reputation in the market by using good corporate governance. This helps the company succeed and stay competitive.

Although good corporate governance is theoretically a crucial management mechanism for reducing agency conflicts and, ultimately, increasing company value, the direct impact of good corporate governance on company value often shows inconsistent and varied empirical results (Putri & Putri, 2022; Samari, 2020). This inconsistency suggests that the structural effectiveness of superior corporate governance does not operate absolutely but rather depends heavily on internal factors that validate the quality of governance in the eyes of the market.

In this context, this study proposes dividend policy and profitability as significant moderator variables. Dividend policy functions as a moderator in the context of signaling theory, where the decision to distribute dividends in a stable and consistent manner serves as a positive signal to investors, confirming the prospects of healthy future cash flows and simultaneously reducing the risk of misuse of free cash flows by managers (agency theory). Profitability moderates the relationship between excellent corporate governance and company value through the lens of agency theory, where high profitability serves as tangible evidence of actual performance and measurable output, indicating that excellent corporate governance oversight mechanisms have successfully motivated management to achieve operational efficiency and optimal asset allocation (Darniaty et al., 2023; Novitasari & Kusumowati, 2021; Oktaryani et al., 2017; Susilo et al., 2018).

A thorough analysis of corporate governance, along with dividend policy and profitability as moderating factors, greatly enhances comprehension of the dynamics of corporate value (Arfianti & Anggraini, 2023; Bakhtiar & Rokhayati, 2023). Most prior studies typically isolate the analysis of these variables, thereby neglecting the potential interactive relationships that may influence overall corporate performance. This study aims to offer a novel perspective on the enhanced role of effective corporate governance in augmenting company value through the integration of these three facets. This approach is particularly pertinent, as numerous companies continue to encounter difficulties in effectively implementing sound corporate governance.

An active board of commissioners and an effective audit committee have been proven to contribute significantly to increasing company value (Ghanem & Ariff, 2016). Data shows that companies with experienced and diverse boards of commissioners can improve their performance by up to 20% compared to companies with less experienced boards of commissioners. In addition, a strong audit committee can reduce the risk of errors in financial reports by up to 30%, increasing transparency, which in turn can strengthen investor confidence. This can be seen from the increase in the market value of companies that effectively implement good corporate governance, which can achieve growth of up to 15% in the same period.

Companies that follow good corporate governance rules don't always see their value go up all the time. Analysis shows that companies that have clear dividend policies can boost their share value by as much as 25% compared to companies that don't have clear dividend policies. Also, a company can become more appealing to investors if it has a high net profit margin (above 10%). This can help the company's value grow. Companies can come up with better plans to get the best results and raise their market value if they know how good corporate governance, dividend policy, and profitability work together (Farooq et al., 2022).

Companies can tell investors how well they are doing and how stable their finances are by using their dividend policy. People often think that companies that always pay dividends are more stable and reliable, which makes their market value go up (Kim et al., 2021; Munzhelele et al., 2021; Zainudin et al., 2018).

When deciding whether to pay dividends, a business needs to think about how profitable it is (Alawiyah et al., 2022; Hairudin et al., 2020). This is because the market often favors companies with high profits that stick to a stable dividend policy. In this case, it's important to look at how corporate governance, dividend policy, and profitability are all connected and how they all affect a company's value. Understanding how these two things work together can help companies make better long-term growth plans and make themselves more appealing to investors.

The primary concern of this study is that it examines the impact of effective corporate governance, as exemplified by the board of commissioners and audit committee, on company value, and how dividend policy and profitability influence this relationship. This study wants to present a clearer picture of the things that affect a company's value by looking at these dynamics. This study will identify various factors that can affect the performance of a company. The goal is to provide management a better understanding of how to make the company more valuable and competitive in the market.

The goals of this study are to look at how effective corporate governance affects the value of a company and to learn how dividend policy and profitability can change this relationship. This study is expected to make a big difference in both academic literature and business practice by taking a broad view. The benefits go beyond just developing theories; they also give managers practical advice on how to make good corporate governance work to raise the value of their companies. Regulators should be able to use the results of this study to make policies that encourage better corporate governance practices in businesses. This will help businesses grow in a way that is both sustainable and very competitive.

LITERATURE REVIEW

Agency theory explains the relationship between shareholders and management, as well as the potential conflicts of interest that may arise between the two. Good corporate governance plays an important role by involving the board of commissioners and the audit committee as supervisors who ensure that management acts in the interests of shareholders. The implementation of effective good corporate governance is particularly relevant amid increasingly fierce business competition, where companies are required not only to achieve profitability but also to manage operations with transparency and accountability (Khafifah et al., 2022). With good oversight, companies are able to reduce the risk of conflicts of interest, which in turn can improve overall performance. Such behavior contributes to an increase in the company's value in the eyes of investors, creates greater confidence in the market, and supports the company's sustainable growth and long-term success.

Signal theory emphasizes the importance of effective communication between companies and markets, especially regarding how companies convey information to investors. Dividend policies and decisions made by the board of commissioners and audit committee play an important role as signals that reflect the health and stability of the company (Arfianti & Anggraini, 2023). Strong signals, such as consistent dividend distributions and transparent financial reports, can increase investor confidence, which is very influential in a competitive business environment. When companies can clearly communicate their performance and strategies, the result not only attracts investors but also has the potential to increase the overall value of the company (Tambunan & Tambunan, 2021). The implementation of good corporate governance principles will strengthen the signals given to the market, support sustainable growth, and create a solid reputation in the eyes of stakeholders.

Effective and competent independent commissioners can improve oversight and ensure transparent decision-making, which is essential in building investor confidence (Ernawati & Santoso, 2021). When the board of commissioners is able to perform its duties well, the company will be better able to manage risk and make strategic decisions that support long-term growth. The presence of an experienced board of commissioners also provides assurance to investors that the company's management is acting in the interests of shareholders (Torondek & Simbolon, 2022). With increased investor confidence, the value of the company tends to increase significantly.

H1: Independent commissioners have a positive impact on company value

A properly functioning audit committee is crucial for making sure that a company's financial statements are correct and trustworthy. The audit committee closely monitors the financial reporting process to identify and rectify potential mistakes or fraud that could harm the company (Torondek & Simbolon, 2022). When stakeholders, such as investors and shareholders, are sure that the financial information given is correct, they will trust the company more. This higher level of trust helps raise the company's market value because investors are more likely to put their money in companies that are open and accountable.

H2 : Audit committees have a positive impact on company value

A clear and open dividend policy could make the board of commissioners more effective and the company more valuable. Good dividend decisions show that the company is doing well and send a good message to investors about the company's stability and long-term viability (Arfianti & Anggraini, 2023). When the board of commissioners can set a steady dividend policy that matches the company's financial performance, it not only boosts investor confidence, but it also makes it seem like the company is well run. Investors are more likely to put money into companies that show they are committed to fair returns, which makes the company more valuable in the market.

H3 : Dividend policy strengthens the board of commissioners' influence on company value

A good dividend policy can help the audit committee and the company's value work together better. This is because good dividend decisions show that the company is financially stable and send a strong message to investors. The audit committee makes sure that financial reports are clear and correct (Vanesha et al., 2023). This provides the company a strong base on which to build a good dividend policy. Investors can see that a company is doing well and can make long-term profits when it pays consistent and rising dividends. This change in how investors see the company can lead to more interest in investing, which in turn raises the company's overall value.

H4 : Dividend policy strengthens the audit committee's influence on company value

High profitability can strengthen the positive impact of the board of commissioners on company value, because profitable companies have more resources to invest in growth and innovation. When the board of commissioners operates in a context of good profitability, they can make strategic decisions that support expansion and improve operational efficiency (Mardiana et al., 2023). In addition, companies that are able to generate significant profits tend to have the capacity to provide attractive dividends to shareholders, which in turn increases investor confidence. The availability of adequate resources also allows companies to strengthen their competitive position in the market.

H5 : Profitability strengthens the influence of the board of commissioners on company value

Good profitability can help the audit committee and the value of the company work together better. This is because companies that do well financially are more likely to have accurate and clear financial statements (Vanesha et al., 2023). Audit committees can do a better job of overseeing things and making sure that financial statements show the real state of the company when they work in a good environment. Investors feel better about a company when it sends them accurate and clear reports. Because investors are more likely to put money into companies that are open and accountable, this high level of trust helps the company become more valuable on the market.

H6 : Profitability strengthens the influence of the audit committee on company value

Based on the hypothesis that has been formulated, the following framework can be used to describe the relationship and influence between the variables studied:

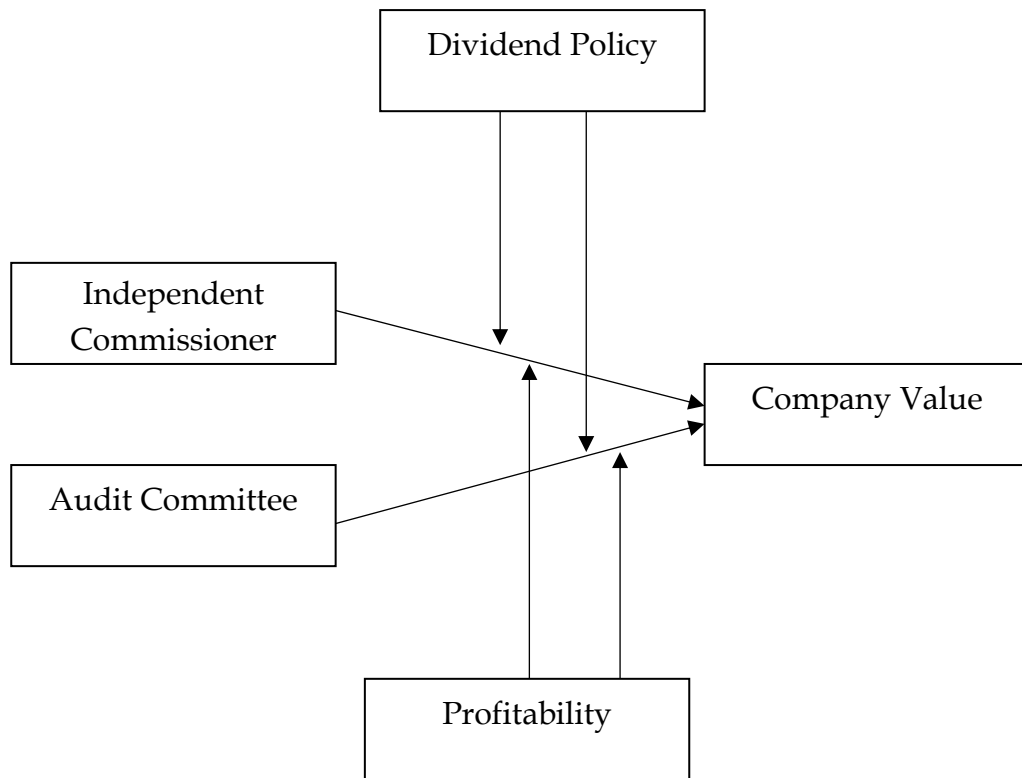


Figure 1. Conceptual Framework

METHODOLOGY

This study was conducted on mining companies listed on the Indonesia Stock Exchange during the period 2020 to 2023. This study focused on a population of 364 companies that operate in the mining industry. To determine a representative sample, purposive sampling was used, in which the sample selection was based on specific criteria. These criteria included companies that had complete data for the observation year and companies that recorded profits during that period. By applying these criteria, the study obtained a sample of 88 companies that met the requirements. The use of purposive sampling in this study aimed to ensure that the data analyzed was relevant so that it could provide accurate and reliable results.

Table 1. Determination of research samples

No	Deception	Total
1	Mining Company	91
2	Observation Year 2020 - 2024	4
3	Total Population	364
4	Incomplete mining company data during the observation year	(248)
5	Data on companies that suffered losses during the observation year	(28)
6	Total Sample	88

Source: Processed data, 2026

Table 2. Operational Definition

No	Deception	Formula
1	Company Value	Price to Book Value (PBV) $PBV = \frac{\text{Market Price Per Share}}{\text{Book Value per Share}} \times 100\%$
2	Independent Commissioner	$ID = \frac{\text{Number of Independent Commissioners}}{\text{Total Board of Commissioners}} \times 100\%$
3	Audit Committee	$AC = \sum \text{Audit Committee Member}$
4	Dividend Policy	Dividend Payout Ratio (DPR) $DPR = \frac{\text{Dividen Per Share}}{\text{Earning Per Share}} \times 100\%$
5	Profitability	Return on Asset (ROA) $ROA = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\%$

Source: Processed data, 2026

The moderating variable in this study is dividend policy, which is very important in shaping the link between good corporate governance and company value. A clear and consistent dividend policy can send a good message to investors about how well the company is doing. It indicates that the company can make money and is willing to share that money with its shareholders. A good dividend policy can make investors more confident in a company and make it more appealing to them in the market.

Profitability is another moderating variable in this study, along with dividend policy. It is an important factor in figuring out how good corporate governance affects company value. High profitability means that a business can make profits that last, which makes investors more confident in the company's financial stability. When a company makes a good amount of money, the board of commissioners and the audit committee can do their jobs better because they have the resources they need to make strategic decisions.

This study uses Linear Regression and Moderated Regression Analysis (MRA) data analysis methods using SPSS for Windows. The linear regression model in this study is expressed by the following equation:

Equation 1:

$$Y = \alpha + \beta_1.X_1 + \beta_2.X_2 + \epsilon$$

Equation 2:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3M_1 + \beta_4M_2 + \beta_5X_1_M_1 + \beta_6X_2_M_1 + \beta_7X_1_M_2 + \beta_8X_2_M_2 + \epsilon$$

Description :

Y = company value

α = constant value

β_1 = regression coefficient of independent commissioners

β_2 = regression coefficient of the audit committee

β_3 = regression coefficient of dividend policy

β_4 = regression coefficient of profitability

β_5 = regression coefficient of interaction between independent commissioners and dividend policy

β_6 = regression coefficient for the interaction between the audit committee and dividend policy

β_7 = regression coefficient for the interaction between independent commissioners and profitability

β_8 = regression coefficient for the interaction between the audit committee and profitability

X1= independent commissioners

X2= audit committee

ϵ = standard error

RESEARCH RESULT AND DISCUSSION

Descriptive Statistics

Descriptive statistics help you understand the patterns and traits of the data you're looking at by providing you information like the sample size, mean, median, standard deviation, and range of values. These parts show how the data used in this study is spread out and how it changes. Researchers can uncover new patterns and make early guesses about the data they have collected more easily when they understand descriptive statistics. Table 3 shows the results of this descriptive statistical analysis. Each studied variable provides detailed information.

Table 3. Descriptive Statistics Results

	N	Minimum	Maximum	Mean	Std. Deviation
Independent Director	88	0,20	0,60	0,3851	0,11163
Audit Committee	88	3,00	5,00	3,3182	0,63509
Company Value	88	0,19	32,62	2,8299	5,31698
Dividend Policy	88	0,00	6,00	0,6208	0,79548
Profitability	88	0,01	0,28	0,0676	0,04634

Source: Processed data, 2026

Table 3 shows that during the observation period, independent commissioners had the lowest value of 0.20 at PT. Indika Energy Tbk from 2020 to 2023 and the highest value of 0.60 at PT. Aneka Tambang Tbk in 2021. The average value of independent commissioners is positive at 0.3851. Independent commissioners have a standard deviation of 0.11163. This means that although some companies have a high level of independent commissioners, there are also companies that still need to improve the composition of their independent

commissioners to achieve better standards in good corporate governance practices.

The audit committee had the lowest score of 3.00, which was recorded by PT. Adaro Energy Tbk from 2020 to 2023, and the highest score of 5.00, which was recorded by PT. Indika Energy Tbk from 2020 to 2023. It can be seen that the audit committee has a positive average score of 3.3182 and a standard deviation of 0.63509. This means that although some companies have very effective audit committees, there are also companies that may need to improve the performance of their audit committees to achieve higher standards in corporate governance practices. Improvements in audit committee performance can contribute to greater transparency and accountability, which in turn can increase investor confidence and company value.

The lowest company value was 0.19, recorded by PT. Pelita Samudra Shipping Tbk in 2020, and the highest value was 32.62, recorded by PT. Transcoal Pasific Tbk in 2021. It can be seen that the company value has a positive average value of 2.8299 and a standard deviation of 5.31698. This means that although some companies show excellent performance and have high values, many other companies have much lower values. This condition indicates the need for further analysis to understand the factors that affect company value and to find ways to improve the performance of companies with lower values so that they can compete better in the market.

The dividend policy has the lowest value of 0.00, which is found in PT. Transcoal Pasific Tbk in 2021, and the highest value of 6.00, which is found in PT. Bukit Asam Tbk in 2022. The average value of the dividend policy is 0.6208, with a standard deviation of 0.79548. This result means that although some companies pay higher dividends, many other companies do not pay dividends at all. This condition indicates the need for further evaluation of the factors that influence dividend policy, as well as how this policy can be optimized to increase investor confidence and company value.

Profitability had the lowest value of 0.01, which was found in PT. Rukun Raharja Tbk, and the highest value of 0.28, which was found in PT. Bukit Asam Tbk in 2022. The average value of profitability was 0.0676, with a standard deviation of 0.04634. This value means that although some companies are able to achieve higher levels of profitability, many other companies are still struggling to improve their financial performance. This condition indicates the need for more attention to strategies that can increase profitability, which in turn can support company growth and increase its attractiveness in the eyes of investors.

Normality Test

Table 4. Normality Test Result

		Unstandardized Residual
N		88
Normal Parameters ^{a,b}	Mean	0.000000
	Std. Deviation	5.03686032
Most Extreme Differences	Absolute	0.297
	Positive	0.297

	Negative	-0.275
Test Statistic		0.297
Asymp. Sig. (2-tailed)		0.094 ^c

Source: Processed data, 2026

It is considered normal if the Asymp. Sig. (2-tailed) value is greater than or equal to 0.05 (≥ 0.05). If the value is greater than 0.05, the data is considered normally distributed. Conversely, if the Asymp. Sig. (2-tailed) value is less than 0.05, the data is considered to be abnormally distributed. Table 4 shows that the Asymp. Sig. value is 0.094, which is greater than 0.05, so it can be concluded that the data is normally distributed.

Multicollinearity Test

Table 5. Multicollinearity Test Result

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta				Tolerance	VIF
(Constant)	0.442	3.534			0.125	0.901		
Independent Director	13.344	5.009	0.280		2.664	0.009	0.978	1.023
Audit Committee	-0.559	0.890	-0.067		-0.629	0.531	0.957	1.045
Dividend Policy	-0.560	0.705	-0.084		-0.795	0.429	0.972	1.028
Profitability	-8.091	12.228	-0.071		-0.662	0.510	0.952	1.050

Source: Processed data, 2026

Based on the results of the multicollinearity test presented in Table 5, it can be seen that the tolerance value for the independent commissioner variable reached 0.978, the audit committee 0.957, the dividend policy 0.972, and profitability 0.952, all of which were greater than 0.10. In addition, the Variance Inflation Factor (VIF) values for the independent commissioner variable were recorded at 1.023, the audit committee at 1.045, the dividend policy at 1.028, and profitability at 1.050, all of which were also below 10.

Heteroscedasticity Test

Table 6. Heteroscedasticity Test Result

Variabel	Signifikansi
Independent Director	0,061
Audit Committee	0,342
Dividend Policy	0,741
Profitability	0,089

Source: Processed data, 2026

Table 6 shows that there are no signs of heteroscedasticity in the regression model because all variables have a significance value greater than 0.05.

Multiple Linear Regression Test

Table 7. Multiple Linear Regression Test Results

Keterangan	Nilai Beta	Signifikansi
(Constan)	-0.050	0.988
Independent Director	13.721	0.007
Audit Committee	-0.724	0.405

Source: Processed data, 2026

The first hypothesis states that independent commissioners have an effect on company value. Table 7 shows that the relationship between independent commissioners and company value is positive at 13.721 with a significance value of 0.007, which is smaller than $\alpha = 0.05$, meaning that independent commissioners have a direct effect on company value. Based on these research results, the first hypothesis is accepted. This conclusion shows that the presence of effective independent commissioners can improve company performance and have a positive impact on investors' perception of company value.

The second hypothesis posits that the audit committee influences company value. The correlation between the audit committee and company value is negative at 0.724, with a significance value of 0.405, exceeding $\alpha = 0.05$. This indicates that the audit committee does not exert a direct influence on company value. The second hypothesis is rejected based on these research findings. This data indicates that while audit committees are crucial for ensuring the accuracy of financial reports and adherence to regulations, their impact on company value may be less significant than anticipated. The result shows that we need to look at other things that might help the company grow even more, as well as the need to make audit committees work better and more effectively in general.

Moderated Regression Test

Table 8. Moderated Regression Test Results

Model	Nilai Beta	Signifikansi	Keterangan
(Constant)	-3.232	0.724	
Independent Director	33.910	0.004	
Audit Committee	-1.811	0.472	
Dividend Policy	4.662	0.375	
Profitability	20.549	0.848	
Interaction between the independent director and dividend policy	-17.514	0.045	Able to strengthen
Interaction between the audit committee and dividend policy	0.375	0.024	Able to strengthen
Interaction between the independent director and profitability	-194.917	0.047	Able to strengthen
Interaction between the audit committee and profitability	13.241	0.028	Able to strengthen

Source: Processed data, 2026

The third hypothesis posits that dividend policy enhances the board of commissioners' impact on company value. Table 8 shows that the interaction between the board of commissioners and dividend policy is negative at 17.514,

with a significance value of 0.045, which is less than $\alpha = 0.05$. This means that dividend policy directly strengthens the board of commissioners' effect on company value. The third hypothesis is accepted based on these research findings. This evidence shows that the way a company pays dividends has a big impact on how much the board of commissioners can affect the value of the company. The negative relationship between the board of commissioners and dividend policy shows that good dividend decisions can make investors feel good about how well the company is doing. A clear and consistent dividend policy can make shareholders more confident, which can raise the value of the company. Also, a good board of commissioners can use information from the dividend policy to make better strategic choices, which will make the company more appealing to investors. Good supervision and a strong dividend policy work together to create an environment that encourages long-term growth. These results show how important it is to combine corporate governance and financial policy to make a company more valuable.

The fourth hypothesis posits that dividend policy enhances the audit committee's impact on company value. The interaction between the audit committee and dividend policy is positive at 0.375, with a significance value of 0.024, which is less than $\alpha = 0.05$. This means that dividend policy directly increases the audit committee's impact on company value. The fourth hypothesis is accepted based on these research results. This demonstrates that dividend policy significantly enhances the audit committee's impact on company value. The good relationship between the audit committee and dividend policy shows that good dividend choices can make financial reports more clear and accountable. A steady dividend policy lets investors know that the company is stable, which can make them more confident. An effective audit committee can also improve the company's financial oversight, which will make the dividend policy even better. A strong audit committee and a good dividend policy together make it easier for a company to grow in value. These results show how important it is for the audit committee and dividend policy to work together to reach the goal of raising the value of the company.

The fifth hypothesis posits that profitability enhances the board of commissioners' impact on company value. The interaction between the board of commissioners and profitability is negative at 194,917, with a significance value of 0.047, which is less than $\alpha = 0.05$. This means that profitability directly strengthens the board of commissioners' effect on company value. The fifth hypothesis is accepted based on the research results. This demonstrates that profitability significantly enhances the board of commissioners' impact on company value. The negative relationship between the board of commissioners and profitability shows that even when a company is very profitable, the board of commissioners' power can be lessened if they don't make the right strategic decisions. This shows that the board of commissioners needs to be more active in managing company resources to get the most value for shareholders. The board of commissioners must be able to use a company's good profitability to make better decisions that will help the company grow in the long term. Also, having a good board of commissioners can make investors more confident, which can

help the company's value go up. These findings underscore the significance of synergy between profitability and the board of commissioners' role in generating additional value for the company.

The sixth hypothesis states that profitability strengthens the influence of the audit committee on company value. It can be seen that the interaction between the audit committee and profitability is positive at 13.241 with a significance value of 0.028, which is smaller than $\alpha = 0.05$, meaning that profitability directly strengthens the influence of the audit committee on company value. Based on the research results, the sixth hypothesis is accepted. This hypothesis shows that profitability plays an important role in strengthening the influence of the audit committee on company value. The positive interaction between the audit committee and profitability indicates that companies with good financial performance can maximize the effectiveness of the audit committee's ability to maintain the accuracy of financial reports. When profitability increases, the audit committee can be more effective in conducting supervision and providing recommendations that support strategic decisions. The existence of a strong audit committee in the context of good profitability creates a more transparent and accountable environment, which is very attractive to investors. This increase in investor confidence contributes to an increase in overall company value. Thus, the synergy between profitability and the audit committee is crucial for achieving the company's long-term success and growth.

CONCLUSIONS AND RECOMMENDATIONS

This study reveals that the implementation of good corporate governance, through the role of independent commissioners and audit committees, contributes positively to increasing company value. Transparent dividend policies and high profitability also have a significant influence in strengthening this relationship. Companies that successfully integrate good governance practices, consistent dividend policies, and solid profitability performance will be better able to attract investor confidence. These findings provide important insights for management in formulating effective strategies to enhance the competitiveness and sustainability of companies in the market.

ADVANCED RESEARCH

There are a few things to consider when it comes to the limitations of this study. The study is limited to mining companies listed on the Indonesia Stock Exchange, which may restrict the generalizability of the results to other industrial sectors. Second, the data collected relies on companies' annual reports, which may not always be accurate or clear. Furthermore, the short time frame of 2020 to 2023 may make it harder to see long-term changes in market trends and dynamics. Another limitation is that the analysis doesn't fully take into account how things outside of the company, like the state of the global economy and government rules, can affect its value. Finally, this study cannot measure or access a number of factors that could affect a company's valuation.

The recommendations say that future researchers can do a lot of things better. It is recommended that the research encompass additional industrial

sectors to enhance the representativeness and applicability of the results. Second, using a wider range of data, like survey results or data from other sources, can make the analysis more accurate and complete. Furthermore, future researchers may consider conducting longitudinal studies that extend over prolonged periods to clarify more comprehensive market trends and dynamics. We can also get a better picture by doing more research on outside factors that affect a company's value, such as government policies and the state of the economy as a whole. Lastly, looking into other things that might be important for good corporate governance and company value could make the research results more interesting and help the field's theory grow even more.

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