

Firm Value in the Post-Pandemic Era: The Moderating Role of Board of Commissioners in Indonesian Manufacturing Firms

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ABSTRACT

Purpose: This study examines the effects of corporate social responsibility (CSR), dividend policy, leverage, and profitability on firm value and investigates whether good corporate governance—proxied by the board of commissioners—moderates these relationships.

Method: This research employs a quantitative research design using secondary data derived from the annual reports and sustainability reports of manufacturing firms listed on the Indonesia Stock Exchange (IDX) over the 2021–2023 period. Using purposive sampling, 21 firms were selected, yielding 63 firm-year observations. The data were analyzed using multiple linear regression and Moderated Regression Analysis (MRA).

Result: The findings show that leverage and profitability significantly influence firm value, whereas CSR and dividend policy do not have a significant effect. The board of commissioners significantly moderates the relationship between leverage and firm value but does not moderate the relationships of CSR, dividend policy, or profitability with firm value.

Practical Implications for Economic Growth and Development: These results highlight the importance of strengthening corporate governance, particularly in capital structure oversight, to support corporate stability and enhance investor confidence—factors that can contribute to sustainable economic growth.

Originality/Value: This study advances the corporate finance and governance literature by integrating CSR disclosure, dividend policy, financial performance, and governance structure within a single moderating framework. Using evidence from Indonesia's post-pandemic manufacturing sector, it provides insight into how governance mechanisms shape the effectiveness of financial decisions in enhancing firm value.

Keywords: *Firm Value, Corporate Social Responsibility, Dividend Policy, Leverage, Profitability, Good Corporate Governance*

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INTRODUCTION

Global business competition in the modern era has become increasingly intense, driven by economic dynamism, rapid technological advancement, and rising stakeholder expectations regarding corporate performance and accountability. Firms are no longer assessed solely on their ability to generate superior financial outcomes; they are also expected to secure business sustainability through efficient, innovative, and responsible resource management (Rossato & Castellani, 2020). Within this environment, enhancing firm value has emerged as a central strategic objective because it represents market-based evaluations of corporate performance, growth prospects, and the effectiveness of long-term sustainability management (Zhou et al., 2022).

Firm value constitutes a comprehensive indicator of managerial effectiveness in managing assets, risks, and growth opportunities, which is commonly reflected in capital market valuations such as stock prices (Astrilia & Kusmayadi, 2025). A high firm value signals strong investor confidence in a firm's future prospects and, in turn, contributes to greater shareholder wealth (Kolamban et al., 2020). Consequently, identifying the determinants of firm value remains a key theme in financial and accounting research, particularly in developing economies such as Indonesia, where capital market expansion has been substantial in recent years.

The manufacturing industry is among the most strategic sectors in both global and national economic structures. Globally, manufacturing contributes significantly to industrial output, employment generation, and technological innovation, thereby accounting for a considerable share of global gross domestic product (GDP) (Wan et al., 2022). In Indonesia, manufacturing consistently functions as a primary engine of economic growth and industrial development. Statistics Indonesia data indicate that the sector has contributed approximately 18–20% of national GDP in recent years, positioning it as the largest contributor among non-oil and gas sectors. The sector also plays a critical role in export performance and employment, with millions of workers directly and indirectly reliant on manufacturing activities (Athukorala & Patunru, 2023).

The strategic importance of manufacturing firms is further evidenced by their complex operating structures, high capital intensity, and reliance on external financing and stakeholder legitimacy. Such firms frequently encounter substantial operational risks, supply-chain disruptions, environmental obligations, and regulatory compliance pressures (Ngo et al., 2024). These conditions make manufacturing companies particularly sensitive to financial performance, governance quality, and sustainability practices, thereby reinforcing firm value as a salient indicator of corporate success. The significance of corporate governance and financial decision-making is especially pronounced during the post-pandemic recovery period, when firms must sustain operational resilience while preserving investor confidence. Accordingly, the manufacturing sector provides a relevant empirical context for examining how corporate governance mechanisms and financial performance interact in shaping firm value.

A substantial body of empirical research has demonstrated that firm value is influenced by various internal determinants, including corporate social responsibility (CSR), dividend policy, leverage, and profitability. CSR represents a firm's commitment to fulfilling its economic, social, and environmental obligations, thereby enhancing corporate legitimacy and strengthening its reputation among stakeholders and investors (Alcaide González et al., 2020). Within the Indonesian context, several empirical studies report that CSR disclosure exerts a positive and significant effect on firm value (Fana & Prena, 2021; Erawati et al., 2022). Nevertheless, other findings indicate an insignificant relationship, suggesting that CSR initiatives may not yet be fully perceived by the market as a strategic determinant of firm value, particularly when investors emphasize short-term financial performance (Romli & Zaputra, 2021; Intihanah et al., 2023). These divergent results imply that the effect of CSR on firm value may be contingent upon specific corporate governance characteristics.

Dividend policy constitutes another critical internal factor affecting firm value, as it serves as a signaling mechanism regarding a firm's financial stability and future growth prospects. Dividend decisions reflect managerial judgment in allocating profits between shareholder distributions and internal reinvestment (Astrilia & Kusmayadi, 2025). Prior studies document a positive association between dividend policy and firm value, arguing that dividend payments signal management's confidence in sustainable future earnings (Ovami & Nasution, 2020; Ardatiya et al., 2022). Conversely, other empirical evidence suggests that dividend policy does not significantly influence firm value, particularly when investors prioritize long-term growth opportunities and capital gains over immediate dividend income (Hidayat et al., 2022; Rahma & Arifin, 2022). These inconsistencies underscore the need for a more integrative analytical framework to clarify the relationship between dividend policy and firm value.

Leverage and profitability are likewise central determinants of firm value. Leverage reflects a firm's capital structure and the extent of financial risk undertaken (Obadire et al., 2023). Theoretically, optimal debt utilization may enhance firm value through tax benefits and improved managerial discipline, consistent with trade-off theory. However, excessive leverage increases bankruptcy risk and financial distress costs, which may ultimately erode firm value (Nadhilah et al., 2022). Profitability, on the other hand, captures a firm's ability to generate sustainable earnings and is generally regarded as a primary driver of firm value (Muliana & Ahmad, 2021; Worku et al., 2024). Despite this theoretical expectation, several studies report that profitability does not always significantly affect firm value, particularly when investors incorporate business risk and future cash flow uncertainty into their valuation decisions (Kolamban et al., 2020; Erawati et al., 2022).

The presence of inconsistent empirical findings across these determinants indicates a research gap that necessitates an integrative approach incorporating governance mechanisms. Good Corporate Governance (GCG), particularly through the role of the board of commissioners, may function as a moderating mechanism in the relationship between internal corporate factors and firm value. The board of commissioners serves as a supervisory body responsible for ensuring transparency, accountability, and the quality of strategic decision-making (Zulfikar et al., 2020). An effective board is expected to strengthen the alignment between managerial actions and shareholder interests, thereby enhancing firm value through improved oversight and risk management (Xu et al., 2021). Although Rahma and Zulfikar (2024) demonstrate that the board of commissioners moderates the effects of profitability and liquidity on firm value, their study does not incorporate CSR and dividend policy variables within a unified analytical framework.

Accordingly, the novelty of this study lies in examining the moderating role of good corporate governance, proxied by the board of commissioners, in strengthening or weakening the effects of CSR, dividend policy, leverage, and profitability on firm value. By integrating these variables into a single empirical model, this study seeks to provide a more comprehensive understanding of how governance mechanisms condition the impact of financial and non-financial determinants on firm value. Furthermore, the study employs panel data from manufacturing firms listed on the Indonesia Stock Exchange during the 2021–2023 period, thereby capturing governance dynamics and corporate performance in the post-pandemic economic environment.

This study therefore aims to analyze the direct effects of corporate social responsibility, dividend policy, leverage, and profitability on firm value, as well as to examine the moderating role of the board of commissioners in these relationships. The findings are expected to contribute both empirically and theoretically to the advancement of financial management and corporate governance literature, particularly within the context of emerging capital markets such as Indonesia.

Hypotheses Development

Corporate Social Responsibility and Firm Value

From the perspective of signaling theory, Corporate Social Responsibility (CSR) disclosure constitutes a favorable signal communicated by management to investors regarding the firm's governance quality, commitment to sustainability, and long-term performance orientation. By disseminating CSR-related information, firms can reduce information asymmetry between managers and shareholders, as investors obtain broader and more credible insights into the company's social and environmental commitments (Erawati et al., 2022). In parallel, agency theory conceptualizes CSR implementation and disclosure as a governance mechanism that may mitigate agency problems. CSR practices reflect managerial accountability and responsiveness to stakeholder expectations, thereby constraining opportunistic managerial behavior and strengthening monitoring through greater transparency. In this sense, CSR disclosure can align managerial actions with shareholder and stakeholder interests, improve corporate reputation and legitimacy, and ultimately contribute to higher firm value (Wardoyo et al., 2021). Accordingly, the hypothesis is formulated as follows:

H1: Corporate Social Responsibility has a significant effect on firm value.

Dividend Policy and Firm Value

Within the framework of signaling theory, dividend policy represents a key informational cue used by investors to assess a firm's financial stability and future performance prospects. Dividend payment decisions are interpreted as managerial signals regarding the firm's capacity to generate sustainable earnings and future cash flows. In particular, stable or increasing dividend distributions are commonly perceived as credible indicators of strong financial performance and lower uncertainty, thereby strengthening investor confidence, supporting stock price appreciation, and ultimately enhancing firm value (Astrilia & Kusmayadi, 2025). From the perspective of agency theory, dividend policy also serves as a governance mechanism that can reduce agency conflicts between managers and shareholders. Dividend payments reduce discretionary free cash flow under managerial control, thereby limiting opportunities for opportunistic behavior, overinvestment, or inefficient allocation of resources. By constraining managerial discretion and reinforcing discipline in corporate spending, dividend policy may contribute to greater shareholder wealth and improved firm valuation outcomes (Wardoyo et al., 2021; Widyawati & Achyani, 2023). Accordingly, the hypothesis is formulated as follows:

H2: Dividend policy has a significant effect on firm value.

Leverage and Firm Value

Leverage reflects a firm's financing policy as embodied in its capital structure decisions. From an agency theory perspective, the use of debt may function as a disciplinary and monitoring mechanism because it imposes mandatory contractual obligations in the form of periodic interest and principal repayments. Such obligations can reduce managerial discretion over free cash flows and encourage managers to improve operational efficiency and financial performance in order to fulfill debt commitments, which may, in turn, enhance firm value (Obadire et al., 2023). However, leverage also entails costs. Excessive reliance on debt increases financial risk and heightens the probability of financial distress, potentially weakening investors' perceptions of corporate stability and reducing the firm's valuation. Accordingly, the effect of leverage on firm value is expected to depend on the firm's ability to manage its capital structure optimally, balancing the benefits of debt discipline against the costs associated with higher bankruptcy risk. Based on this reasoning, the hypothesis is formulated as follows:

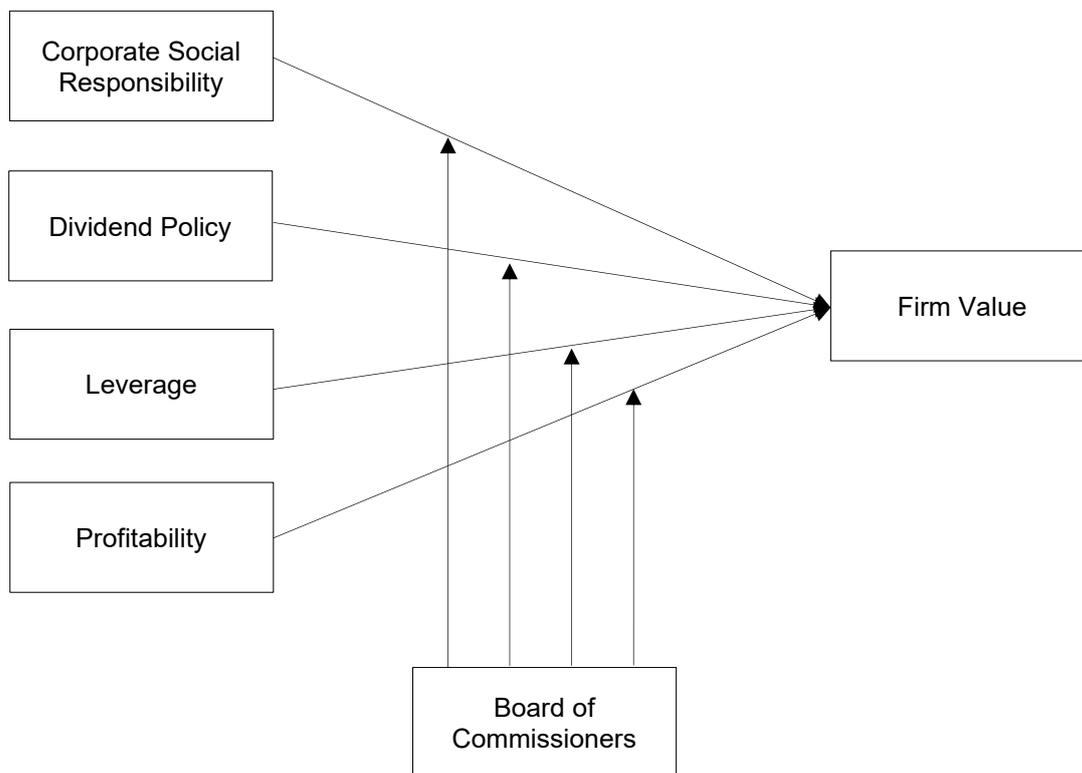
H3: Leverage has a significant effect on firm value.

Profitability and Firm Value

Profitability reflects a firm’s capacity to generate earnings through the efficient and effective utilization of its resources. Within the framework of signaling theory, higher profitability is commonly interpreted as an indicator of managerial competence and favorable long-term performance prospects. Profitability information signals the firm’s ability to generate sustainable cash flows, thereby reducing uncertainty in investors’ assessments, increasing demand for the firm’s shares, and contributing to higher market valuation and firm value (Bramaputra et al., 2022). From an agency theory perspective, profitability may also represent an outcome of effective managerial effort in deploying corporate assets in a manner consistent with shareholder interests. Strong profitability can indicate improved operational discipline and more efficient resource allocation, which may reduce agency-related concerns and strengthen investor confidence in managerial accountability. Consequently, profitability is expected to be positively associated with firm value. Accordingly, the hypothesis is formulated as follows:

H4: Profitability has a significant effect on firm value.

Figure 1. Conceptual Framework



Source: Developed by the authors (2026)

Moderating Role of Board of Commissioners

Good Corporate Governance (GCG), particularly through the effectiveness of the Board of Commissioners’ supervisory function, constitutes a central mechanism within agency theory for mitigating conflicts of interest between principals (shareholders) and agents (management). Strong governance enhances the quality of monitoring, transparency, and managerial accountability, thereby increasing the likelihood that strategic decisions are executed in alignment with shareholder objectives (Wardoyo et al., 2021). In this context, the

Board of Commissioners is expected to reduce opportunistic managerial behavior and strengthen the credibility of corporate disclosures and decisions that are relevant to firm valuation. In the CSR–firm value relationship, effective oversight encourages CSR implementation that is substantive rather than symbolic, ensuring that CSR activities represent genuine organizational commitments instead of mere impression management. Consequently, CSR disclosure becomes a more credible signal to investors and is more likely to be capitalized into firm value. With respect to dividend policy, governance oversight supports dividend decisions that are grounded in sound financial fundamentals and aligned with long-term sustainability, thereby reinforcing dividend policy as an informative signal rather than a short-term managerial instrument. Regarding leverage, the Board of Commissioners plays a crucial role in monitoring risk-taking behavior and constraining excessive debt usage, thus balancing the potential benefits of leverage with the risks of financial distress. Finally, in the profitability–firm value linkage, effective governance increases investor confidence that reported earnings reflect accountable, transparent, and sustainable performance, strengthening the valuation relevance of profitability. Accordingly, the moderating hypotheses are formulated as follows:

H5: Board of commissioners moderates the effect of Corporate Social Responsibility on firm value.

H6: Board of commissioners moderates the effect of dividend policy on firm value.

H7: Board of commissioners moderates the effect of leverage on firm value.

H8: Board of commissioners moderates the effect of profitability on firm value.

METHOD

This study employs a quantitative approach with a hypothesis-testing (explanatory) research design to examine causal relationships among variables through empirical estimation and statistical inference (Bloomfield et al., 2016). The unit of analysis is manufacturing firms listed on the Indonesia Stock Exchange (IDX) over the 2021–2023 period. The manufacturing sector is selected because it represents a major segment of listed companies and exhibits operational complexity that is relevant for assessing corporate governance practices and firm value formation. The study relies on secondary data extracted from firms’ annual reports and sustainability reports. To ensure data reliability, consistency, and comparability across firms and years, all documents are obtained exclusively from official and verifiable sources, namely the IDX website (www.idx.co.id) and the respective corporate websites.

The population comprises all manufacturing companies listed on the IDX during 2021–2023. The sample is determined using purposive sampling to ensure the relevance and completeness of observations in line with the research objectives (Etikan et al., 2016). The sampling criteria are as follows: (1) firms classified as manufacturing companies and consistently listed on the IDX throughout the observation period; (2) firms publishing complete annual reports and/or sustainability reports for each year of analysis; (3) firms reporting positive net income during the observation period; and (4) firms providing complete data for all variables included in the empirical model. Based on these criteria, 21 firms are selected, yielding 63 firm-year observations across the three-year period, as summarized in Table 1.

Table 1. Sampling Procedure

Purposive Sampling Criteria	Sample
Companies listed on the Indonesia Stock Exchange during the 2021–2023 period and operating in the manufacturing sector	166
Exclude	
Companies that did not publish annual reports and sustainability reports consecutively during the 2021–2023 period	(23)
Companies that experienced consecutive losses during the 2021–2023 period	(83)

Companies that provided complete data in accordance with the research variables	(39)
Samples meeting the criteria	21
Research samples multiplied by 3 years (2021–2023)	63
Number of observations	63

Source: Processed by the authors (2026)

Firm value is operationalized using the Price to Book Value (PBV) ratio, which captures the extent to which market participants value the firm relative to its accounting (book) value, thereby reflecting investors' assessments of current performance and future growth prospects. CSR disclosure is measured through the Corporate Social Responsibility Disclosure Index (CSRI), computed as the proportion of CSR items disclosed by a firm to the total number of disclosure items expected under the applied reporting framework. Dividend policy is proxied by the Dividend Payout Ratio (DPR), which indicates the share of net earnings distributed to shareholders in the form of cash dividends.

Leverage is measured using the Debt to Equity Ratio (DER), representing the firm's financing structure and the degree of financial risk arising from debt utilization. Profitability is measured using Return on Assets (ROA), which reflects the efficiency of management in generating net income from total assets. As a governance mechanism, the Board of Commissioners variable is operationalized by board size (i.e., the number of commissioners), reflecting the firm's supervisory capacity and the strength of monitoring oversight in corporate decision-making. The operational definitions and measurement specifications for all variables are summarized in Table 2.

Table 2. Operational Variables

Variable	Proxy	Source
Firm Value	Price to Book Value (PBV)	(Astrilia & Kusmayadi, 2025)
Corporate Social Responsibility	CSR Disclosure Index (CSRI)	(Fana & Prena, 2021)
Dividend Policy	Dividend Payout Ratio (DPR)	(Ovami & Nasution, 2020)
Leverage	Debt to Equity Ratio (DER)	(Obadire et al., 2023)
Profitability	Return on Assets (ROA)	(Muliana & Ahmad, 2021)
Board of commissioners	Number of members	(Rahma & Zulfikar, 2024)

Source: Compiled by the authors (2026)

The empirical analysis employs multiple linear regression to examine the direct effects of CSR disclosure, dividend policy, leverage, and profitability on firm value. The baseline regression specification used to test the direct relationships is expressed as follows:

$$FV_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 DP_{it} + \beta_3 LEV_{it} + \beta_4 PROFIT_{it} + \varepsilon_{it} \quad (1)$$

To test the moderating role of the Board of Commissioners, this study applies Moderated Regression Analysis (MRA) by incorporating interaction terms between board size and each explanatory variable. The moderation model is specified as:

$$FV_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 DP_{it} + \beta_3 LEV_{it} + \beta_4 PROFIT_{it} + \beta_5 BOC_{it} + \beta_6 (CSR \times BOC)_{it} + \beta_7 (DP \times BOC)_{it} + \beta_8 (LEV \times BOC)_{it} + \beta_9 (PROFIT \times BOC)_{it} + \varepsilon_{it} \quad (2)$$

In both models, *FV* denotes firm value, *CSR* indicates the level of CSR disclosure, *DP* represents dividend policy, *LEV* denotes leverage, *PROFIT* captures profitability, and *BOC* refers to the size of the Board of Commissioners. The interaction terms are included to assess whether the Board of Commissioners strengthens or weakens the influence of CSR, dividend policy, leverage, and profitability on firm value.

The analytical procedure begins with descriptive statistics to summarize the distributional characteristics of each variable, including the mean, minimum, maximum, and standard deviation (Cooksey, 2020). The analysis subsequently applies classical diagnostic tests—normality, multicollinearity, heteroscedasticity, and autocorrelation—to ensure that the regression estimates satisfy the Best Linear Unbiased Estimator (BLUE) assumptions.

Hypotheses are tested using multiple regression and MRA at a 5% significance level. The F-test is employed to evaluate the overall explanatory significance of the model, while t-tests are used to assess the partial (individual) effects of each predictor on firm value. Model explanatory power is evaluated using the coefficient of determination, specifically Adjusted R^2 , which indicates the proportion of variation in firm value explained by the model after accounting for the number of predictors included.

RESULT AND DISCUSSION

Descriptive Statistics

Based on Table 3, the empirical analysis comprises 63 firm-year observations. Firm value exhibits a mean of 4.613 and a standard deviation of 8.351, indicating substantial dispersion across the sampled firms. The observed minimum and maximum values are 0.260 and 44.857, respectively, reflecting pronounced heterogeneity in market valuation and performance among companies during the study period. Corporate Social Responsibility (CSR) disclosure records a mean of 0.606 with a standard deviation of 0.170, ranging from 0.222 to 0.855. These figures suggest that, on average, CSR disclosure is moderate, although the spread indicates meaningful cross-sectional variation in the extent of disclosure practices. Dividend policy, proxied by the dividend payout ratio, has a mean of 0.534 and a standard deviation of 0.396, with values spanning from 0.038 to 1.964. This wide range implies considerable differences in firms' dividend distribution strategies, including the possibility that some firms distribute dividends exceeding current-period earnings. Leverage, measured by the debt-to-equity ratio, reports a mean of 0.760 and a standard deviation of 0.758, with a minimum of 0.046 and a maximum of 3.928. The magnitude of dispersion indicates that the sampled firms adopt markedly different capital structures and levels of debt financing. Profitability, proxied by return on assets, shows a mean of 0.106 with a standard deviation of 0.075, ranging from 0.003 to 0.310, suggesting variation in operational efficiency and firms' capacity to generate earnings from their asset bases. Board of Commissioners variable, representing the governance mechanism and serving as the moderator, has a mean value of 2.794 with a standard deviation of 1.427. Board size ranges from one to six members, indicating heterogeneity in supervisory capacity and governance structure across the firms included in the sample.

Table 3. Descriptive Statistics

Variable	Sample	Minimum	Maximum	Mean	Std. Deviation
CSR	63	0.222	0.855	0.606	0.170
Dividend Policy	63	0.038	1.964	0.534	0.396
Leverage	63	0.046	3.928	0.760	0.758
Profitability	63	0.003	0.310	0.106	0.075
Board of Commissioners	63	1.000	6.000	2.794	1.427
Firm Value	63	0.260	44.857	4.613	8.351

Source: Processed data (2026)

Classical Assumption Tests

Classical assumption tests are performed to verify that the multiple linear regression model satisfies the underlying statistical assumptions required for valid inference. Compliance with these assumptions is essential to ensure that the estimated regression parameters are

unbiased and efficient and that the resulting hypothesis tests can be interpreted reliably. Accordingly, this study conducts the standard diagnostic tests comprising normality, multicollinearity, heteroscedasticity, and autocorrelation. All diagnostic procedures are implemented using IBM SPSS Statistics.

Table 4. Normality Test Result

Model	Test Method	Test Statistic	Sig.	Conclusion
Model 1	Kolmogorov–Smirnov Test	0.094	0.200	Normally Distributed
Model 2	Kolmogorov–Smirnov Test	0.093	0.200	Normally Distributed

Source: Processed data (2026)

Based on Table 4, the normality test indicates that both regression models produce an Asymp. Sig. (2-tailed) value of 0.200, exceeding the 0.05 significance threshold. This finding suggests that the regression residuals do not deviate significantly from a normal distribution. Accordingly, the normality assumption is satisfied for all estimated equations.

Table 5. Multicollinearity Test Result

Model 1			
Variable	Tolerance	VIF	Conclusion
CSR	0.826	1.210	Free from Multicollinearity
Dividend Policy	0.863	1.159	Free from Multicollinearity
Leverage	0.786	1.273	Free from Multicollinearity
Profitability	0.851	1.176	Free from Multicollinearity
Model 2			
Variable	Tolerance	VIF	Conclusion
CSR	0.589	1.699	Free from Multicollinearity
Dividend Policy	0.862	1.160	Free from Multicollinearity
Leverage	0.714	1.401	Free from Multicollinearity
Profitability	0.775	1.290	Free from Multicollinearity
Board of Commissioners	0.616	1.622	Free from Multicollinearity

Source: Processed data (2026)

Based on Table 5, both Model 1 and Model 2 meet the multicollinearity diagnostic criteria. Specifically, all predictors exhibit tolerance values exceeding 0.10 and Variance Inflation Factor (VIF) values below 10, indicating the absence of problematic linear dependence among the explanatory variables. In Model 1, tolerance values range from 0.786 to 0.863, with corresponding VIF values between 1.159 and 1.273. In Model 2, tolerance values range from 0.589 to 0.862 and VIF values range from 1.160 to 1.699, including the Board of Commissioners variable. Collectively, these results suggest that the predictors are not highly correlated in either model, implying that the estimated coefficients are not materially inflated by multicollinearity and can be interpreted as stable and reliable.

Table 6. Heteroscedasticity Test Result

Model 1		
Variable	Sig.	Conclusion
CSR	0.856	Free from Heteroscedasticity
Dividend Policy	0.605	Free from Heteroscedasticity
Leverage	0.108	Free from Heteroscedasticity
Profitability	0.339	Free from Heteroscedasticity
Model 2		

Variable	Sig.	Conclusion
CSR	0.078	Free from Heteroscedasticity
Dividend Policy	0.753	Free from Heteroscedasticity
Leverage	0.924	Free from Heteroscedasticity
Profitability	0.997	Free from Heteroscedasticity
Board of Commissioners	0.120	Free from Heteroscedasticity

Source: Processed data (2026)

Based on Table 6, the heteroscedasticity test results indicate that both regression models satisfy the homoscedasticity assumption. In Model 1, all independent variables exhibit significance values exceeding 0.05—CSR (0.856), dividend policy (0.605), leverage (0.108), and profitability (0.339). These findings suggest that the residual variance is not systematically related to the explanatory variables, implying the absence of heteroscedasticity. Similarly, in Model 2, all predictors also report significance values greater than 0.05—CSR (0.078), dividend policy (0.753), leverage (0.924), profitability (0.997), and the Board of Commissioners (0.120). Accordingly, the results provide no evidence of heteroscedasticity in Model 2.

Table 7. Autocorrelation Test Result

Model	Test Method	Test Statistic	Sig.	Conclusion
Model 1	Runs Test	0.284	0.375	No Autocorrelation
Model 2	Runs Test	0.516	0.375	No Autocorrelation

Source: Processed data (2026)

Based on Table 7, Model 1 yields an Asymp. Sig. (2-tailed) value of 0.375 with 63 observations. Because this value exceeds 0.05, the null hypothesis is not rejected. This result indicates that the residuals in Model 1 are random and do not exhibit autocorrelation. Model 2 likewise produces an Asymp. Sig. (2-tailed) value of 0.375, which is greater than 0.05. Accordingly, the residuals in Model 2 are random and do not indicate the presence of autocorrelation. Based on the runs test results for both models, the regression models in this study are concluded to be free from autocorrelation.

Model Feasibility and Goodness of Fit

To assess the statistical adequacy of the regression model and its ability to explain the relationships among variables, model goodness of fit is evaluated using the F-test and the coefficient of determination (Adjusted R^2). The F-test is used to determine whether the independent variables jointly explain variations in firm value, whereas Adjusted R^2 is used to measure the model's explanatory power.

Table 8. F-Test Result

Model 1		
	F	Sig.
ANOVA	90.810	0.000
Model 2		
	F	Sig.
ANOVA	73.711	0.000

Source: Processed data (2026)

Based on Table 8, Model 1 yields an F-statistic of 90.810 with a significance value of 0.000, which is below the 0.05 threshold. This result indicates that CSR, dividend policy, leverage, and profitability jointly have a statistically significant effect on firm value, and that the model is fit for inference. Similarly, Model 2 produces an F-statistic of 73.711 with a significance value of 0.000. This finding indicates that the model including the Board of Commissioners as a moderating variable is also statistically significant and thus appropriate for further interpretation.

Table 9. Coefficient of Determination Test Result

Model 1		
R	R ²	Adjusted R ²
0.929	0.862	0.853
Model 2		
R	R ²	Adjusted R ²
0.962	0.926	0.913

Source: Processed data (2026)

Based on Table 9, Model 1 reports an Adjusted R^2 value of 0.853, indicating that CSR, dividend policy, leverage, and profitability explain 85.3% of the variation in firm value, while the remaining 14.7% is attributable to factors outside the research model. In Model 2, the Adjusted R^2 increases to 0.913, indicating that the inclusion of the moderating variable and interaction terms strengthens the model's explanatory power. Collectively, CSR, dividend policy, leverage, profitability, and their interactions with the Board of Commissioners explain 91.3% of the variation in firm value, whereas the remaining 8.7% is explained by other factors not included in the model.

Hypotheses Testing

Based on Table 10, the partial test results indicate that leverage and profitability have a significant effect on firm value, whereas CSR and dividend policy do not exhibit a significant effect. The Board of Commissioners is found to moderate the relationship between leverage and firm value; however, it does not function as a moderating variable in the relationships between CSR, dividend policy, and profitability with firm value. The regression coefficient for leverage is 7.675, implying that a one-unit increase in leverage is associated with an increase of 7.675 units in firm value. The regression coefficient for profitability is 52.857, indicating that a one-unit increase in profitability corresponds to an increase of 52.857 units in firm value. Furthermore, the interaction coefficient between leverage and the Board of Commissioners is -3.682, suggesting that the presence of the Board of Commissioners weakens the effect of leverage on firm value, such that each one-unit increase in the interaction term is associated with a decrease of 3.682 units in firm value.

Table 10. Hypotheses Testing Result

Path	β	Sig.	Conclusion
CSR → Firm Value	-3.203	0.229	H ₁ Rejected
Dividend Policy → Firm Value	0.410	0.712	H ₂ Rejected
Leverage → Firm Value	7.675	0.000	H ₃ Accepted
Profitability → Firm Value	52.857	0.000	H ₄ Accepted
CSR*Board of Commissioners → Firm Value	0.880	0.740	H ₅ Rejected
Dividend Policy*Board of Commissioners → Firm Value	-0.663	0.426	H ₆ Rejected
Leverage*Board of Commissioners → Firm Value	-3.682	0.000	H ₇ Accepted
Profitability*Board of Commissioners → Firm Value	-7.905	0.172	H ₈ Rejected

Source: Processed data (2026)

Discussion

Corporate Social Responsibility (CSR) does not have a significant effect on firm value; therefore, H1 is rejected. This finding suggests that CSR activities among manufacturing firms during the post-COVID-19 recovery period have not yet become a primary consideration in investor valuation. In the recovery phase, investors tend to prioritize financial stability, liquidity, and operational efficiency. In parallel, manufacturing firms focus on restoring production capacity and strengthening supply chains; consequently, CSR is more frequently interpreted as compliance and reputational reinforcement rather than as an immediate driver of firm value. In the signaling perspective, CSR disclosure may reduce information asymmetry; however, limited standardization in CSR reporting in Indonesia may reduce the distinctiveness of disclosure across firms. This result is consistent with Romli and Zaputra (2021), Intihanah et al. (2023), and Febriani et al. (2024), who report that CSR disclosure does not necessarily elicit a positive market response. Erawati et al. (2022) likewise emphasize that CSR benefits are more apparent in the long term through reputational strengthening rather than through immediate financial effects.

Dividend policy does not have a significant effect on firm value; therefore, H2 is rejected. During the post-pandemic recovery period, manufacturing firms tend to retain earnings to support operational recovery, technology investment, and supply chain reinforcement. This pattern aligns with dividend irrelevance theory, which posits that investors place greater weight on growth prospects and investment opportunities than on current dividend payouts. Over the 2021–2023 period, the manufacturing sector displayed a growth orientation; hence, lower dividend distributions were interpreted as a rational strategy to support expansion and innovation. This finding is consistent with Hidayat et al. (2022), Rahma and Arifin (2022), and Astrilia and Kusmayadi (2025), who argue that dividend relevance declines when firms have strong growth opportunities and investors are more oriented toward capital gains.

In contrast, leverage has a significant effect on firm value; therefore, H3 is accepted. Debt financing can provide rapid access to funds for production modernization, digital transformation, and business expansion during the recovery period. From a signaling perspective, an increase in debt may be interpreted as management's confidence in the firm's capacity to generate future cash flows. The significant leverage effect indicates an optimally managed capital structure, namely productive debt utilization without disproportionately increasing the likelihood of financial distress. Manufacturing firms typically hold substantial tangible assets that can be pledged as collateral, facilitating access to external financing. This result is consistent with Nadhilah et al. (2022), Novita et al. (2022), and Rahma and Zulfikar (2024), which show that prudent leverage management can enhance firm value.

Profitability has a significant effect on firm value; therefore, H4 is accepted. In the post-COVID-19 period, profitability emerges as a salient indicator of recovery success and operational efficiency. Higher profitability reflects effective cost control, demand stability, and sustainable cash flows, thereby strengthening investor confidence and firm valuation. Manufacturing firms with stronger profitability demonstrate resilience against supply chain disruptions and fluctuations in raw material prices. This finding is consistent with Muliana and Ahmad (2021), Saddam et al. (2021), Nadhilah et al. (2022), and Rahma and Arifin (2022), which identify profitability as a primary determinant of firm value.

Regarding the moderating role of the board of commissioners, the results indicate that the board does not moderate the CSR–firm value relationship; therefore, H5 is rejected. This outcome implies that governance mechanisms have not effectively integrated CSR into value creation in a manner that translates into market valuation. CSR implementation in Indonesian manufacturing firms remains oriented toward regulatory compliance and social activities rather than strategic integration. Moreover, CSR outcomes are largely long-term and intangible, limiting their immediate financial implications. This interpretation is consistent with Erawati et al. (2022), who emphasize CSR's function in strengthening legitimacy and reputation.

The board of commissioners also does not moderate the relationship between dividend policy and firm value; therefore, H6 is rejected. Dividend decisions are more strongly shaped by internal financial conditions, investment priorities, and earnings availability. During the recovery period, firms adopted more flexible dividend policies to preserve financial stability, while the board of commissioners primarily fulfilled a supervisory role rather than directly determining dividend policy. This finding is consistent with Bramaputra et al. (2022), which emphasizes that dividend policy is driven largely by internal financial considerations.

Conversely, the board of commissioners moderates the leverage–firm value relationship; therefore, H7 is accepted. This result underscores the importance of supervisory oversight in financing decisions that entail higher risk. Effective monitoring ensures that debt utilization remains aligned with financial capacity and risk management principles. The negative interaction coefficient indicates that the board of commissioners constrains excessive debt usage, thereby limiting financial risk and reinforcing investor confidence. This finding supports Rahma and Zulfikar (2024), which highlights the role of governance mechanisms in improving capital structure effectiveness by balancing risk and return.

Last, the board of commissioners does not moderate the relationship between profitability and firm value; therefore, H8 is rejected. Profitability more directly reflects managerial execution, production efficiency, and market demand dynamics, which are not within the board's direct operational domain. Although the board provides strategic oversight, profitability outcomes are fundamentally shaped by managerial implementation quality and broader economic conditions. This finding is consistent with Kolamban et al. (2020), which suggests that profitability is more closely linked to internal operational decisions than to the effectiveness of governance structures.

CONCLUSION

This study examines the determinants of firm value by focusing on Corporate Social Responsibility (CSR), dividend policy, leverage, and profitability, while also testing the moderating role of Good Corporate Governance (GCG), proxied by the Board of Commissioners, in manufacturing companies listed on the Indonesia Stock Exchange during 2021–2023. The study is motivated by inconsistencies in prior empirical evidence and the increasing emphasis on corporate governance as a mechanism for sustaining corporate performance and enhancing firm value.

The empirical results indicate that leverage and profitability significantly affect firm value, whereas CSR and dividend policy do not exhibit significant effects. These findings suggest that investors place greater weight on financial performance indicators and capital structure considerations when valuing manufacturing firms, particularly within a short-term decision horizon. The moderation analysis further demonstrates that the Board of Commissioners does not moderate the relationships between CSR, dividend policy, and profitability with firm value. However, the Board of Commissioners is shown to moderate the effect of leverage on firm value, implying that stronger oversight can attenuate or constrain the valuation implications of debt-related financing risks through enhanced supervisory control.

This study underscores the importance of effective corporate governance in financial decision-making, particularly with respect to leverage policies. Strengthening the supervisory function of the Board of Commissioners is essential for maintaining an appropriate balance between the benefits of debt utilization and the associated financial risks. Robust governance practices support financial stability, sustain investor confidence, and contribute to long-term value creation and sustainable economic development.

This study has several limitations. First, the observation window is relatively short, and the scope is confined to the manufacturing sector, limiting the generalizability of the findings across industries. Second, GCG is measured solely through the Board of Commissioners proxy, which may not fully capture the multidimensional nature of corporate governance mechanisms.

In light of these limitations, future research is encouraged to extend the observation period, incorporate a broader set of industries, and apply more comprehensive governance indicators, such as institutional ownership, audit committee characteristics, and the proportion of independent commissioners. Subsequent studies may also include macroeconomic control variables or employ alternative methodological approaches to generate deeper and more robust insights.

This study provides evidence that effective financial performance management and strong corporate governance are central to enhancing firm value. The findings offer practical relevance for corporate managers, investors, and policymakers in designing financial and governance policies oriented toward sustainable, long-term value creation.

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