# The Moderating Role of Board Independent in Managerial Ownership and Firm Value: Evidence in Indonesia

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## Abstract
This study aims to empirically assess the conditional effect of managerial ownership on the firm value moderating role of the independent board. Using a sample of Indonesian listed firms from 2015-2020 and panel data of 2,627, we used PROCESS V3.4. for SPSS to estimate research models. Research findings; there is a non-linear relationship between the effect of managerial ownership on firm value, in line with the entrenchment hypothesis. Furthermore, the findings of this study indicate that the independent board does not provide a moderating effect on the relationship, but the independent board is a predictor of firm value. The critical implications are; It enriches existing knowledge of agency theory by emphasizing the importance of the involvement of an independent board. A new perspective in the conditional effect analysis of management ownership on firm value, moderated by the role of an independent board.

**Keywords:** managerial ownership, independent boards, firm value, the moderation effect

## Introduction
In the last few decades, many studies have analyzed the direct effect on the firm value influenced by managerial ownership. However, examining the indirect impact as a moderating effect of the Independent Board variable is still limited. The moderating effect is intended when interest is focused on the question of when or under what conditions the effect is more robust (Igartua & Hayes, 2021; Hayes, 2022); the effect of managerial ownership on firm value works effectively when or in a corporate condition involving an independent board.

The role of an independent board of directors is vital and should be controlled with respect to managerial (Jensen & Meckling, 1976); previous research has shown that the relationship between CEO Duality and firm performance depends on the role of the independent Board of Directors (Duru et al., 2016). Also, the role of independent Boards is in the high category (Zaid et al., 2020) and where interaction takes place (Combs et al., 2007). This demonstrates that the impact of ownership structure and CEO duality on performance depends on the independent agency involvement. This can positively impact corporate governance systems and improve corporate performance (Liu et al., 2015).

Various theoretical and empirical studies show that ownership structure creates appropriate management oversight of business activities and influences corporate value creation. However, the agency's problems are complex due to differing interests between managers and shareholders (Jensen & Meckling, 1976). Fundamentally, a company's agency costs must be controlled and monitored; ownership structure, managerial ownership, the board size, independent board members, independent committees, and CEO duality (Panda & Leepsa, 2017).

However, boards have not led to improvements in corporate performance by external parties (Hermalin & Weisbach, 1991), boards have not created optimal external oversight mechanisms (Agrawal & Knoeber, 1996), boards are independent and structural leadership has no impact on firm performance (Drakos & Bekiris, 2010). In addition, empirical results show that board structure does not significantly affect stock price response (Ding et al., 2020).

It is hoped that the distribution of shares to managers will result in an allocation of business risks, the positive causal relationship between risk and insider ownership, and the increase in management ownership, which directly controls differences between the company's performance and management, is expected to it reduces profit for company owners and ultimately increase the value of the firm (Demsetz & Lehn, 1985). Moreover, empirical evidence of insider ownership indicates a growing role in corporate control because it arises from improved alignment of interest; it can affect corporate value (Morck et al., 1988).

In line with previous research results, this ownership structure positively correlates with firm value (Rashid, 2020) [Bangladesh]. In Africa, ownership structure and independent boards have become essential to corporate governance, reducing agency problems and promoting good corporate performance (Munisi et al., 2014), (Jumanne & Keong, 2018). However, a range of empirical evidence shows that high levels of management ownership in the short term have a negative impact on firm value because it leads to a convergence of benefits (Davies et al., 2005). Management ownership is the only determinant of corporate performance (Mugobo et al., 2016). Various research results in Indonesia show that; Monitoring and supervision through the provision of stock compensation in the form of management ownership can enhance firm value (Rizqia et al., 2013; Perwitasari, 2014; William, 2015; Fahdiansyah et al., 2018; Novianti & Irni Yunita, 2019), has been to have no impact on firm value (Sugosha & Artini, 2020).

Overcome agency problems by optimizing corporate governance mechanisms to create economic efficiency and ultimately increase firm value (Denis, 2001; Mak & Kusnadi, 2005; Bonazzi & Islam, 2007). Empirical evidence also shows that a dynamic corporate governance and leadership system can respond to uncertainty during the Covid-19 pandemic in the first quarter of 2020 in 56 countries worldwide (Ding et al., 2020). In addition, managerial ownership creates more value and enthusiasm for management in increasing work effectiveness and making good corporate governance so that various conflicts of interest can be reduced.

To produce a research gap, examine the conditional effect of the role of the independent board so that it can be known under what conditions and when the impact of managerial ownership on firm value occurs. There is an interaction between managerial ownership in creating the business operational effectiveness and the implications for improving corporate performance (Drakos & Bekiris, 2010; Kao et al., 2018; Coletta & Arruda de Souza Lima, 2020; Mak & Kusnadi, 2005; Kusumastuti & Sastra, 2007). The effectiveness of monitoring is expected to increase management performance so that it will have an impact on improving corporate performance and ultimately on firm value (Dwivedi & Jain, 2005) [India]; (Almudehki & Zeitun, 2012) [Qatar]; (Bentivogli & Mirenda, 2017) [Italy]; (Hong Nguyen et al., 2020) [Vietnam], (Gurbuz & Aybars, 2010) [Turkey].

However, there are different arguments that the board of directors from external parties is not related to improving company performance (Hermalin & Weisbach, 1991), an outside board of directors does not create a more optimal oversight mechanism (Agrawal & Knoeber, 1996), Independent Board of Directors and leadership structure do not affect the corporate performance (Drakos & Bekiris, 2010), the same thing happened in the UK (Weir & Laing, 2000); Swiss (Beiner et al., 2006); Yunani (Drakos & Bekiris, 2010); Malaysia (Johl et al., 2015); Kenya (Ongore et al., 2015); Mesir (Abobakr, 2017) that the composition of the board from external does not affect improving company performance.

Furthermore, the presence of an independent board of directors within the company minimizes the incidence of management misconduct. There are interactions between owners and independent boards (Weisbach, 1988; Duru et al., 2016), and managerial opportunism and inappropriate investment projects can be avoided (Ozdemir et al., 2021). The involvement of an independent board has a greater impact on performance (Yu Liu et al., 2015).

The contributions of this study are; First, strengthen the entrenchment hypothesis; there is evidence that there is a practice of maintaining power through management teams such that managers tend to make decisions based on their own interests or those of the group. Second, management ownership affects firm value when the board, independent directors, and commissioners exercise effective control and monitoring. Third, development in measuring firm value using a market basis, namely Tobin's Q and Market Capitalization (MBVE). Considering two market performance-based indicators is very important and consistent with previous research (Kao et al., 2018; Rashid, 2020). To keep this article interesting for readers, we present it in several sections: 1) research background, 2) research method, 4) results and discussion, and 5) conclusions. The conceptual research framework is shown in Figure 1.

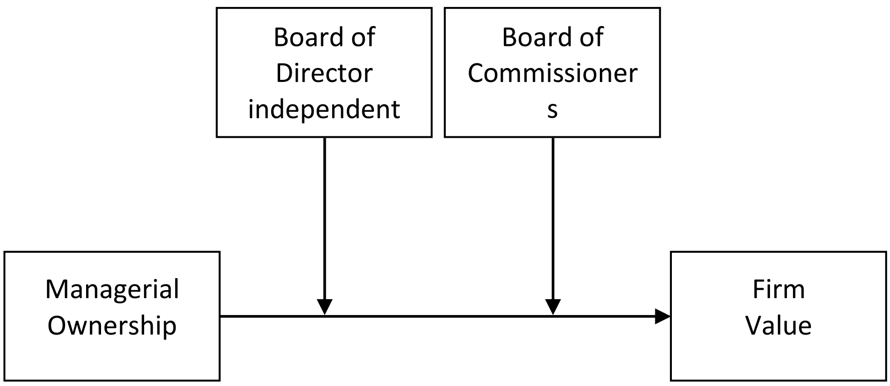


**Figure 1. Conceptual Research Framework**
Source*:* Processed Data, 2021

## Research Method

The perspective of financial management science is the basis for research analysis to answer research problems and objectives using explanatory and descriptive methods. The study population is Indonesian public companies in the non-financial sector for the period 2015-2020, with a total of 615 emiten; the purposive sampling technique considers the company's consistency in presenting financial reports and corporate governance practices. The determination of research observation data is shown in Table 1.

The firm value uses a market proxy-based approach, namely; Tobin's Q (TbQ), market capitalization (MBVE) (Perwito et al., 2021), and this is consistent with the research (Bhagat & Bolton, 2013; Vafeas & Vlittis, 2019; Rashid, 2020). Ownership structure and corporate governance practices; Independent board and executive have consistent with the investigation (Kao et al., 2018; Rashid, 2020). Table 2 shows the operational research variables.

As an effort to produce a research gap using moderating variables, moderators are used to determine the moderation/ interaction effect of the moderator's influence on the relationship of the predictor /independent variable's relationship to the outcome /dependent variable, so that can know the strength of the relationship between these variables, the inclusion of mediator and moderator variables into this study as an effort to answer the research gap (Kusnendi, 2019; Hayes, 2018; Hayes, 2022). Moderators for this study are BODind and BOCind, Tobin's-q and MBVE proxies.

This can be illustrated in Figure 1; managerial ownership of firm value depends on the board of independence. An independent board of Directors and Commissioners in Moderating the impact of management Ownership (MgOwn) on Firm Value (TbQ) according to model 2 (Hayes, 2018; Hayes, 2022).

$$Y = i_Y + B_1X + B_2W + B_3Z + B_4XW + B_5XZ + e_y \quad \text{.......... (1)}$$

$$\text{Tobin's-Q / MBVE} = \alpha_1 + \beta_1 MgOwnO + \beta_2 BODind + \beta_3 BOCind + \beta_4 MgOwn*BODind + \beta_5 MgOwn*BOCind + \varepsilon_{it} \quad \text{.......... (2)}$$

The next stage is to formulate statistical hypotheses, statistics, and test criteria, in answering the hypotheses and model estimates that are consistent with model 2 (Hayes, 2018; Hayes, 2022) using Process Macro for SPSS V3.4.

**Table 1. Sampling Selection**

| Description | Firm-year observations |
|---|---|
| Main sample number (2015-2020) | 615 Emiten public<br>615 x 6 annual report<br>: 3.690 observation data |
| Less | |
| incomplete data Observations | 966 |
| Outliers' data | 97 |
| Total data observation Sample | 2,627 data observation |

Source: Fact Book, IDX. 2020

**Table 2. Definition of the research variables**

| Variable | Description |
|---|---|
| Dependent Variable | |
| Firm Value (TbQ) | The ratio of market capitalization plus debt divided by total assets (Yermack, 1996; Bhagat & Bolton, 2013; Vafeas & Vlittis, 2019; Rashid, 2020) |
| Market-to-book value of Equity (MBVE) | The ratio of total market capitalization divided by total equity (Kao et al., 2018; Rashid, 2020) |
| Independent Variable | |
| Managerial Ownership (MgOwn) | Percentage of common stock owned by managers/insiders (Yermack, 1996; Cho, 1998; (Ang et al., 2000; Singh & Davidson, 2003; Bhagat & Bolton, 2013; Rashid, 2016; Vafeas & Vlittis, 2019; Rashid, 2020) |
| Moderation Variable | |
| Board of Independent Directors (BOD) | Percentage of independent directors to total directors (Kao et al., 2018; Rashid, 2020) |
| Board of Independent Commissioners (BOC) | Percentage of independent Commissioners to the total number of board (Kao et al., 2018; Rashid, 2020) |

Source: Developed from several journals

## Result and Discussion

Based on Table 3, it can explain; in public companies in Indonesia, managerial ownership with an average value of 5.63% (min 0% and max 43.00%), consistent with research results in Indonesia, namely 5.26% (Sutrisno, 2020), 6,79% by (Sahrul & Novita, 2020), slightly different that is equal to 8.308 (Nathaniel & Sansaloni, 2016), close to India at 3.66

**Table 3. Summary of Descriptive Analysis results**

| Description | Average value | Minimum Value | Maximum Value | Standard Deviation |
|---|---|---|---|---|
| *Managerial Ownership* = MgOwn | 0.0562 | 0.000 | 0.430 | 0.105 |
| Total Board of Directors (Total BOD) | 4.490 | 1.000 | 16.000 | 1.877 |
| Independent Board of Directors (%) (BODind) | 0.143 | 0.000 | 0.750 | 0.156 |
| Total Board of Commissioners (Total BOC) | 3.971 | 1.000 | 12.000 | 1.740 |
| Independent Board of Commissioners (%) (BOCind) | 0.378 | 0.000 | 0.830 | 0.131 |
| Firm Value (TbQ & MBVE) | *2.476 | 0.290 | 2.710 | 0.372 |

Source*:* Processed Data, 2021

(Agarwal, 2020), Nigeria by 4.19% (Sani, 2020), in Jordania 10,21% (Al Amosh & Khatib, 2022), different from Thailand which only amounted to 1.8% (Al Farooque et al., 2020), and this is very different from sponsorship and director ownership in Bangladesh of 43.15%. (Rashid, 2020), in Australia, an average of 35% (Shan, 2019).

The findings relate to the number of BOD, the average value of BOD is 4.49, and BOC is 3.97, close to the results (Sutrisno, 2020), namely with a BOD of 5.2 and a BOC of 4.6, while a BOD of 4.36 (Prabowo & Simpson, 2011), BOD of 5.89 by (Pratiwi & Chariri, 2021), while the BOC results are close to the results (Hidayat & Utama, 2016) of 4.58, while the proportion of BOC with an average value of 37.80% (min 37.80, max 83.00) these results are slightly different from other studies (Oktaviani & Ariyanto, 2019) namely with an average value of 40.56, and 43.60 (Islamudin et al., 2020).

Table 3 also presents the Tobin-Q score with an average value of 2.47 (min 0.29 and max 2.71). There are slight differences when compared with other results in Indonesia; the TbQ score is 1.499 (Nugroho & Stoffers, 2020), the TbQ score is 1,994 (Wati et al., 2019), and close research results (Sahrul & Novita, 2020) of 2.61. The results of this study are not significantly different from those of Malaysia, which is an average of 2.185 (Zandi et al., 2020), in China is 2,343 (Lin & Fu, 2017), Bangladesh of 1.5828 (Rashid, 2020), in India of 1,90 (Mishra & Kapil, 2017), in Taiwan of 1,336 (Kao et al., 2018), the average in South Africa is 2.26 (Doorasamy, 2021).

To serve the purpose of this study, Table 4 is the result of a data analysis of causality between study variables, where the effect of the predictor on the outcome variable is moderated/interacted with by other variables.

As can be seen in Table 4, The effect of MgOwn on TbQ, coeff $B_1$ = -0.217 and p-value 0.015* <0.05, means that there is a significant negative effect., and hypothesis 1 was accepted. The conditional effect of MgOwn on TbQ is that the $Int_1$ value is obtained, The coeff value of $B_3$ = -0.532, and p-value 0.584* > 0.05, which is not significant; the effect of managerial ownership on firm value is not dependent on the existence of an independent board of directors, the test result value is 0.000, with p-value Chng 0.584* > 0.05. The conditional effect on TbQ obtained a coeff $B_5$ = -0.071 and a p-value of 0.940> 0.05, which is insignificant. Therefore, managerial ownership effect on firm value does not dependent on the BOCind, including moderating variables in the model cannot significantly increase the model's feasibility, with a test result value of 0.000, p-value Chng 0.940> 0.05, hypothesis 2 was rejected.

To strengthen the results of data analysis, the authors conducted a study using MBVE as the outcome variable, as can be seen in Table 4; The MgOwn effect on MBVE, with a coefficient $B_1$ = -0.217 and a p-value of 0.046* <0.05, has a significant and negative impact on MBVE, hypothesis 1 was accepted. The conditional effect of MgOwn on MBVE is the $Int_1$ value; the coefficient value of $B_3$ = -0.755 and p-value 0.627* > 0.05, which is not significant, the effect of managerial ownership on firm value does not dependent on the presence of the Board of Directors (BODind) Independent, the inclusion of moderating variables into the model is not able to significantly increase feasibility model, with a test result value of 0.000, p-value Chng 0.627* > 0.05.

Meanwhile, the inclusion of the Board of Commissioners (BOC) Independent variable into the model can be explained; The conditional effect of the role of the Board of Commissioners Independent (BOCind) obtained the Int1 coefficient value; $B_5$ = -0.646 and p-value 0.671*> 0.05, which is not significant, the effect of managerial ownership on

**Table 4. Summary of Results of the Regression Effects of Firm Value, Managerial Ownership, and Boards of Directors and Commissioners Independent**

| Predictor/Independent Variables | constant/t-value/ p-value | |
|---|---|---|
| | Tobin's-Q | MBVE |
| Managerial Ownership | | |
| *Constant* | 2.476 | 4.450 |
| $B_1$ | -0.217 | -0.244 |
| p-value | *0.015 | *0.046 |
| Board of Directors Independent (BOD) (+/-), | | |
| $B_2$ | -0.112 | -0.493 |
| p-value | *0.016 | *0.000 |
| Int_BOD, $B_3$ | -0.532 | -0.755 |
| p-value | 0.584 | 0.627 |
| R2-chng | 0.000 | 0.000 |
| p-Value Chng | 0.584 | 0.627 |
| Board of Commissioners independent (BOC) (+/-) | | |
| $B_4$ | 0.191 | 0.269 |
| p-value | *0.020 | *0.040 |
| Int_BIC, $B_5$ | -0.071 | -0.646 |
| p-value | 0.940 | 0.671 |
| R2-chng | 0.000 | 0.000 |
| p-Value Chng | 0.940 | 0.671 |
| Both | | |
| R2-chng | 0.000 | 0.000 |
| p-Value Chng | 0.839 | 0.754 |

*logN, n=2627
*Note: significant at the 0.05 level, N=2627
Source*:* Processed Data, 2021

firm value does not dependent on the presence of the Board of Commissioners Independent. Therefore, including the Board of Commissioners' Independent variable in the model cannot significantly increase the model's feasibility, with the test result value being 0.000, p-value Chng 0.671*> 0.05, and hypothesis 2 was rejected.

The analysis also shows that BODind and BOCind are not able to significantly increase the feasibility of the model, with a test value of 0.000, p-value Chng 0.839* > 0.05 (TbQ), and a value of 0.000, p-value Chng 0.754* > 0.05. The BODind variable tends to be a predictor of firm value, model TbQ with a value of $B_2$ = -0.112 and p-value of 0.000* > 0.05, model MBVE with a value of $B_2$ = -0.493 and p-value of 0.000* > 0.05, while BOCind tends to be a predictor of firm value, model TbQ $B_4$ = 0.191 and a p-value of 0.020* > 0.05, and MBVE with a value of $B_4$= 0.269 and a p-value of 0.040* > 0.05.

The results of various theoretical and empirical studies show that an ownership structure can create effective management supervision in business activities, thereby impacting the company's value creation. The distribution of shares to management leads to increased sharing of business risks, positive causality between risk and managerial ownership, and increased management direct ownership of full control of the company, reducing conflicts of interest and improvement in leads corporate performance (Demsetz

& Lehn, 1985). Empirical evidence for a positive relationship between insider ownership and firm value after taking and controlling (Morck et al., 1988). The complexity of conflict of interest leads to agency costs (Jensen & Meckling, 1976). Fundamentally, agency costs must be controlled and monitored; ownership structure, managerial ownership, the board size, independent board members, independent committees, and CEO duality (Panda & Leepsa, 2017).

The first finding of this research is quite interesting to be discussed. Further, the direction of the relationship is negative and significant and has a non-linear effect on firm value, consistent with (Morck et al., 1988; Lins, 2003) in Emerging Markets; in Nigeria (Sani, 2020), Australia (Shan, 2019), as well as in Indonesia (Haruman, 2008; Sukirni, 2012; Suriawinata & Nurmalita, 2022), it means firm value increase while managerial ownership decrease.

However, this differs from other studies that suggest that managerial ownership can enhance firm value (Wahyudi & Pawestri, 2006; Ardianingsih & Ardiyani, 2010; Anita & Yulianto, 2016; Sahrul & Novita, 2020), different results for no significant effect (Sujoko & Soebiantoro, 2007; Sugosha & Artini, 2020; Sutrisno, 2020), so also in Malaysia (Abdullah et al., 2017), happened in Jordan (Al Amosh & Khatib, 2022).

Increased insider ownership is inversely related to stock returns; Excessive requirements lead to control of the board (Han & Suk, 1998), a convergence of interests (Davies et al., 2005), excessive discretionary costs (Rashid, 2016; Suriawinata & Nurmalita, 2022), and exacerbate Nigerian agency conflicts (Sani, 2020). Managers tend to make decisions based on their own or group's interests, paying little attention to business continuity and increasing shareholder value (Al Amosh & Khatib, 2022). The results of this study are consistent with the entrenchment hypothesis that there is evidence of the practice of power retention by the leadership team. At the same time, there is pressure from company owners (Morck et al., 1988) to engage in expropriation because of their protected control as controlling shareholders (Fan & Wong, 2002).

The BODind and BOCind moderation variables are based on the premise that when the company has a managerial ownership structure, both originating from being the founder and/or owner of the company, it can also be obtained due to incentive policies or compensation for achievement. Therefore, high managerial ownership, BODind and BOCind roles are highly needed to improve management performance monitoring, and we expect to be able to make a variety of decisions in line with the company's main objective of maximizing firm value.

The effectiveness of the Independent Board in carrying out strict supervision can reduce the occurrence of conflicts of interest, playing a strategic role in controlling the company's management activities (Mak & Kusnadi, 2005) [Singapore dan Malaysia]; (Kusumastuti & Sastra, 2007) [Indonesia]; (Drakos & Bekiris, 2010) [Yunai]; (Kao et al., 2018) [Taiwan]; (Coletta & Arruda de Souza Lima, 2020) [Brasil], the monitoring system can improve investment efficiency, effective in reducing the cost of debt (Nazir, 2021), influence the improvement of corporate value (Ullah et al., 2020).

This second finding is of interesting for further investigation; The effect of managerial ownership on firm value is not dependent on the presence of Board and

Commissioners' Independent members; previous research has shown that board involvement by external parties is not associated with improved corporate performance, this is consistent with the research (Hermalin & Weisbach, 1991), it does not create a more optimal monitoring mechanism (Agrawal & Knoeber, 1996), does not affect firm performance (Drakos & Bekiris, 2010), or provides a meaningful response to stock prices (Ding et al., 2020). In Pakistan, findings (Latief et al., 2014) that the presence of BODind does not affect increasing company performance and firm value in Malaysia (Yusoff & Alhaji, 2012); (Zabri et al., 2016), China (Wang, 2017), Indonesia (Situmorang & Simanjutak, 2019); India (Yameen et al., 2019), the same is true for US companies that show independent boards have nothing to do with company performance (Hermalin & Weisbach, 2003).

The conditional effect of management ownership of goodwill does not depend on an independent board of directors. This case is likely to occur in Indonesia, which, from our analysis, applies a two-tier board system, and the board and officers require an independent board to be involved. Whether the company's independent body total holdings or holdings of 0.5218 or 52.18% (0.1438 + 0.3780) are summed up, which is well above the legal requirement of 30% and eliminates the role of supervision and control is optimal (Agrawal & Knoeber, 1996), management is not agile in operational and strategic business decisions. Furthermore, recruitment mechanisms do not take into account competence and professionalism, but perhaps affiliation, particular interests, or political reasons (including politicians, environmentalists, and environmental activists) (Agrawal & Knoeber, 1996), and it is not simply about fulfilling our obligations under Good Corporate. Rules. Governance (GCG) influences increased agency costs that shareholders must bear (Jensen & Meckling, 1976; Panda & Leepsa, 2017).

Findings the results of his study found are inconsistent with previous research that CEO Duality on company performance depends on independent directors (Duru et al., 2016), the policy ownership structure, and the company's disclosure of Corporate Social Responsibility in moderation of the board of independent directors (Zaid et al., 2020), female board on corporate performance through CSR are most powerful when female directors hold high power (Yonghong Liu et al., 2020), positive impact on corporate governance system, avoidance of opportunistic management behaviour (Ozdemir et al., 2021; Yu Liu et al., 2015), the impact of profitability on dividend policy is mitigated by liquidity (Puspitaningtyas et al., 2019), creating a positive signal and impact on corporate value.

In connection with the finding that the effects of managerial ownership and firm value do not depend on the presence of an Independent Board, then as another approach to improve company monitoring, namely through the establishment of an Independent Board Committee, this approach can provide clearer results regarding the relationship between the independent directors monitoring effectiveness and organization performance (Klein, 1998; Cotter & Silvester, 2003), involves the role of the company's Board of Committees (Xie et al., 2003; Wang, 2017), The audit committee board can help create reliable financial reports (Oktaviani & Ariyanto, 2019), The presence of the Board of Committees is, of course, very helpful to the Board of Commissioners in carrying out and increasing supervision of the Board of Directors in operational and strategic company policies; it is hoped that will be done without interference from various parties and or political pressure.

## Conclusion

Conclusion: This study focuses on the role of the independent board in moderating managerial ownership of firm value within an agency theory frame. Very limited research in the financial sector that uses the conditional effects analysis approach, this study uses 2627 observational data that can present actual conditions so as to clarify various gaps in previous research in estimating models using PROCESS V3.4. for SPSS.

This study's findings show a non-linear relationship between the effect of managerial ownership on firm value, in line with the entrenchment hypothesis, which allows for discretionary policies carried out by managers so that they impact agency costs. Furthermore, the findings of this study indicate that the independent board does not provide an interaction or moderating effect on the relationship, but the independent board as a predictor of firm value, which is in line with agency theory, further enhances the effective monitoring and control of management.

Finally, for policymakers, it would be better to increase the number of independent boards by at least 30%, prioritizing the principle of impartiality when recruiting independent boards and paying attention to expertise and experience. Research limitations: the moderating variable of this study only involved the independent Board of Directors and Commissioners, and the independent variable only the managerial ownership structure, have not tried the independent board as a mediator variable. Further research: 1) expanding the scope of research variables, for example, adding mediating variables as part of creating corporate value, 2) adding proxies to measure ownership structure, proxies to measure corporate governance practices, and using accounting bases to measure company performance.

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