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The Effect of Independent Board of Commissioners, Institutional Ownership, and Managerial Ownership in Firm Values with Environmental Disclosure as Moderating Variable

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Abstract

Companies as an economic entity generally have short-term goals, namely to obtain maximum profits and long-term goals, namely to increase the value of the company. Factors that can affect firm value are good corporate governance and environmental disclosure. The purpose of this study is to examine and obtain empirical evidence of the influence of the independent board of commissioners, institutional ownership, managerial ownership on firm value and the role of environmental disclosure in moderating the influence of the independent board of commissioners, institutional ownership, and managerial ownership on firm value. The population of this study is manufacturing companies listed on the Indonesia Stock Exchange which are also listed on PROPER for the 2015-2017 periods. The sampling technique used was purposive sampling technique and obtained sample of 117 companies. The analysis technique in this study uses moderating regression analysis. The results of this study indicate that the independent boards of commissioners, institutional ownership, and managerial ownership have a positive effect on firm value, and environmental disclosure is able to strengthen the influence of the independent board of commissioners, institutional ownership, and managerial ownership on firm value.

Keywords: Firm Value; Independent Board of Commissioners; Institutional Ownership; Managerial Ownership; Environmental Disclosure.

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1. Introduction

Companies as an economic entity generally have short-term and long-term goals. The short-term goal of the company is to obtain maximum profit, while the long-term goal is to increase the value of the company. Company value is an investor's perception of a company related to stock prices. The company is said to have good value if the company's performance is also good. The higher stock price, the higher value of the company. Investors also tend to be more interested in investing their shares in companies that have good performance in increasing company value. Maximizing the value of the company is very important for the company, because maximizing the value of the company means maximizing the prosperity of shareholders which is the main goal of the company [11]. Based on data available on the Indonesia Stock Exchange, there is a growing trend in the value of companies that will affect the confidence of potential investors to invest in the company. The value of manufacturing companies listed on the Indonesia Stock Exchange in the period 2015-2017 is presented in Figure 1 as follows.

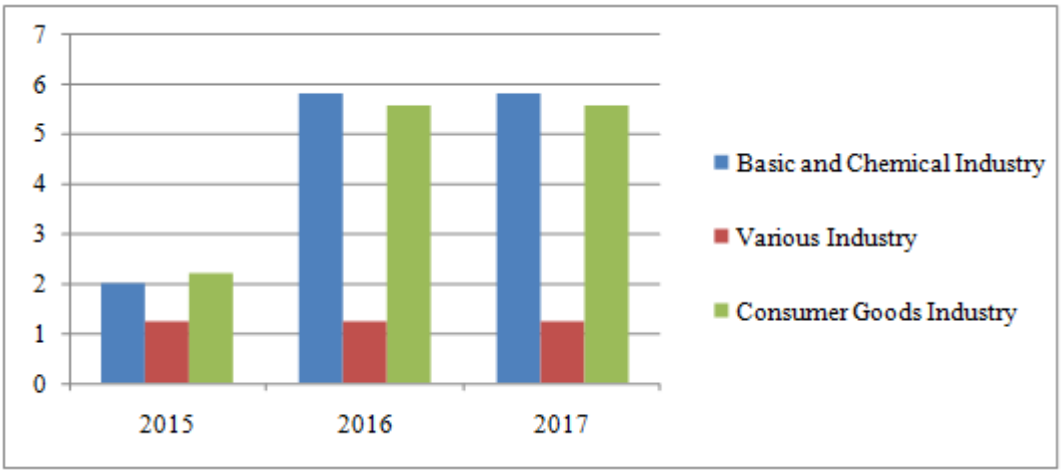

Figure 1: Value of Manufacturing Companies Period 2015-2017

Source: www.idx.co.id

One of the factors that influence corporate value is through the application of good corporate governance, namely Good Corporate Governance (GCG). The application of GCG is expected to improve the company's financial performance so as to create added value that can provide benefits for shareholders or company owners [15]. The structure or organ of the GCG includes the ownership structure and composition of the independent board of commissioners [21]. The ownership structure is very important in determining the value of the company. The ownership structure consists of concentration of company ownership by outsiders and company ownership by management. The factor influencing the value of the company besides the ownership structure is the existence of an independent board of commissioners [12]. The board of commissioners is a party that performs the function of monitoring the performance of management, while the board of directors is a party that carries out the operational functions of the company [17]. The function of the board of commissioners is to oversee directors who are related to the policies and conduct of directors and provide advice or input to the directors. Environmental Disclosure variable is used as a moderating variable because this variable plays a role

in influencing the ownership structure and composition of the independent board of commissioners on company value. Environmental Disclosure is important to do because through environmental disclosure in the company's annual report, the public can monitor the activities carried out by the company in order to fulfill their social responsibilities [20].

2. Literature Review and Hypotheses

2.1. Agency Theory

Agency theory describes contracts between one person or more who act as principals to appoint other people as agents to carry out services for the interests of principals including delegating power in decision making. The main principle of this theory is the existence of a working relationship between the party that gives the authority (principal), namely the investor and the party that receives the authority (agent), namely the manager in the form of a cooperation contract called the "nexus of contract". If the two parties involved in the contract try to maximize their utility then there is a possibility that the agent will not always act in the best interests of the principal.

2.2. Signaling Theory

Signal theory suggests how a company should give signals to users of financial statements. This signal is in the form of information about what has been done by management to realize the owner's wishes. Signals can be in the form of promotions or other information stating that the company is better than other companies. Signal theory explains the company's reasons for providing information related to business activities to external parties, such as investors, creditors and the public. This impulse is due to asymmetric information between the company and external parties, because the company knows more about the company's activities and prospects in the future than external parties.

2.3. Legitimacy Theory

The legitimacy theory states that organizations or companies must continuously ensure that they operate within the norms that are upheld by the community and ensure that their activities are acceptable to outsiders or legitimized. The postulate of legitimacy theory is that organizations must not only be seen to pay attention to the rights of investors. Therefore the company is increasingly aware that the company's survival also depends on the company's relationship with the community and the environment in which the company carries out its activities.

2.4. Good Corporate Governance

Good corporate governance is a system of corporate governance that explains the relationship of various participants in determining the direction and performance of the company. The World Bank defines corporate governance as an organization's rules and standards in the economy that govern the behavior of company owners, directors and management as well as the breakdown and elaboration of duties and authorities and responsibilities to investors (shareholders and creditors).

2.5. Firm Value

Company value is an investor's perception of a company that is often associated with stock prices. Because the value of the company can provide maximum welfare for shareholders if the company's share price rises. The higher the stock price, the higher the shareholder prosperity [2]. Company value can be achieved to the maximum if shareholders submit management matters to the company who are competent in their fields, such as managers or commissioners.

2.6. Environmental Disclosure

Environmental disclosure is a form of corporate social responsibility through environmental disclosure in annual reports where the public can monitor the activities carried out by the company in fulfilling its social responsibilities [22]. Environmental disclosure is part of CSR which is included in the type of voluntary disclosure. Corporate environmental disclosure includes reporting on the impact of organizational activities on the natural environment.

2.7. Independent Board of Commissioners

The board of commissioners is the highest internal control mechanism responsible for monitoring the actions of top management [1]. The board of commissioners as a corporate organ has a collective duty and responsibility to supervise and provide advice to directors and ensure that the company implements GCG. The composition of the Board of Commissioners in question is the large number of members of the board of commissioners in a company.

2.8. Institutional Ownership

Institutional ownership has a very important role in minimizing agency conflicts that occur between managers and shareholders [10]. The existence of institutional investors is considered capable of being an effective monitoring mechanism in every decision taken by managers. This is because institutional investors are involved in strategic decision making so it is not easy to believe in earnings manipulation.

2.9. Managerial Ownership

Managerial ownership is the proportion of shareholders from management who actively participates in company decision making. The existence of management ownership in a company will raise an interesting suspicion that the value of the company increases as a result of increased management ownership. Ownership by a large management will effectively monitor the company's activities [8].

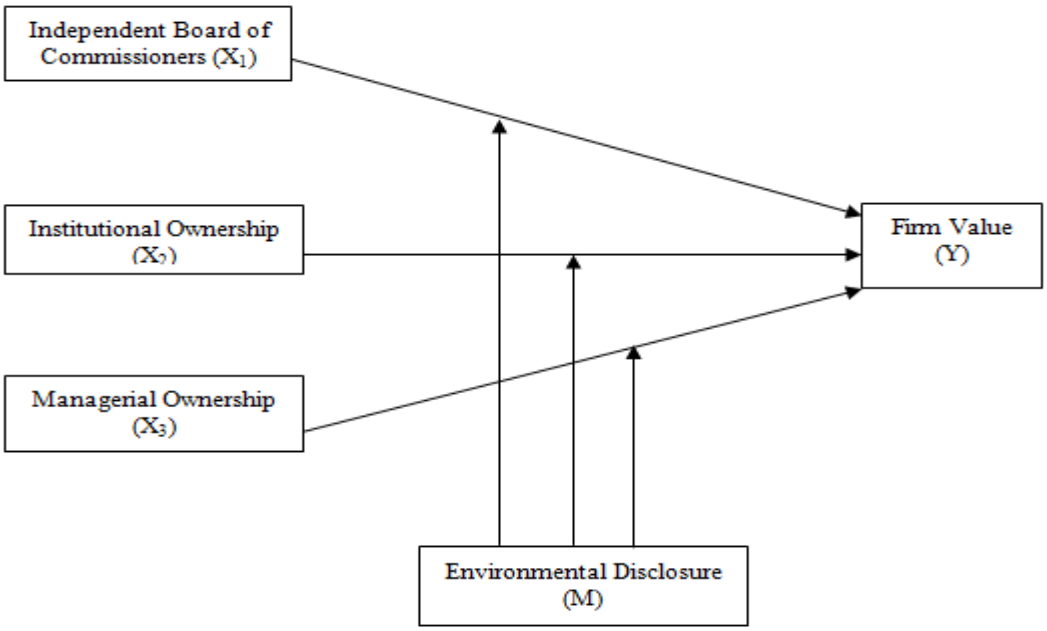

Figure 1: Conceptual Framework

Based on the conceptual framework, the hypotheses proposed to this study as follows:

H_1: Independent Board of Commissioners has a positive effect on Firm Value.

H_2: Institutional Ownership has a positive effect on Firm Value.

H_3: Managerial Ownership has a positive effect on Firm Value.

H_4: Environmental Disclosure strengthens the effect of Independent Board of Commissioners on Firm Value.

H_5: Environmental Disclosure strengthens the effect of Institutional Ownership on Firm Value.

H_6: Environmental Disclosure strengthens the effect of Managerial Ownership on Firm Value.

3. Research Methods

This research was conducted on manufacturing companies listed on the Indonesia Stock Exchange (IDX) by accessing and downloading the official website of the Indonesia Stock Exchange through the website www.idx.co.id. This study uses manufacturing companies listed on the Indonesia Stock Exchange in the 2015-2017 period. This study uses quantitative methods. The populations in this study are all manufacturing companies listed on the Indonesia Stock Exchange which are also listed on PROPER for the 2015-2017 period. There are 143 manufacturing companies listed on the Stock Exchange in succession until 2017. Based on the results of the sample selection using the purposive sampling method, the number of manufacturing companies

selected as the sample of this research was 39 companies. All research hypotheses were tested using the Moderated Regression Analysis (MRA) with the help of the computer program SPSS (Statistical Products and Service Solutions) 23 for Windows [9]. Furthermore, interpreting the results of the analysis based on theoretical and empirical studies to answer the subject matter in this study and as material to confirm the theory and previous empirical studies, the latter make conclusions and suggestions for further research.

Table 1: Sample Selection

Sample Criteria	Total
Manufacturing companies listed on the IDX in a row during 2015-2017	143
Manufacturing companies that are not registered as participants of the PROPER Periods 2014-2015, 2015-2016 and 2016-2017.	84
Companies that do not publish annual financial reports for the 2015-2017 period in a row and do not have complete information related to the research variables.	20
Number of Samples	39
Year of Observation	3
Number of Observations	117

4. Result and Discussions

4.1. Evaluation of Descriptive Statistics

Descriptive statistics are statistical methods used to describe the data that has been collected into information that is clearer and easier to understand. Table 2 below presents the descriptive statistical test results.

Table 2: Descriptive Statistical Test Results

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
Independent Board of Commissioners (X_1)	117	0,286	0,800	0,389	0,096
Institutional Ownership (X_2)	117	0,000	0,999	0,806	0,191
Managerial Ownership (X_3)	117	0,000	0,839	0,043	0,128
Environmental Disclosure (M)	117	0,033	0,900	0,275	0,178
Firm Value (Y)	117	0,313	23,286	2,039	3,184

Based on Table 2 there are 117 observational data, then the explanation of the results of descriptive statistical analysis is as follows:

The independent commissioner variable has an average count of 0.389 meaning that the average proportion of independent commissioners in manufacturing companies during the period 2015 to 2017 was 38.9 percent. The lowest proportion is owned by PT. Semen Indonesia Tbk by 28.6 percent, while the highest value is owned by PT. Unilever Indonesia Tbk by 80 percent. A standard deviation of 0.096 means that for three years, the independent board of commissioners of manufacturing companies on the Indonesia Stock Exchange deviated from the average of 9.6 percent. The institutional ownership variable has an average count of 0.806, meaning that the shares of companies owned by institutions or institutions such as insurance companies, pension funds, or other companies in manufacturing companies during the period of 2015 to 2017 amounted to 80.6 percent. The lowest value is owned by PT. Jaya Pari Steel Tbk by 0 percent, while the highest value is owned by PT. KMI Wire and Cable Tbk by 99.9 percent. The standard deviation of 0.191 means that for three years, institutional ownership in manufacturing companies on the Indonesia Stock Exchange deviated from the average of 19.1 percent. The mean value of the managerial ownership of 0.043 means that the percentage of share ownership by directors, management, commissioners as well as every party directly involved in making corporate decisions in manufacturing companies during the period 2015 to 2017 is 4.3 percent. The lowest value is owned by PT. Chareon Pokphand Tbk by 0 percent, while the highest value is owned by PT. Kabelindo Murni Tbk by 83.9 percent. The standard deviation of 0.128 means that for three years, managerial ownership in manufacturing companies on the Indonesia Stock Exchange deviated from the average of 12.8 percent. The variable environmental disclosure has an average count of 0.275, meaning that environmental disclosure in manufacturing companies during the period 2015 to 2017 is 27.5 percent. The lowest value of environmental disclosure is owned by PT. Prashida Aneka Niaga Tbk amounted to 3.3 percent while the highest value is owned by PT. Holcim Indonesia Tbk by 90 percent. The standard deviation of 0.178 means that for three years, environmental disclosure at manufacturing companies on the Indonesia Stock Exchange deviated from the average of 17.8 percent. The company value variable has an average of 2,039. The lowest company value is owned by PT. Sumi Kabel Indo Tbk amounted to 0.313 while the highest value is owned by PT. Unilever Indonesia Tbk amounting to 23,286. The standard deviation of 3.184 means that for three years, the value of companies in manufacturing companies on the Indonesia Stock Exchange deviated from the average of 3.184.

4.2. Classic Assumption Test

Classic assumption test is a statistical requirement that must be met in multiple linear regression analysis. This test aims to determine and test the feasibility of the regression models used in the study. The classic assumption test used in this study includes the normality test, the autocorrelation test, and heteroscedasticity test.

4.2.1. Normality Test

Table 3 explains the Kolmogorov-Smirnov value of 0.078. So it can be concluded that the regression model is normally distributed. If Asymp. Sig (2-tailed) is greater than the level of significance used, it can be concluded that the residue of a data is said to be normally distributed and the data is said not to be normally distributed if the significance level is below 0,05. Therefore, data can be used to perform multiple linear regression and MRA tests.

Table 3: Normality Test

Kolmogorov-Smirnov	Unstandardized Residual
N	117
Asymp. Sig. (2-tailed)	0,078

4.2.2. Autocorrelation Test

Table 4 shows the DW value of 1,780. Based on the DW table with the number of samples n = 117 and the number of independent variables k = 4 obtained values dL = 1.628 and dU = 1.769. The DW value of 1,780 lies between dU (1,769) and 4-dU (2,231) thus indicating that the regression model is free from the problem of autocorrelation.

Table 4: Autocorrelation Test

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	Durbin-Watson
1	0,754[a]	0,569	0,541	0,402	1,780

4.2.3. Heteroscedasticity Test

A good regression model is a model that does not contain symptoms of heteroscedasticity. One test that can be done to test for the presence or absence of heteroscedasticity is by performing the Glejser test. If the significance level of the regression results has absolute residuals for the independent variable greater than 0.05, the regression model involved does not contain symptoms of heteroscedasticity.

Table 5: Heteroscedasticity Test

Variable	Significance
Independent Board of Commissioners (X_1)	0,379
Institutional Ownership (X_2)	0,174
Managerial Ownership (X_3)	0,979
Independent Board of Commissioners_Environmental Disclosure (X_1_M)	0,054
Institutional Ownership _Environmental Disclosure (X_2_M)	0,200
Managerial Ownership_Environmental Disclosure (X_3_M)	0,361

4.3. Moderated Regression Analysis (MRA)

The analysis used is moderated regression analysis. Regression analysis aims to determine the magnitude of the influence of independent variables on the dependent variable, which is measured using the regression coefficient.

Table 6: Moderated Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0,082	0,048		1,697	0,093
X_1	0,214	0,055	0,355	3,890	0,000
X_2	0,104	0,047	0,176	2,214	0,029
X_3	0,197	0,057	0,332	3,461	0,001
X_1_M	0,465	0,104	0,783	4,480	0,000
X_2_M	0,233	0,044	0,373	5,273	0,000
X_3_M	0,126	0,053	0,210	2,391	0,019
Adjusted R Square		0,541			
F		20,562			
Sig. F		0,000			

4.3.1. Coefficient of Determination (R^2)

The coefficient of determination can be indicated by the adjusted R-Square value. The adjusted R-Square value of the regression model is used to find out how much the ability of the independent variable in explaining the dependent variable. The adjusted R-Square value generated is 0.541, indicating that the independent commissioner variable, institutional ownership, managerial ownership and the interaction of the independent board of commissioners with environmental disclosure, and the interaction of institutional ownership with environmental disclosure, and the interaction of managerial ownership with environmental disclosure are able to affect the value of the company (Y) of 54.1%. While the remaining 45.9% is influenced by other variables not explained in this study.

4.3.2. Goodness of Fit (F)

F test is used to determine whether the regression model is feasible to use to explain the effect of independent variables on the dependent variable. The calculated F value is 20,562 with a significance level of 0,000 smaller than the real level of 0.05 this means that the model used in this study is feasible. This means that the independent board of commissioners, institutional ownership, and managerial ownership simultaneously affect the value of the company.

4.3.3. Hypothesis Test (t test)

T test is used to determine whether the independent variable partially influences the dependent variable. To determine whether a hypothesis is accepted or rejected is to look at the significance value in this study using a

significance level of 0.05.

1) First Hypothesis (H_1)

The results of the regression coefficient X_1 of 0.214 with a significance level of 0,000 which is smaller than the significance level of 0.05. Based on this, H1 is accepted. So it can be concluded that the independent board of commissioners has a positive effect on the value of the company.

2) Second Hypothesis (H_2)

The results of the regression coefficient X_2 of 0.104 with a significance level of 0.029 which is smaller than the significance level of 0.05. Based on this, H2 is accepted. So it can be concluded that institutional ownership has a positive effect on firm value.

3) Third Hypothesis (H_3)

The results of the regression coefficient X_3 of 0.197 with a significance level of 0.001 which is smaller than the significance level of 0.05. Based on this, H3 is accepted. So it can be concluded that managerial ownership has a positive effect on firm value.

4) Fourth Hypothesis (H_4)

The results of the X_1_M regression coefficient of 0.465 with a significance level of 0,000 which is smaller than the real level of 0.05. Based on this, H4 is accepted. So it can be concluded that environmental disclosure strengthens the influence of independent commissioners on company value.

5) Fifth Hypothesis (H_5)

The results of the X_2_M regression coefficient of 0.233 with a significance level of 0,000 which is smaller than the real level of 0.05. Based on this, H5 is accepted. So it can be concluded that environmental disclosure strengthens the effect of institutional ownership on firm value.

6) Sixth Hypothesis (H_6)

The results of the X_3_M regression coefficient of 0.126 with a significance level of 0.019 which is smaller than the real level of 0.05. Based on this, H6 is accepted. So it can be concluded that environmental disclosure strengthens the effect of managerial ownership on firm value.

4.4. Discussions

The first hypothesis states that the independent board of commissioners positively influences the value of the company. Based on the results of the analysis showed a regression coefficient X_1 of 0.214 with a significance level of 0.000 which is smaller than the significance level of 0.05. So it was concluded that the independent

board of commissioners had a positive effect on the value of the company. This result means that the greater the percentage of independent commissioners of a company is able to increase the value of manufacturing companies listed on the Indonesia Stock Exchange (IDX). Based on this, the first hypothesis is accepted. The results of this study are consistent with the results of research which show that the independent board of commissioners has a positive effect on company value [7, 16, 18] . The independent board of commissioners has two functions, namely the service and control functions. The service function states that the board of commissioners can provide management consultation and advice. Whereas the control function that can be carried out by the board of commissioners is taken from agency theory. From the perspective of agency theory, the board of commissioners represents the main internal mechanism to control opportunistic behavior of management so as to align the interests of shareholders and managers. Companies listed on the IDX must have independent commissioners provided that the number of independent commissioners is at least 30% of the total members of the board of commissioners. Outside directors help plan the company's long-term strategy and periodically review the implementation of these strategies. This will provide high benefits for the company [7]. The second hypothesis states that institutional ownership has a positive effect on firm value. Based on the results of the analysis show the regression coefficient X_2 of 0.104 with a significance level of 0.029 which is smaller than the significance level of 0.05. So it was concluded that institutional ownership had a positive effect on firm value. This result means that the greater percentage of share ownership from outside the company can increase the value of manufacturing companies listed on the Indonesia Stock Exchange (IDX). Based on this, the second hypothesis is accepted. The results of this study are consistent with the results of research which shows that institutional ownership has a positive effect on firm value [3,14,16,19]. Institutional ownership has an important meaning in monitoring management in managing the company. According to increasing institutional ownership makes the supervisory function work effectively and makes management more careful in obtaining and managing loans (debt), because the increasing amount of debt will cause financial distress [3]. Therefore, with this, it can increase the value of the company because it prevents waste by management. The third hypothesis states that managerial ownership has a positive effect on firm value. Based on the results of the analysis showed a regression coefficient X_3 of 0.197 with a significance level of 0.001 which is smaller than the significance level of 0.05. So it can be concluded that managerial ownership has a positive effect on firm value. This result means that more shares owned by management such as directors, management, commissioners as well as those directly involved in making corporate decisions are able to increase the value of manufacturing companies listed on the Indonesia Stock Exchange (IDX). Based on this, the third hypothesis is accepted. The results of this study are consistent with the results of research which show that managerial ownership has a positive effect on firm value [5,16,17]. Managerial ownership is a condition that shows that the manager owns shares in the company or the manager as well as the company's shareholders. These parties are those who sit on the board of commissioners and the board of directors of the company. Managerial ownership is where management has a proportion of shares of the company they manage. With a proportion of the company's shares owned by management, this will allow management to benefit from the decisions it makes. And vice versa, the risks due to mistakes in decision making can also be directly felt the impact. According to mechanisms to overcome agency conflicts include increasing insider ownership, so as to align owner and manager interests [10]. The increasing stock owned by managers, through managerial ownership will motivate management performance because they feel they have a stake in the company both as decision makers and in responsibility

for each decision taken. So that in the end management performance will get better and affect the increase in company value [4]. The fourth hypothesis states that environmental disclosure strengthens the influence of independent commissioners on corporate value. Based on the results of the analysis showed a regression coefficient X_1_M of 0.465 with a significance level of 0,000 which is smaller than the real level of 0.05. So it can be concluded that environmental disclosure strengthens the influence of independent commissioners on company value. This result means that the environmental disclosure of a company can strengthen the influence of the independent board of commissioners on the value of Manufacturing companies listed on the Indonesia Stock Exchange (IDX). Based on this, the fourth hypothesis is accepted. The influence of independent commissioners and environmental disclosure is when a company has a number of independent commissioners of at least 30% of the total members of the board of commissioners and the company also has a good environmental disclosure or environmental disclosure that will give a positive value to the company. Environmental Disclosure can be a reflection of the company's seriousness in dealing with climate change [6]. Environmental Disclosure is important to do because through environmental disclosure in the company's annual report, the public can monitor the activities carried out by the company in order to fulfill their social responsibilities [22]. This can be explained in the signal theory and legitimacy theory which explains that a good company performance will tend to reveal complete information to the public with the aim of building a positive corporate image [13]. Along with this, investors will be interested in investing so that it will have an impact on increasing the value of the company which is reflected through an increase in share prices. The fifth hypothesis states that environmental disclosure strengthens the effect of institutional ownership on firm value. Based on the results of the analysis shows the regression coefficient X_2_M of 0.233 with a significance level of 0,000 which is smaller than the real level of 0.05. So it can be concluded that environmental disclosure strengthens the effect of institutional ownership on firm value. This result means that the environmental disclosure of a company can strengthen the influence of institutional ownership on the value of Manufacturing companies listed on the Indonesia Stock Exchange (IDX). Based on this, the fifth hypothesis is accepted. The influence of institutional ownership and environmental disclosure is when a company has high institutional ownership, it can monitor management in managing the company properly. Environmental Disclosure can be an important thing to do because through environmental disclosure in the company's annual report, the public can monitor the activities carried out by the company in order to fulfill their social responsibilities [22]. This can be explained in the signal theory and legitimacy theory which explains that a good company performance will tend to reveal complete information to the public with the aim of building a positive corporate image [13]. Institutional investors will be interested in investing so that it will have an impact on increasing the value of the company which is reflected through an increase in share prices. This result is because in decision making, institutional investors will consider the environmental disclosure of a company that will be invested. The wider environmental disclosure that the company does in the annual report has an influence on the trading volume of the company's shares where there is a surge in trade around the publication of the annual report thereby increasing the value of the company. The surge in stock trading which also resulted in an increase in the amount of the company's profit. The sixth hypothesis states that environmental disclosure strengthens the effect of managerial ownership on firm value. Based on the results of the analysis showed a regression coefficient X_3_M of 0.126 with a significance level of 0.019 which is smaller than the significance level of 0.05. So it can be concluded that environmental disclosure strengthens the effect of managerial ownership on firm value. This

result means that the environmental disclosure of a company can strengthen the influence of managerial ownership on the value of Manufacturing companies listed on the Indonesia Stock Exchange (IDX). Based on this, the fourth hypothesis is accepted. The influence of managerial ownership and environmental disclosure is when a company has high managerial ownership, the conditions that indicate that the manager is also a shareholder of the company. Managerial ownership is where management has a proportion of shares of the company they manage. With a proportion of the company's shares owned by management, it will make management feel the benefits of the decisions they make. The influence of environmental disclosure can strengthen the influence of managerial ownership on the company's value because through environmental disclosure in the company's annual report, the public can monitor the activities carried out by the company in order to fulfill its social responsibility [22]. A good company performance will tend to reveal complete information to the public with the aim of building a positive company image [13]. The increasing stock owned by managers, will motivate management performance because they feel they have a stake in the company both as decision makers and in responsibility for each decision taken.

5. Conclusions and Recommendations

Based on the results of data analysis, the independent board of commissioners has a positive effect on the value of manufacturing companies listed on the Indonesia Stock Exchange in 2015-2017, institutional ownership has a positive effect on the value of manufacturing companies listed on the Indonesia Stock Exchange in 2015-2017, managerial ownership has a positive effect on the value of manufacturing companies listed on the Indonesia Stock Exchange in 2015-2017, environmental disclosure strengthens the influence of the independent board of commissioners on the value of manufacturing companies listed on the Indonesia Stock Exchange in 2015-2017, environmental disclosure strengthens the effect of institutional ownership on the value of manufacturing companies listed on the Indonesia Stock Exchange in 2015-2017, and environmental disclosure strengthens the effect of managerial ownership on the value of manufacturing companies listed on the Indonesia Stock Exchange in 2015-2017. Based on the results of the discussion and conclusions, the researcher suggested the company is expected to maintain the proportion of independent commissioners in a company. The results showed the greater the percentage of independent commissioners of a company being able to increase the value of the company. Investors who want to invest in manufacturing companies listed on the Indonesia Stock Exchange can pay attention to the company's environmental disclosure as a consideration in making investment decisions and for the future research is expected to be able to use companies in different sectors, expand the types of companies and optimize the number of samples so that they can contribute to the entire company.

6. Limitations

The sample selection in this study is limited to using manufacturing companies. The expansion of research samples can be done by another companies to the future research is expected to be able to use companies in different sectors, expand the types of companies and optimize the number of samples so that they can contribute to the entire company.

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