Volume 15, Issue 3, Oktober 2024, Pages. 534-549

Jurnal Manajemen (Edisi Elektronik)

Sekolah Pascasarjana Universitas Ibn Khaldun Bogor

http://dx.doi.org/10.32832/jm-uika.v15.i3.16799

The Effect of GCG, Financial Performance and Firm Value on Stock Prices in the Manufacturing Sector on the IDX

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ARTICLE INFO

DOI: 10.32832/jm-uika.v15i3.16799

Article history:
Received:
6 Juni 2024
Accepted:
24 Juni 2024
Available online:
5 Oktober 2024

Keywords:
GCG, Financial Performance, Firm Value, Manufacturing Companies

ABSTRACT

Many factors can affect the rise and fall of stock prices. This research aims to identify the extent to which GCG, financial performance, and firm value affect stock prices in manufacturing companies. The sampling technique is purposive sampling based on the criteria set by the researcher. It produces 82 companies, so the sample totals 246 companies listed on the Indonesia Stock Exchange in 2020-2022. GCG is proxied by institutional ownership, managerial ownership, board of directors, audit committee, and independent commissioners, while financial performance with Return on Assets (ROA) and firm value with Tobins' Q. Multiple linear regression is used as a data analysis tool. The data processing calculations in this research utilised IBM SPSS 25 software to ensure precise results. This research is about manufacturing companies on the Indonesia Stock Exchange in the 2020-2022 period, stock prices are influenced by GCG indicators proxied by the board of directors while other proxies are not. Stock prices are also influenced by financial performance. Meanwhile, firm value has no significant effect on stock prices. This research is expected to be a reference for future researchers and is expected to add variables.

1. INTRODUCTION

The current economic growth in Indonesia is evidenced by the rapid development of the capital market where currently there are many companies listed on the Indonesia Stock Exchange and making public interest increasingly high to invest. Stock are one of the financial instruments that are widely used to invest in the capital market. In the capital market, investors calculate how to set stock prices by considering the risk and rate of return (Giyartiningrum et al., 2023). The market economy system is based on the principles of good corporate governance (KNKG, 2006). Good Corporate Governance, financial performance and firm value become a reference for high and low stock prices so that investors can assess the best company to invest in. Empirical studies conducted on the IDX often show that manufacturing companies with better GCG practices tend to have better financial performance and higher firm value.

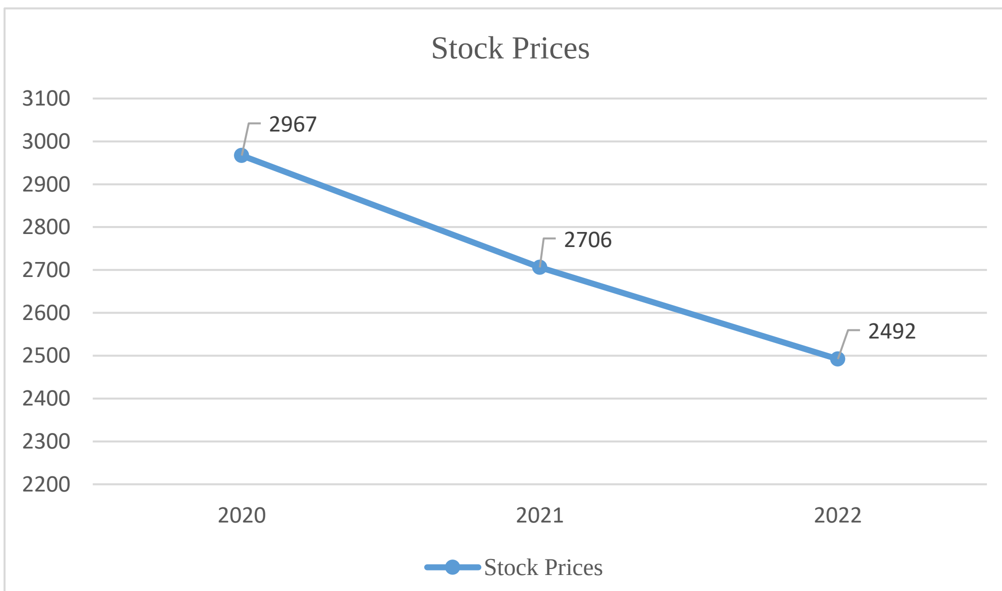

Figure 1. Stock Price Chart

Source: BEI, 2023

The graph above shows a gap, namely the stock price of manufacturing sector companies from 2020 to 2022 tends to decrease. (Darmadji & Fakhruddin, 2011) in (Potabuga et al., 2023) explains that stock are a representation of a person's or an entity's ownership in a company.Stock are also defined as the ownership of a person or party (business entity) in a limited company (Br Sembiring et al., 2023). According to (Halim, 2015), stock price fluctuations determine a company's capability to earn profits. If the company's profit is relatively high, the dividend to be distributed is likely to have a high cost and will have an explicit impact on the stock price in the capital market so that investor interest increases, ultimately causing demand for the stoc to rise, which in turn can increase the stock price.

Agency theory is a theory that explains the contractual correlation between the principal and the agent as it is said (Jensen & Mackling, 1976). From agency theory, it can reduce the conflict between management and the goals and interests of the company so that it pays less attention to the interests of investors. This conflict can become a conflict called agency conflict. The relevance of agency theory through corporate governance or GCG can gain the trust of its stakeholders so that companies must do this by implementing good management to attract investment interest and increase company value (Lestari & Zulaikha, 2021). Through its implementation, entrepreneurs have a good working relationship to obtain company value that can generate profits for company owners or investors (Rajab, 2023). Good Corporate Governance (GCG) is one of the strategies to defend the interests of the company's owners or stockholders according to (Nurulrahmatiah et al., 2020).

GCG has become a major concern in the world of business and finance, especially in the wake of a number of large corporations involving breaches of ethics and corporate policies. GCG implementation is the main concern of investors for investment decision making (Karina & Setiadi, 2020) as well as investors use good corporate governance as an additional indicator to assess the potential success of a solid organisation (Riantoni, 2023). The implementation of Good Corporate Governance (GCG) is a stakeholder priority, with the aim of enabling organisations to focus more on the implementation of GCG (Hormati et al., 2022). The factors that are the focus of this research are related to institutional ownership, managerial ownership, board of directors, audit committee, and independent commissioners as GCG proxies.

Financial performance is defined as the actions taken by a company over a period of time as shown in their financial statements (Munawir, 1998). Financial performance as a matrix used to determine the health and condition of a company through financial reporting (Nurhayati, 2021). The purpose of financial performance is carried out to determine and evaluate the extent to which the company's effectiveness is maximised (Amalia Yunia Rahmawati, 2020). In this research, financial performance is proxied using ROA. Return on Assets (ROA) is a ratio that can be applied to see the company's financial performance. It can be seen in Return on Asset (ROA) that all assets used in business operations have the potential to benefit or harm the company (Rajab, 2023).

Firm value is important because it determines the level of wealth and welfare of stakeholders (Brigham & Houston, 2014). A company with a high value is able to contribute to the wealth of the company, so it is important for the company (Manurung, 2022). Firm value affects stock prices because it is usually used by investors to assess how expensive or cheap a company's stock are. If the company value increases, it can be an indication that the company has greater growth or profit potential. Firm value is not created automatically by itself but through management's efforts (Pamungkas et al., 2023). This research uses Tobbins'Q value as a proxy for firm value.

According to some previous research, investors become interested in investments that use effective GCG, so as to increase the value and financial performance of the company in the end it affects the stock price. Such as the research (Nurulrahmatiah et al., 2020), (putri, 2023), (Makhdalena, 2022), explains that not all Good Corporate Governance proxies have an influence on the stock price of companies listed on the IDX. As for the research (Apriani & Situngkir, 2021) stated that financial performance proxied by ROA has no effect on stock prices and (Kusumawardhani & Nugroho, 2021) states that firm value has no effect on stock prices. Based on the research gap and the phenomenon of researchers bridging the gap, which aims to test whether GCG, financial performance and firm value partially have a significant effect on stock prices in manufacturing sector companies on the IDX.

The Effect of Independent Commissioners on Stock Price. Independent commissioners ensure transparency and accountability in decision-making, protect the interests of all stockholders, and prevent conflicts of interest. A good corporate reputation, supported by independent commissioners, attracts more investors and increases the demand for stock. Objective oversight also promotes operational efficiency and strong financial performance, which in turn increases company value and stock price. Several studies show evidence of a positive correlation between the presence of independent commissioners and stock prices, such as the research of (Makhdalena, 2022), (Leung et al., 2014), (Nurulrahmatiah et al., 2020) which explains that independent commissioners have an effect on stock prices, but on the contrary in research (Prabowo et al., 2020) which states that independent commissioners have no effect on stock prices.

H1: Independent commissioners are significant to stock prices in the manufacturing sector on the IDX

The Effect of Institutional Ownership on Stock Price. Institutional ownership has a large effect on stock prices. Institutions such as pension funds and mutual funds bring resources and expertise that influence investment decisions. Their presence increases the confidence of other investors and encourages better corporate governance. This can improve company performance and value, which in turn affects stock prices. In addition, institutional investment can directly influence the supply and demand of stocks in the market. As the research (Aprilia & Riharjo, 2022) which states that institutional ownership has an influence on stock prices, but instead (Prabowo et al., 2020) states that institutional ownership has no effect on stock prices.

H2: Institutional ownership is significant to stock prices in the manufacturing sector on the IDX

The Effect of the Board of Directors on Stock Price. The composition and quality of board members provide a signal about the company's performance. A strong board of directors can increase investor confidence and stock price by directing strategic decisions that favour the growth and sustainability of the company. As research conducted by (Ashari et al., 2022) which states that the board of directors has an effect on stock prices and otherwise research (Syafei M. Nur et al., 2022) and (putri, 2023) states that the board of directors has a negative effect on stock prices.

H3: The board of directors affects the stock price in the manufacturing sector on the IDX

The Effect of Managerial Ownership on Stock Price. Managers who own company stocks tend to perform better because of the incentives they have. This increases investor confidence and stock prices. However, too much managerial ownership can lead to conflicts of interest. Therefore, a clear managerial ownership structure is important for stock price valuation. This is according to research (Prabowo et al., 2020), (Irfani & Anhar, 2019) which states that stock prices are influenced by managerial ownership but in the research (Purwaningsih & Fadli, 2022) states that managerial ownership has no effect on stock prices.

H4: Managerial ownership affects stock prices in the manufacturing sector on the IDX

The Effect of Audit Committee on Stock Price. Audit committees have a major impact on stock prices. By overseeing financial reports, they increase investor confidence in the reliability of company information. This can reduce investment risk and increase demand for stocks, which in turn affects stock prices. The research conducted (Makhdalena, 2022) states that the audit committee has an effect on stock prices, while the research (Budiharjo, 2020) states that the audit committee has a negative effect on stock prices.

H5: The audit committee has a significant effect on stock prices in the manufacturing sector on the IDX

The Effect of ROA on Stock Price. A high ROA indicates the efficiency of the company in using assets to generate profits and signifies good financial performance so that investors tend to respond positively, increasing demand for stocks and increasing stock prices. The research conducted (Amalia Yunia Rahmawati, 2020) and (Dewi & Suwarno, 2022) states that ROA has an effect on stock prices while the research (Efendi & Ngatno, 2018) stated that ROA does not affect stock prices.

H6: ROA has a significant effect on stock prices in the manufacturing sector on the IDX

The Effect of Tobbins'Q Value on Stock Price. Tobin's Q value compares the market value of a company with the replacement cost of its assets. A high Tobin's Q indicates good growth prospects and high investor confidence, thereby driving up the stock price. The research conducted (Kusumawardhani & Nugroho, 2021) which states that firm value affects stock prices, other research (Riski & Hadiya, 2023) which explains that tobbins'Q value does not affect stock prices.

H7: Tobbins'Q value has a significant effect on stock prices in the manufacturing sector on the IDX.

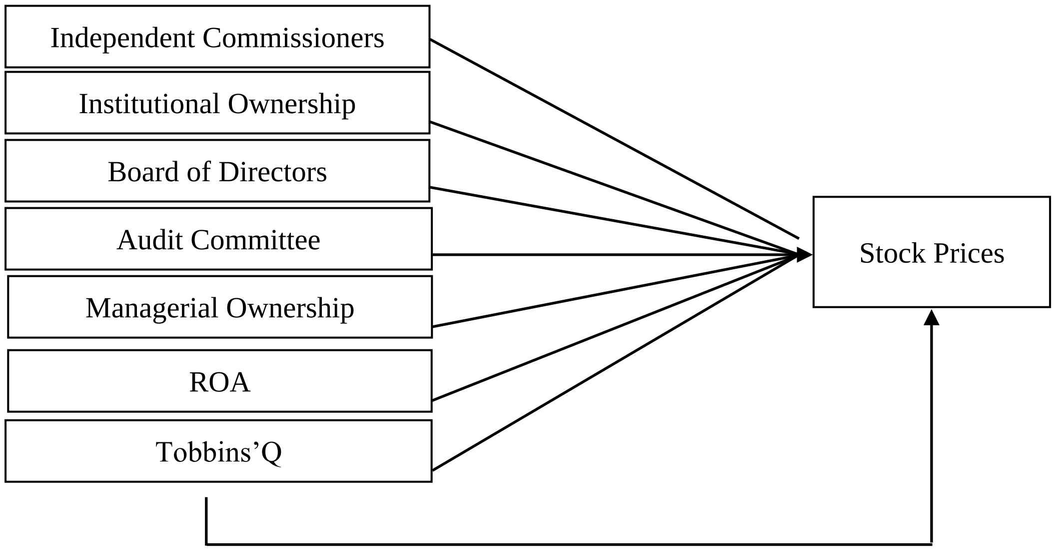

Figure 2. Research Framework

Source: Author, 2023

2. RESEARCH METHODS

The population of this research is manufacturing companies listed on the Indonesia Stock Exchange (IDX) between 2020-2022. The sampling method is purposive sampling with the following criteria:

Table 1. Total Research Sample

No	Criteria	Breach Criteria	Total
1	Total manufacturing companies listed on the IDX in 2020-2022		230
2	Companies listed on the IDX continuously from 2020-2022	(44)	
3	Companies that published annual (financial statements) and have been audited in full since 2020-2022.	(11)	
4	Companies that use IDR currency in the annual report	(31)	
5	Never delisted or relisted	(0)	
6	Companies that earn profits consecutively from 2020-2022	(62)	
	Total		82
	Total sample = n x 3 = 82 x 3 = 246		

Source: Author (2023)

In this research, the type of data used is quantitative data and the data sources obtained use secondary data. The secondary data used in this research is financial information from audited financial reports and published on the Indonesia Stock Exchange website during the 2020-2022 period through the website www.idx.co.id. The application used as a research analysis tool uses IBM SPSS 25. The data analysis technique used in this research is to use the classic assumption test which consists of: normality test, multicollinearity test, heteroscedasticity test, regression analysis, coefficient. In addition, the hypothesis test consists of: coefficient of determination and t test.

The dependent variable used in this research is the stock price as measured by the closing price. Independent variables consist of Good Corporate Governance proxied by Independent Commissioner, institutional ownership, board of directors, audit committee and managerial ownership. The financial performance variable is proxied by ROA and firm value proxied by Tobins'Q. The following is a specification of the explanation of each variable:

Table 2. Operational Definition of Variables

No.	Variable	Definition	Formula
1.	Independent Commissioners	Members of the company's external commissioners who are disinterested and have no family or professional relationships with the company's stakeholders and are expected to provide good supervision of management (Syafaatul, 2014).	$KI = \frac{Number\ of\ independent\ commissioners}{Number\ of\ all\ commissioners} \times 100\%$
2.	Institutional Ownership	percentage of institutional ownership of stocks (Nurulrahmatiah et al., 2020).	$KI = \frac{Number\ of\ institutional\ shares}{Total\ shares\ outstanding} \times 100\%$
3.	Board of Directors	Determine policy and direction for the company's assets, short and long term, which are under the supervision of the board of directors (Nurulrahmatiah et al., 2020)	Board of Directors = Total Directors in the Company
4.	Audit Committee	The audit committee has an obligation to organise internal control systems, external audits, and financial statement audits. (Muid, 2009).	Audit Committee = Total Audit Committee Members in the Company
5.	Manajerial Ownership	percentage of stocks of individuals who are actively involved in the management of the company, such as members of the board of directors (Manajerial et al., 2019)	$KM = \frac{Number\ of\ shares\ owned\ by\ management}{Total\ share\ outsanding} \times 100\%$
6.	ROA	The ability of capital invested in total assets to generate profit (Amalia Yunia Rahmawati, 2020).	$ROA = \frac{Net\ Income\ After\ Tax}{Total\ asset} \times 100\%$
7.	Tobbins'Q	firm value determined by the market value of equity with the book value of debt (short-term and long-term debt) divided by total assets (equity book value plus debtbook value) (Mediyanti et al., 2021)	$Tobin's\ Q = \frac{EMV + D}{TA}$

Source: Author (2023)

3. RESULT & DISCUSSION

Normality Test. According to (Ghozali, 2021) The normality test is used to determine whether the residual variables in a regression model are normally distributed. The basis for decision making in this research is if the asymp. Sig (2-tailed) exceeds 0.05, the residual variable is considered normally distributed.

Table 3. Normality Test Results

	Unstandardized Residual
N	246
Test Statistic	.046
Asymp. Sig. (2-tailed)	.200[c,d]

Source: Author (2023)

The results in table 2 show that the distribution in the research tends to be normal, with an Asymp.Sig (2-tailed) value of 0.200, meaning that the multiple regression model exceeds the significance level of 0.05.

Multicolinearity Test. (Ghozali, 2021) called the purpose of the multicollinearity test, which is to test the regression model whether there is a relationship between the independent variables. In the regression model, in order to avoid multico-linearity, the tolerance value needs to exceed 0.10 and the VIF value is less than 10.

Tabel 4. Multicolinearity Test Result

Variable	*Tolerance*	VIF	Conclusions
Independent Commissioner	.854	1.171	Avoidance of multicollinearity
Institutional Ownership	.863	1.159	Avoidance of multicollinearity
Board of Directors	.893	1.120	Avoidance of multicollinearity
Managerial Ownership	.973	1.028	Avoidance of multicollinearity
Audit Committee	.993	1.007	Avoidance of multicollinearity
ROA	.666	1.502	Avoidance of multicollinearity
Tobbins’Q	.693	1.443	Avoidance of multicollinearity

Source: Author (2023)

Referring to the calculation results in table 3, it can be said that the tolerance of all the X variables above, consisting of independent commissioners, institutional ownership, board of directors, managerial ownership, audit committee, financial performance and firm value, has a VIF value below 10 so that it can be interpreted that each variable avoids multicollinearity.

Heteroscedasticity Test. (Ghozali, 2021) provides an explanation of the heteroscedasticity test carried out in order to determine whether the regression model has a difference in variance between one research and another. In this case, the researcher uses the Glejser test. Based on this Glejser heteroscedasticity test, if all explanatory variables Sig value is greater than 0.05 in statistical analysis, it is considered to avoid heteroscedasticity.

Table 5. Heteroscedasticity Test Result

Variable	Sig.	Conclusions
Independent Commissioner	.147	Heteroscedasticity is avoided
Institutional Ownership	.918	Heteroscedasticity is avoided
Board of Directors	.239	Heteroscedasticity is avoided
Managerial Ownership	.876	Heteroscedasticity is avoided
Audit Committee	.367	Heteroscedasticity is avoided
ROA	.763	Heteroscedasticity is avoided
Tobbins'Q	.259	Heteroscedasticity is avoided

Source: Author, 2023

The results of the heteroscedasticity test can be seen in Sig. each variable exceeds 0.05, meaning that it avoids multicollinearity.

Multiple Linear Regression. (Ghozali, 2021) defines multiple linear regression analysis as a method used to find out how strong the influence of the independent variable is on the dependent variable using a formula or the following mathematical equation:

$$Y = a + b1X1 + b2X2 + b3X3 + e \ldots\ldots\ldots 1$$

Tabel 6. Hasil Uji Regresi Linear Berganda

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std.Error	Beta	t	Sig
1	Constant	5.665	1.219		4.646	0.000
	Independent Commissioner	0.348	0.377	0.56	0.924	0.357
	Institutional Ownership	0.242	0.147	0.101	1.647	0.101
	Board of Directors	0.928	0.191	0.285	4.860	0.000
	Managerial Ownership	0.056	0.033	0.100	1.720	0.087
	Audit Committee	0.802	1.037	0.044	0.774	0.440
	ROA	0.204	0.069	0.192	2.953	0.003
	Tobbins'Q	0.125	0.073	0.111	1.722	0.086

Source: Author (2023)

The multiple linear regression equation in this research is :

$$Y = 5.665 + 0.348\ X1 + 0.242\ X2 + 0.928\ X3 + 0.056\ X4 + 0.802\ X5 + 0.204\ X6 + 0.125\ X7 \quad \ldots\ldots\ldots 1$$

Coefficient of Determination. Menurut (Ghozali, 2021), The coefficient of determination test is used to assess the extent to which the model (independent variables) is able to explain the variations that occur in the dependent variable. The higher the deter-mination factor, the better X can explain Y.

Table 7. Coefficient of Determination Result

Model Summary[b]				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	0.470[a]	0.221	0.198	1.28092

Source: Author (2023)

In accordance with the results obtained, the R Square is 0.221 and all inde-pendent variables in this research jointly contribute 22.1% to the dependent variable, while 77.1% is influenced by other factors.

T Test. Based on (Ghozali, 2021) T test is used to assess whether there is a partial influence of the dependent variable on the independent variable. The t test assessment criteria are if the sig result <0.05 or thitumg> ttabel so that the dependent variable is influenced by the independent variable.

Table 8. T Test Result

Coefficients[a]				
Model		**Standardized Cofficients Beta**	**t**	**Sig**
1	(Constant)		4.646	0.000
	Independent Commissioner	0.056	0.924	0.357
	Institutional Ownership	0.101	1.647	0.202
	Board of Directors	0.285	4.860	0.000
	Managerial Ownership	0.100	1.720	0.087
	Audit Committee	0.044	0.774	0.440
	ROA	0.192	2.953	0.003
	Tobbins’Q	0.111	1.722	0.086

Source: Author (2023)

Based on the test results above, the Independent Commissioner variable has a sig value of 0.357> 0.05, meaning that independent commissioners do not significantly affect the stock price of manufacturing sector companies on the IDX, meaning that the first hypothesis is rejected. Institutional Ownership obtained a value of 0.101> 0.05 means that institutional ownership does not significantly affect the stocks of manufacturing sector companies on the IDX, the second hypothesis is rejected. The Board of Directors has a value of 0.000 <0.05, meaning that the board of directors has a significant effect on the stock price of manufacturing sector companies on the IDX, meaning that the third hypothesis is accepted. The sig value of Managerial Ownership which is 0.087> 0.05 means that managerial ownership does not significantly affect the stock price of manufacturing sector companies on the IDX, meaning that the fourth hypothesis is rejected. The Audit Committee obtained a sig of 0.440> 0.05, meaning that the audit committee does not significantly affect the stock price of manufacturing sector companies on the IDX, meaning that the fifth hypothesis is rejected. The sig value of ROA is 0.003 <0.05, meaning that there is a significant influence between financial performance on the stock price of manufacturing sector companies on the IDX, meaning that the sixth hypothesis is accepted. Tobbins'Q value obtained sig 0.086 more than 0.05, significantly the value of the company has no effect on the stock price of the company's value, meaning the seventh hypothesis is rejected.

The Effect of Independent Commissioners on Stock Price. Based on this iset, it states that independent commissioners have no effect on the stock price of manufacturing sector companies on the IDX. This shows that the large level of presence of independent commissioners does not have an impact on the stock price of manufacturing companies, according to research (Prabowo et al., 2020) which explains that partially the independent board of commissioners has no effect on stock prices. Despite agency theory describing the role of commissioners in minimising conflicts of interest between the board of directors and stockholders, this research suggests that independent commissioners may not play the expected or theoretical role. As part of the board, independent commissioners should have a supervisory role over management performance to ensure that results are in line with the interests of stockholders. Statement (Makhdalena, 2022), (Nurulrahmatiah et al., 2020) and (Leung et al., 2014) explains that independent commissioners have an influence on stock prices which is not in line with this research because their main task is to provide independent advice and supervision of company management.

The Effect of Institutional Ownership on Stock Price. Institutional ownership also has no direct influence on the stock price of manufacturing sector companies on the IDX because institutions often only own a small portion of stocks, and investment strategies and other market factors also play a role in determining stock prices. This research is in line with (Prabowo et al., 2020) regarding the absence of the effect of institutional ownership on stock prices. But on the other hand, it does not have harmony with what is produced by (Aprilia & Riharjo, 2022) which explains institutional ownership has an influence on stock prices.

The Effect of the Board of Directors on Stock Price. In this research, it is stated that stock prices are also not influenced by the board of directors of manufacturing sector companies on the IDX because the decisions and directions they take affect the company's performance. Investor confidence in the board's ability to manage the company can increase the stock price because this increases interest in buying the company's stocks where this research is in line with

(Ashari et al., 2022). This research does not align with (Syafei M. Nur et al., 2022) in his research states that the board of directors has a significant negative effect on stock prices.

The Effect of Managerial Ownership on Stock Price. In the test results above, it can also be stated that managerial ownership has no significant effect on the stock price of manufacturing sector companies on the IDX so that this research is not in line with research (Prabowo et al., 2020) and (Irfani & Anhar, 2019) where the results of their research say that stock prices are influenced by managerial ownership. Managerial ownership tends to indirectly affect stock prices as other factors such as company performance and strategic decisions have a greater impact on investors' valuation of the stock. However, in the research (Purwaningsih & Fadli, 2022) explains that managerial ownership has no effect on stock prices, which is in line with this research.

The Effect Of The Audit Committee on Stock Price. The audit committee has no significant effect on the stock price of manufacturing sector companies on the IDX. This is in line with previous research (Budiharjo, 2020) which states that the audit committee has a negative and insignificant effect on stock prices because the existence of an audit committee does not provide certainty that the company's performance will automatically improve. However, this is not in line with research (Makhdalena, 2022) which states that the audit committee has an influence but the relationship is negative on stock prices because the audit committee exists to encourage regulatory compliance and avoid possible sanctions. In addition, audit committee members are not fully focused on the companies they serve because they do not work full time in the company. This results in limited time to carefully and thoroughly oversee the financial statements. The appointment of audit committee members is often based on relationships rather than ability or expertise, resulting in a lack of professionalism in their performance. As a result, audit committee activities are limited and less effective in carrying out their responsibilities.

The Effect of ROA on Stock Price. This research states that financial performance has a significant effect on the stock price of manufacturing sector companies on the IDX and is in line with research (Amalia Yunia Rahmawati, 2020). Financial performance affects stock prices as it reflects a company's ability to generate profits and growth. Positive cash flow and consistent dividend payments also make stocks more attractive. Good financial performance increases investor confidence, so stock prices tend to rise. Conversely, poor financial performance decreases investor confidence and can cause the stock price to fall. However, this research is not in line with (Apriani & Situngkir, 2021) and (Kusumawardhani & Nugroho, 2021) which explains that financial performance proxied by ROA does not significantly affect stock prices.

The Effect of Tobbins'Q Value on Stock Price. Based on the results of the hypothesis test (t test) obtained for firm value does not significantly affect the stock price of manufacturing sector companies on the IDX. Aligned with research (Riski & Hadiya, 2023) which explains that Tobbins'Q value does not affect stock prices. However, in contrast to the research (Kusumawardhani & Nugroho, 2021) which states that Tobins'Q value significantly affects the stock price. Firm value should affect stock prices in the long run because stock prices should reflect the health and prospects of the firm. While firm value reflects the health of the firm, stock prices are also affected by market expectations, external factors, information imperfections, investor sentiment, and adjustment time. In the long run, they should be correlated in the short term.

4. CONSCLUSION & SUGGESTION

Based on the description of the statistical test results, it is found that of the five proxies conducted to measure Good Corporate Governance, the Board of Directors has a significant influence on the stock price of manufacturing companies on the IDX because they make strategic decisions, manage risks, supervise management, influence the company's reputation, and communicate with investors. Investor confidence in the quality and performance of the board can affect market perceptions and stock prices. Meanwhile, independent commissioners, institutional ownership, managerial ownership, and audit committee do not have a significant influence on the stock price of manufacturing companies on the IDX, meaning that there is no strong relationship between these factors and the movement of the stock price of manufacturing companies on the IDX. Although these factors may be considered important in the context of corporate governance on stock prices, these variables do not have a statistically significant or measurable impact. This could mean that investors pay more attention to other factors in assessing the stock price of manufacturing companies on the IDX.

ROA has a significant effect on the stock price of manufacturing companies on the IDX, meaning that high ROA indicates good financial performance, increases investor confidence and encourages stock demand, which ultimately increases the stock price.While Tobbins'Q value does not have a significant effect on the stock price of manufacturing companies on the IDX, meaning that this ratio is not always directly or significantly related to stock price fluctuations in the capital market.

This research is expected to be an additional insight for readers and investors in considering stock purchases, due to the limitations of researchers in conducting research, it is suggested that in future research financial performance can use more proxies such as ROE.Future research can also include different variables, such as Corporate Social Responsibility (CSR) or use longer research data, for example 5-10 years.

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