

The Influence of the Good Corporate Governance of the Company on the Company's Property and Real Estate In BEI

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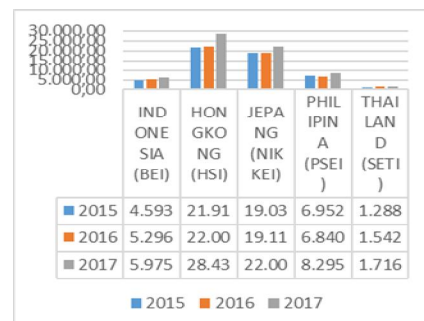
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Abstract: The purpose of this study is to conduct empirical test on influence of good corporate governance of the company on the company's property and real estate in Indonesia stock exchange years 2014-2016. The difference with previous research located on the use of independent variable and the dependent variable. The data in this study is secondary data obtained from the Indonesia stock exchange. The number of sample as many as 21 of the company's property and real estate 2014-2016 period, using the method of purposive sampling. Analytical techniques used to use multiple linear regression, data processed using the SPSS 17. The results of the test showed that the variables are independent Commissioners and Board of Directors to the company's value, while the audit committee has no effect significantly to the value of the company.

Keywords: good corporate governance, firm value

1. INTRODUCTION

In the current era of globalization, the development of the business world and the endeavor very soar rapidly. It can be seen in terms of the development of science, technology and information science progress. Science Technology and information is the media information that is used as a means by which the development of the information to be delivered by the company to meet the needs of information users. Development of stock real estate property with other countries can be outlined as follows:



Source: (Financial Services Authority), 2017

The pictures above tells us that the development of the most prominent of the five countries are the countries Hong Kong (HSI) in 2015 in its stock index numbers 21,914 trillion, year 2016 experienced an increase of 0.9% from the numbers 22,000 and Trillion as of October 2017 reach 28,438 Trillion experienced an increase of 0.8%. The State then followed by Japan (NIKKEI) the year 2015 on

numbers 19,033 Trillion, in 2016 to reach 19,114 Trillion there is a rise of about 1% from the previous year. Then as of October 2017 stock index increased 0.9% with a reach of 22,008 trillion. the lowest shares indexes among 5 countries are countries of Thailand where its stock index reached only number 1,716 Trillion as of October 2017.

Good Corporate Governance is a system of control that directs and controls the company in the company's improved performance through monitoring the performance of managing as well as ensure accountability towards stakeholders management with based on the regulatory framework.

This confirms that in running the business of an enterprise is not just pursuing profits but must pay attention to corporate governance (Corporate Governance) in order to avoid the conflicts that occur in the company's operations. Corporate Governance is the mechanism that consists of a series of structures, systems and processes used by the organs of the company to control the company's operations to run in accordance with what is expected (Melawati, Nurlaela, & Masitoh, 2016). The concept of the GCG aims to achieve the management of corporate transparency in both financial reporting and performance of the company.

The implementation of good corporate governance principles can facilitate the market makers to customize and implement GCG principles on business growth in this current era. With the aim to encourage growth and the financial services sectors in Indonesia, so that economic growth in Indonesia is able

to retain under normal conditions or crisis. This implementation is expected to create trust, transparency, accountability, so that the services sector are able to develop and open up opportunities for long-term investment through the capital market (Keuangan, 2017).

Gap research which becomes reference in this research is the research done by (V, 2008) States that there is a positive relationship between Good Corporate Governance with the performance of the company. Variables that influence significantly to the value of the variable is the company's corporate governance, the company's size and earnings management. The Commissioner is independent, quality audits, institutional ownership is pemoderasi variable between earnings management and the value of the company. Then the writer formulate a hypothesis put forward was the influential Board of Commissioners of the company.

Research conducted by Jati (2009), stating that there is a positive relationship between Good Corporate Governance with the performance of the company. The results of the research there was significant influence between the structure of corporate governance variables on performance of the company. The audit committee is a Committee appointed by the company as a liaison between the Board of Directors and the external auditor, the internal audit as well as independent members. The audit committee is tasked with providing oversight on internal and external Corporate Auditors, as well as ensuring that management is doing the right corrective actions regularly and can control weaknesses, lack of glaring

discrepancy with policy, law and regulation. The hypothesis put forward is the effect on the value of the Audit Committee of the company.

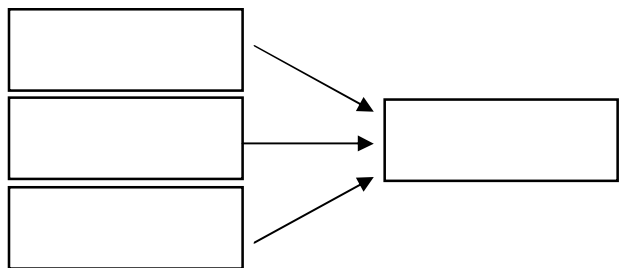
Research of the (Sari, Subroto, & Nurlaela, Pengaruh Good Corporate Governance Terhadap Kinerja Keuangan Perusahaan Real Estate & Property, 2016) influence of Good Corporate Governance Financial Performance Against Real Estate Company & Property. The test results of this research are the Commissioners against the company's performance shows that there is significant influence. For the size of the company against the influential financial performance significantly, the audit committee and the financial performance has no effect means that the audit committee does not have an active role against the financial performance. Based on institutional ownership testing shows there is a significant influence in which institutional ownership plays an active role against the financial performance of the company and based on the test results the company size on performance financial there are no significant effects means that the size of the company does not have an active role against the financial performance.

Research results (Larasati, Titisari, & Nurlaela, 2017). The influence of Good Corporate Governance and Corporate Social Responsibility towards the company's financial Performance manufacturing. The test results are partial indicates that the value t calculate the H1 through the proportion of independent Commissioners, Board of the Board of Directors and the managerial ownership outweigh the value of t the table so it can

be inferred that the Good Corporate Governance through the proportion of independent Commissioners, Board of Directors and the managerial ownership to the financial performance of manufacturing companies registered in BEI.

2. THEORITICAL FRAMEWORK

The theoritical frame work of this research is illustrated as follows:



3. RESEARCH METHODS

The population in this research is the entire property and real estate companies listed on the Indonesia stock exchange 2014-2016. The sample is determined by the method of Purposive Sampling criteria: (1) real estate property Company & registered in BEI 2014-2016 year, (2) Corporate property and real estate listed on the published financial report BEI complete during the year 2014-2016, (3) the company property and real estate registered in BEI who have financial reporting period that ended 31 December during the year of 2014-2016, (4) the company's property and real estate registered in BEI and published financial report in rupiah 2014-2016 year. Companies that have meet the criteria to be used as a sample in this research is as

much as 21 companies, so the data retrieved as many as 63 data.

The independent variable in this study are the independent Commissioners (the Board of Commissioner of), audit Committee (Audit committee), and the Board of Director. The dependent variables in the study was the value of the company.

4. DATA ANALYSIS TECHNIQUE

Data analysis techniques used in the research are as follows:

- a. Descriptive statistics on do to get an overview of the variables within a research
- b. A Classic Assumption Test
 1. Test of Normality was done to know that normaly distributed data to regression.
 2. Autocorrelation test was conducted to find out the level of relations.
 3. The Multicollinearity, test aims to find out there or whether the same relationship between free variables used.
 4. The Heteroskedasticity aims to analyze, the occurrence of inequalities between the residual.
- c. Multiple linear regression analysis is the technique throught a coeficient parameter to know the magnitude of the influence of variables is independent of the dependent variable. The regression model in this study:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Information:

Y : Value of the company

a : Constant

$\beta_1 - \beta_3$: Regression Coefficient

X1 : Board of
Commissioner

X2 : Audit Comittee

X3 : Board of Directors

e : error

- d. The F-test is done to see the impact of influence between independent variables and dependent variables simultaneously.
- e. t-test was conducted to know the influence of partially dependent variable against the independent variable.
- f. Determination of coefficient of test done to measure the proportion of the variation in the free variables in explains zero regression.

5. RESEARCH RESULTS

The Descriptive Statistics Analysis

Descriptive analysis aims to know more clearly a general overview about the research data, particularly descriptive about the composition of the Board of Commissioners, audit committee and Board of Directors. Descriptive statistics in this research presents the minimum, maximum, mean and standard deviation of the data. Based on table 2 it can be noted that the total number of sample research (N) for the entire company property and real estate for three years there were as many as 63 samples of data, with the minimum value for a variable of Board of Commissioners are independent of 0.33, the value maximum and average 2.00 0.6195 with standard deviation of 0.29561. The minimum value for a variable of the audit committee 2.00 4.00 maximum value and average 3.0794 with

a standard deviation of 0.32635. The minimum value for a variable of the Board 2.00 8.00 maximum value and average 4.6190 with a standard deviation of 1.46385. The minimum value for a

variable the value of the company's maximum value of 6.50 and 1.00 average 2.3562 with standard deviation of 1.60671.

Variabel	N	Minimum	Maximum	Mean	Std Deviation
Dewan Komisaris Independen (X1)	63	0.33	2.00	0.6195	0.29561
Komite Audit (X2)	63	2.00	4.00	30.794	0.32635
Dewan Direksi (X3)	63	2.00	8.00	46.190	146.385
Nilai Perusahaan(Y)	63	1.00	6.50	23.562	160.671

Tabel 1. Summary Of Descriptive Statistics

Source: The data processed by author

Classic Assumption Test

A classic assumption test aims to produce a good regression models. To avoid errors in testing assumptions classic then the number of samples that are used must be free of bias (Ghozali, 2011). Normality test done to see if research data a normal distribution or not. Test of normality in this study performed using test Kolmogorov-Smirnov.

	<i>Unstandardized Residual</i>	Keterangan
N	63	Data Terdistribusi Normal
Kolmogorov-Smirnov Z	1.103	Data Terdistribusi Normal
Asymp. Sig. (2-tailed)	0.176	Data Terdistribusi Normal

Table 2. Summary of Normality

Source: The data processed by author

From Table 2 Based on the results of a test of normality with the Kolmogorov-Smirnov test, significant value can be seen

the count (1,103) > value significant research (0.05) So the regression model has a normal distribution.

Variable	Tolerance	VIF	Keterangan
Board Of Commissioner (X1)	0.931	1.074	No Problem Multicollinearity
Audit Committee (X2)	0.988	1.012	No Problem Multicollinearity
Board Of Directos (X3)	0.936	1.068	No Problem Multicollinearity

Table 3. Summary of Multicollinearity

Source: The data processed by author

Based on the test results of multicollinearity above can be aware that the value of the tolerance value greater than 0.01 and VIF is smaller than 10, then it doesn't happen the symptoms of multicollinearity.

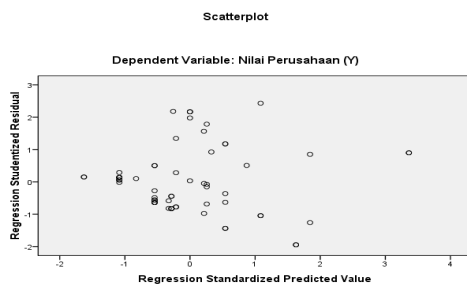
Model	Std. Error of Estimate	Durbin-Watson	Keterangan
1	1.32720	2.393	No Problem Autocorrelation

Table 4. Summary of Autocorrelation

Source: The data processed by author

Based on the results of the test autocorrelation in table 4.4 shows data that DW 2,393 can be concluded that the value of the DW between 1.55 – 2.46 so there is no autocorrelation.

Next to heteroskedastisitas test results can be seen from this picture :



Picture 1. Summary of Heteroskedastic

Source: The data processed by author

Based on the picture using the scatterplot shown that dots randomly spread and scattered both above and below the 0 on the Y axis. It can be inferred that the distribution of the points stated doesn't happen heteroskedasticity on regression model.

Keterangan	F _{hitung}	F _{tabel}	Sig	Sig	Hasil
Uji Kelayakan	10.621	3.15	0.000 ^a	0.05	Accepted
Model F					

Table 5. Summary of F Test

Source: The data processed by author

The test results showed that the value of $F_{hitung} > F_{tabel}$ (10.621 > 2.76), so it can be concluded that H_0 is rejected and the H_a are received.

Variable	t _{hitung}	T _{tabel}	Sig	Kriteria	Kesimpulan
Board of commissioner	2,445	2,001	0,017	0,05	Accepted
Audit Committee	0,60	2,001	0,550	0,05	Rijected
Board of directors	4,339	2,001	0,000	0,05	Accepted

Table 6. Summary of t Test

Source: The data processed by author

Based on the results of value t calculate the t table < (2.001 < 2.445) and significance = 0.05 (0.05 = 0.017), meaning that H_0 is accepted while H_1 is accepted. This means that H_1 is accepted so that it can be concluded that the Board of Commissioners are independent influence on the value of the company. Based on the value t calculate > t table (0.602 < 2.011) and significance < 0.05 (0.550 > 0.05), meaning that H_0 is rejected while H_2 is denied. This means that H_2 was rejected so that it can be concluded the audit committee does not have an effect on the value of the company.

Based on the test results, the value t calculate < t table (4.399 > 2.001) and significance > 0.05 (0.05 > 0.000), meaning that H_0 is accepted while the H_3 received. This means that the H_3 received so that it can be concluded that the Board of Directors to the company's value.

R	Rsquare	Adjusted	Keterangan
0,592	0,351	0,318	Effect of 31,

Table 7, Summary of Adjusted R square

Source: The data processed by author

From table 7 above, it can be seen that the value of the coefficient of determination (R²) is of 0.318, so be aware that the dependent variables in the study corporate values can be influenced of 31.8% by the independent variable. This is apparent from the adjusted R Square of 0.318. While the remainder (100% 31.8% = 68.2%) affected by other variables that are not included in this research.

6. DISCUSSION AND CONCLUSION

- a. The influence of Board of Commissioners are independent of the value of the company.

Based on multiple linear regression test shows that the Board of Commissioners of the independent variables (X 1) is the dominant variables that affect the value of the company. Based on multiple linear regression testing of hypothesis testing 1 Board of Commissioners are independent influence on the value of the company. Because the value t calculate the t table < (2.001 < 2.445) and significance = 0.05 (0.05 = 0.017), meaning that H₀ is accepted while H₁ is accepted. Thus it can be concluded that the Board of Commissioners have an effect on the value of the company.

The results of this study contradicts research conducted by (Prastuti & Budiasih, 2015)

on his research stating that the Commissioner has no effect against the value of the company.

- b. The Influence of Audit Committee of the company

Based on multiple linear regression testing of hypothesis testing 2 on the influence of the audit committee of the company (H₂), stating that the audit committee does not have an effect on the value of the company. Based on t-test, the value t calculate > t table (0.602 < 2.011) and significance < 0.05 (0.550 > 0.05), meaning that H₀ is rejected while H₂ is denied. Thus it can be concluded that the audit committee does not have an effect on the value of the company.

The results of this study indicate that the audit Committee was not instrumental in increasing the value of the company. This is possible because the number of audit committee the audit Committee then limited have not been able to control and supervise the financial reporting process are compiled through the objectiveness and integrity of Auditors, so that it could lower the value of the company.

- c. Influence of the Board of Directors Of the company.

Based on hypothesis testing 3 on the influence of the Board of Directors of the company

(H3), stating that the Board of Directors to the company's value. This is demonstrated by the results of the test t, the value t calculate $< t$ table ($4.399 > 2.001$) and significance > 0.05 ($0.05 > 0.000$), meaning that H0 is accepted while the H3 received. Thus it can be concluded that the Board of Directors to the company's value. This is contrary to the research conducted by (Ningtyas, Suhadak, & Nuzula, 2014) stating that the Board of Directors does not have an effect on the value of the company.

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