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The Influence of Good Corporate Governance on Company Value of Sharia-compliant Issuers in the Food and Beverage Sub-Sector Listed on the Indonesia Stock Exchange in 2022–2024

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Abstract: *Company value is an important indicator that reflects a company's success in creating prosperity for shareholders and is also a primary consideration for investors in making investment decisions.Good Corporate Governance It is believed to be able to improve the quality of corporate governance through effective oversight mechanisms, although the results of previous research on the influence of each governance mechanism on company value still show inconsistencies. This study aims to analyze the influence Good Corporate Governance This study examines the effect of gender diversity, audit committees, independent commissioners, and institutional ownership on firm value in sharia-compliant issuers in the food and beverage sub sector listed on the Indonesia Stock Exchange in 2022–2024. The study employed a quantitative approach with secondary data obtained from the companies' annual reports. The sample was determined using a random sampling technique.purposive sampling, resulting in 26 companies with 78 observation units. Data analysis was performed using panel data regression through the views 13 application, with Random Effect Models the best estimation model. The results show that the audit committee, independent commissioners, and institutional ownership have a positive and significant effect on firm value, while gender diversity has no significant effect. Simultaneously, all mechanisms Good Corporate Governance has a significant impact on company value. This finding indicates that the effectiveness of implementing corporate governance mechanisms is a strategic factor in increasing company value and strengthening investor confidence in the company.*
Keywords: *Good Corporate Governance; Gender Diversity; Audit Committee; Corporate Values; Sharia Company.*

I. Introduction

Increasingly competitive business conditions require companies to not only improve financial performance but also establish effective corporate governance to maintain investor confidence. In the capital market, this trust is reflected through company value, which indicates investor perceptions of a company's prospects, risks, and ability to create sustainable added value. The higher the company's value, the greater the company's opportunity to obtain funding, increase competitiveness, and create wealth for shareholders (Yuliana & Gantino, 2024).

Changes in investor behavior in recent years indicate that investment decisions are no longer solely based on financial indicators, but also consider the quality of corporate governance (Good Corporate Governance/GCG). The implementation of Good Corporate Governance is seen as improving transparency, accountability, independence, and oversight effectiveness, thereby reducing conflicts of interest between management and shareholders.

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This provides a positive signal to the market regarding the quality of corporate management and ultimately contributes to increased company value (Virliandita & Sulistyowati, 2024).

The food and beverage industry is a strategic sector that makes a significant contribution to the Indonesian economy and is relatively resilient in various economic conditions. The sector's prospects are reflected in the increasing number of companies listed on the Indonesia Stock Exchange, from 25 in 2018 to 84 in 2022. This growth demonstrates increased corporate interest in obtaining funding through the capital market and rising investor expectations regarding the quality of corporate governance. However, the increase in the number of issuers is not always accompanied by an increase in company value. Price-to-Book Value (PBV) data for several sharia-compliant issuers in the food and beverage sub sector during the 2022–2024 period shows fluctuations, indicating that the increase in company value is still influenced by various factors beyond financial performance, one of which is the effectiveness of Good Corporate Governance implementation.

In this study, good corporate governance is proxies through gender diversity, audit committees, independent commissioners, and institutional ownership. These four mechanisms have different but complementary functions in strengthening the company's oversight system. Gender diversity is believed to enrich perspectives in decision-making, audit committees improve the quality of financial reporting, independent commissioners strengthen the monitoring function of management, and institutional ownership increases oversight effectiveness through institutional shareholder control (Annisa et al., 2023; Purwanti et al., 2024).

However, the relationship between Good Corporate Governance and firm value still shows inconsistent empirical results. Several studies have shown that the implementation of Good Corporate Governance mechanisms can increase firm value by improving the quality of oversight and investor confidence (Purwanti et al., 2024; Virliandita & Sulistyowati, 2024). Conversely, other studies have found that several mechanisms, such as audit committees and independent commissioners, have not significantly influenced firm value (Laiya et al., 2023; Saragih & Tampubolon, 2023). This inconsistency indicates that the effectiveness of Good Corporate Governance is still influenced by company characteristics, industry sector, and observation period.

In addition to inconsistencies in research findings, studies on good corporate governance in sharia-compliant issuers in the food and beverage sub sector are also relatively limited. Most previous research has focused on manufacturing companies in general, the banking sector, or state-owned enterprises. Research specifically examining sharia-compliant companies by integrating gender diversity, audit committees, independent commissioners, and institutional ownership into a single empirical model is rare. Yet, sharia-compliant companies possess distinct governance characteristics, focusing not only on economic value creation but also on compliance with sharia principles.

Based on these conditions, this study offers novelty by examining the influence of gender diversity, audit committees, independent commissioners, and institutional ownership on firm value in Sharia-compliant issuers in the food and beverage sub sector listed on the Indonesia Stock Exchange during the 2022–2024 period. This study is expected to provide more comprehensive empirical evidence regarding the effectiveness of Good Corporate Governance mechanisms in increasing firm value while enriching the literature on corporate governance in Sharia-compliant companies in Indonesia.

II. Research Method

This study uses a quantitative approach with panel data (time series and cross-section) to analyze the effect of Good Corporate Governance on company value in sharia-compliant issuers in the food and beverage sub sector listed on the Indonesia Stock Exchange for the 2022–2024 period. The data used are secondary data in the form of company financial reports obtained from the official Indonesia Stock Exchange website (www.idx.co.idThe research sample was determined using a purposive sampling technique based on predetermined criteria. Company value was proxies using Price to Book Value (PBV), while Good Corporate Governance was proxies through gender, audit committee, independent commissioners, and institutional ownership. Data analysis was conducted using panel data regression with the help of EViews 13 software through the stages of selecting the best model (Common Effect Model, Fixed Effect Model, and Random Effect Model), which was continued with descriptive statistical tests, model assumption tests, simultaneous tests (F tests), partial tests (t tests), and determination coefficient tests (R^2).

III. Result and Discussion

This study aims to analyze the influence of Good Corporate Governance mechanisms, proxies by gender diversity, audit committees, independent commissioners, and institutional ownership, on firm value in sharia-compliant issuers in the food and beverage sub sector listed on the Indonesia Stock Exchange for the 2022–2024 period. The analysis was conducted using panel data regression after selecting the best model. Based on the results of the Chow Test, Hausman Test, and Lagrange Multiplier Test, the most appropriate model is the Random Effects Model. Therefore, all interpretations of the research results are based on this model. The following discussion not only explains the statistical results but also integrates Agency Theory, Signaling Theory, the concept of Good Corporate Governance, and previous research findings to obtain a more comprehensive interpretation of the relationships between the research variables.

3.1 Descriptive Statistics

Descriptive statistics are used to provide an initial overview of the characteristics of the research data before hypothesis testing. This analysis aims to explain data trends through the average (mean), minimum (minimum), maximum (maximum), and standard deviation values, thereby identifying the level of variation in each research variable. This information serves as the basis for understanding the general condition of the sample companies before analyzing the relationships between variables using panel data regression.

Table 1. Descriptive Statistics Results

Variables	Mean	Minimum	Maximum	Std. Dev.
Company Value (PBV)	2.0423	0.0000	6.4100	1.6063
Gender	0.1199	0.0000	0.6000	0.1631
Audit Committee	64.4474	33,3000	75,0000	9.1133
Independent Commissioner	70.6026	33,3000	83,3000	10.1749
Institutional Ownership	50.4077	25,0000	87,0000	19.6375

Source: Data processed using EViews 13 (2026).

Table 1 shows that the study used 78 observations from 26 companies during the 2022–2024 observation period. Company value, proxies using Price to Book Value (PBV), had an average value of 2.0423. This value indicates that the sample companies generally have a higher market value than their book value. However, the range of the minimum value of 0.0000 and the maximum value of 6.4100 indicates that companies' ability to create shareholder value varies significantly. This variation indicates that not all companies achieve the same market appreciation, suggesting that governance factors and company characteristics have the potential to influence company value.

The gender diversity variable averaged 11.99%, indicating that female representation on boards remains relatively low. This situation illustrates that the strategic decision-making structure in most companies is still dominated by men. This low proportion of women indicates that gender diversity was not yet a common characteristic of Islamic companies in the food and beverage sub sector during the study period.

Meanwhile, the audit committee had an average value of 64.45%, independent commissioners 70.60%, and institutional ownership 50.41%. These three variables indicate that most companies have implemented Good Corporate Governance mechanisms in accordance with applicable regulations. However, the relatively large standard deviation indicates variations in the quality of governance implementation among the sample companies. This variation serves as an important basis for testing whether differences in the quality of governance mechanisms truly explain variations in company value. Thus, descriptive statistics not only provide a snapshot of the data but also indicate the potential relationship between Good Corporate Governance mechanisms and company value, which will be further tested through panel data regression.

3.2 The Influence of Good Corporate Governance on Company Value

After the best model was obtained, hypothesis testing was conducted using a Random Effects Model. This model was chosen because it provided the most appropriate estimates based on the characteristics of the research data. The estimation results were used to analyze the influence of each Good Corporate Governance mechanism on company value, both partially and simultaneously.

Table 2. Random Effect Model Estimation Results

Variables	Coefficient	t-statistic	Sig.
Gender	-0.002202	-1.530493	0.1302
Audit Committee	0.022564	2.034254	0.0455*
Independent Commissioner	0.034307	2.110584	0.0382*
Institutional Ownership	1.030308	2.018499	0.0472*

Model Statistics

Statistics	Mark
Adjusted R^2	0.5020
F-statistic	8.6761
Prob(F-statistic)	0.0088

Note: *Significant onα= 5%.

Source: Data processed using EViews 13 (2026).

Table 2 shows that Good Corporate Governance mechanisms have varying effects on firm value. The gender variable has a negative coefficient with a significance level above 5%, thus having no significant effect on firm value. Conversely, the audit committee, independent commissioners, and institutional ownership show a positive and significant effect. Furthermore, the Prob (F-statistic) value of 0.0088 indicates that all independent variables simultaneously explain variations in firm value. The Adjusted R^2 value of 0.5020 indicates that the model explains approximately 50.20% of the variation in firm value, with the remainder influenced by factors outside the research model. These findings demonstrate that the quality of Good Corporate Governance mechanism implementation is a factor that plays a role in increasing firm value, although the influence of each mechanism is not always the same.

3.3 The Influence of Gender on Company Values

The research results show that gender diversity does not significantly impact company value. This finding indicates that the presence of women on boards is not yet a factor directly considered by investors when making investment decisions. In other words, increasing the proportion of women on boards has not been able to improve market perception of company value for Islamic issuers in the food and beverage sub sector. These results suggest that the market is still more oriented towards company fundamental indicators than the demographic characteristics of board members.

From an agency theory perspective, the primary purpose of establishing a board is to monitor management, thereby minimizing conflicts of interest between principals and agents. However, the effectiveness of this function is not determined by the gender of board members, but rather by their competence, independence, experience, integrity, and ability to perform oversight functions. Therefore, the presence of women on the board does not automatically improve governance effectiveness if it is not accompanied by a strategic role in the company's decision-making process. This suggests that the quality of human resources is more important than gender composition in determining the effectiveness of governance mechanisms.

From a Signaling Theory perspective, investors will be more responsive to signals reflecting a company's economic prospects, such as increased profits, quality of financial reporting, effectiveness of internal controls, and successful implementation of corporate governance. Conversely, gender composition on the board is not perceived as a strong enough signal to influence investment decisions if it is not accompanied by improved company performance. This explains why increasing the number of women on the board has not significantly increased firm value in the sample companies.

These findings also relate to the characteristics of the research data. Descriptive statistics show that the average representation of women on boards is only 11.99%. This relatively low proportion, therefore, limits women's contribution to the company's strategic decision-making process. With such low representation, gender diversity has not yet resulted in significant changes in the effectiveness of corporate governance or investor perceptions of the company.

From a Good Corporate Governance perspective, gender diversity is one aspect that can support the principle of fairness and enrich perspectives in decision-making. However, the principles of good governance emphasize not only diversity in board composition but also require transparency, accountability, independence, and responsibility to be consistently implemented. Therefore, the presence of women on boards will only impact company value if accompanied by improved implementation of these principles.

The results of this study align with those of Fahlevi et al. (2023), Haura et al. (2025), Wijaya (2024), and Defina and Kuswanto (2025), who concluded that gender diversity has not significantly influenced company value because investors still prioritize the company's fundamental performance over the gender composition of the board. Conversely, Annisa et al. (2023) and Prestiani et al. (2024) found that gender diversity can improve decision-making effectiveness and strengthen the implementation of Good Corporate Governance if supported by board member competence and an effective oversight system. These differences in findings indicate that the influence of gender diversity is contextual and influenced by company characteristics, ownership structure, organizational culture, and the level of corporate governance implementation.

The practical implication of this research is that companies cannot simply increase the number of women on their boards to achieve increased corporate value. Companies also need to ensure that all board members possess professional competence, experience, independence, and equal opportunities in strategic decision-making. Thus, gender diversity is not merely a symbol of the implementation of diversity principles, but is truly capable of improving the effectiveness of corporate governance and creating sustainable corporate value.

3.4 The Influence of the Audit Committee on Company Value

The Random Effects Model estimation results indicate that the audit committee has a positive and significant impact on firm value. This finding indicates that the more effective the audit committee's function, the higher the firm's value. Therefore, the hypothesis that the audit committee has a positive impact on firm value is accepted. These results demonstrate that the audit committee not only serves as a complement to the company's organizational structure but also serves as a mechanism of Good Corporate Governance that can enhance the company's credibility in the eyes of investors.

Empirically, the positive influence of audit committees indicates that companies with better internal oversight mechanisms tend to gain greater market trust. Audit committees play a role in ensuring that financial statements are prepared in accordance with accounting standards, overseeing the effectiveness of internal control systems, evaluating the implementation of internal and external audits, and ensuring the company's compliance with various applicable regulations. Through this function, the potential for misstatements in financial statements, earnings manipulation practices, and opportunistic management actions can be minimized. Consequently, the quality of information received by investors improves, thereby increasing investor confidence in the company's prospects.

From an agency theory perspective, the audit committee serves as a supervisory mechanism designed to mitigate conflicts of interest between management (agent) and shareholders (principals). This conflict typically arises from information asymmetry, a situation where management possesses more complete information than shareholders. Through its independent oversight function, the audit committee can reduce the potential for opportunistic management behavior, increase information transparency, and strengthen corporate accountability. Thus, the audit committee contributes to lowering agency costs, thus positively impacting corporate value.

This finding can also be explained through Signaling Theory. In the capital market, companies will strive to send positive signals to investors regarding the quality of corporate governance. One such signal is the presence of an active, independent audit committee that effectively carries out its oversight function. Investors tend to respond positively to companies that demonstrate good governance quality because investment risk is perceived as lower. Therefore, the effectiveness of the audit committee is an important signal that increases investor confidence in the company and is ultimately reflected in increased company value.

From a good corporate governance perspective, the audit committee is a strategic body in supporting the implementation of the principles of transparency, accountability, responsibility, independence, and fairness. The audit committee's success in carrying out its oversight function will improve the quality of financial reporting and strengthen the effectiveness of the company's internal control system. This provides investors with confidence that the company is managed professionally, transparently, and responsibly, thereby creating higher corporate value.

The characteristics of Islamic companies in the food and beverage sub sector also explain the findings of this study. The companies studied are not only required to achieve strong financial performance but also to maintain credibility, transparency, and compliance with capital market regulations and corporate governance principles. In this context, the existence of an audit committee is a crucial instrument to ensure that all company activities are conducted in accordance with accountability principles. Therefore, investors tend to place higher value on companies that demonstrate the effectiveness of the audit committee's function as part of the company's oversight mechanism.

The results of this study align with those of Purwanti et al. (2024), who concluded that audit committees contribute to increasing company value by strengthening good corporate governance practices. Similar findings were also presented by Virliandita and Sulistyowati (2024), who stated that effective corporate governance mechanisms can increase company value by improving the quality of financial performance. Furthermore, Saragih and Tampubolon (2023) explained that effective oversight mechanisms, including audit committees, can strengthen investor confidence, thus positively impacting company value. Komang and Lucy (2023) also found that the implementation of good corporate governance, supported by the audit committee function, has a positive effect on increasing company value.

However, the results of this study differ from those of Laiya et al. (2023), who stated that audit committees do not significantly influence firm value. This difference indicates that the effectiveness of an audit committee is not solely determined by its presence within the company's organizational structure but is also influenced by the quality of its oversight function, the competence of audit committee members, its independence in carrying out its duties, and the intensity of coordination with the board of commissioners and external auditors. In other words, the audit committee's success in increasing firm value depends heavily on the effective implementation of its oversight function, not simply on meeting formal requirements set by regulators.

In addition to corroborating previous research, these findings also imply that investors are increasingly considering the quality of corporate governance as a basis for investment decisions. Investors assess not only a company's financial performance but also the effectiveness of its oversight system. Therefore, companies need to ensure that their audit committees possess independence, competence, integrity, and adequate resources to optimally carry out their oversight function. Improving the quality of audit committees is expected to strengthen the credibility of financial reports, increase investor confidence, and create sustainable corporate value.

Academically, the results of this study further strengthen the view that internal oversight mechanisms are a crucial determinant of increasing company value. The existence of an audit committee not only complements the corporate governance structure but also serves as a strategic instrument for mitigating agency conflicts, improving the quality of financial information, and strengthening market confidence in the company. Thus, the audit committee makes a significant contribution to supporting the effective implementation of good corporate governance and creating long-term company value.

IV. Conclusion

This study demonstrates that Good Corporate Governance mechanisms play a significant role in increasing company value for sharia-compliant issuers in the food and beverage sub sector listed on the Indonesia Stock Exchange for the 2022–2024 period. Panel data regression analysis using a Random Effects Model demonstrates that audit committees, independent commissioners, and institutional ownership have a positive and significant impact on company value, while gender diversity does not. These findings indicate that investors still place greater importance on the effectiveness of oversight mechanisms, the quality of corporate governance, and the credibility of financial information than on the demographic characteristics of board members when assessing a company's prospects. Simultaneously, all Good Corporate Governance mechanisms significantly explain variations in company value, thus emphasizing that effective corporate governance is a strategic factor in enhancing investor confidence and creating sustainable company value. Therefore, companies need to continuously strengthen the effectiveness of the audit committee, the independence of the board of commissioners, and the role of institutional ownership as a supervisory mechanism, while improving the quality of the implementation of Good Corporate Governance principles to support long-term growth in company value.

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