

The Influence of Capital Expenditure, Corporate Hedging, and Good Corporate Governance on Firm Value in Oil and Gas Sub-Sector Mining Companies on the IDX Period 2018-2020

Muhammad Rizal¹, Taufik Hidayat², Arif Wahyudi³

Email: muhammadrizall@unimed.ac.id

Universitas Negeri Medan

ABSTRACT

This study aims to analyze how the influence of Capital Expenditure, Corporate Hedging, and Good Corporate Governance on Firm Value. This research was conducted at Mining companies in the Oil and Gas Sub Sector on the Indonesian Stock Exchange. the method used in this study is quantitative with multiple regression analysis. The results of this study indicate that Capital Expenditure, Corporate Hedging, and Good Corporate Governance have a significant effect on Firm Value both partially and simultaneously. for further research it is expected to be able to develop this research by adding variables and expanding the scope of research.

Keywords: Firm Value, Capital Expenditure, Corporate Hedging, GCG.

INTRODUCTION

Firm values much discussed because Firm value is a factor and important information or signal for stakeholders, especially investors in contemporary policy making. Firm Value will be projected by the stock price, this will be a signal for investors to invest in a corporation. Thus the firm value will become a benchmark for stakeholders and investors to assess whether a corporation has good financial performance, so that investors can safely make contemporary decisions about the intended corporation. In the first quarter of 2020 PT. Pertamina Tbk. disclosed a net loss of 767.92 million United States dollars (US) or the equivalent of 11.13 trillion at an exchange rate of Rp. 14,500/US Dollar. The occurrence of this was caused by three factors, namely the decline in the selling price of world crude oil, the decrease in the level of use of fuel oil, and movements in the dollar exchange rate (<https://industri.kontan.co.id/>).

The main reason for holding a corporation is to maximize income and prosper the owners of the corporation. In this case the corporation is trying as much as possible to increase the market value of the company's share price to increase firm value with the aim of providing a good perception to investors and interested parties. The more income generated through corporations, the greater the firm value that will be increased. The phenomenon that occurs is in accordance with the observations made by Qomariyah. "The profitability of financial performance has a significant positive effect on firm value" (Qomariyah, 2021). Mining sector companies with oil and gas production sub-sectors are important to see for their firm value on the grounds that companies are vulnerable to environmental regulations, as well as the law on minerals and coal No. 4 of 2009 which states that Indonesia cannot export raw mining materials so companies must manage the mining materials first into semi-finished materials to be able to export. Vulnerable to violations of these rules, will have a negative impact on investors and interested parties that mining companies will have greater financial risk as a result of the risk of violating regulations that bind mining companies. This bad perception will have a negative impact on the survival of the company.

Apart from that, the stock prices of mining companies, especially those in the oil and gas sector, are of great interest to investors, so it is important to conduct firm value research on oil and natural gas sub-sector companies so that it becomes a consideration for investors to make investment decisions in mining company. firm values can be influenced by capital expenditure and corporate hedging. A special review conducted by Ullah et al on oil and gas corporations proved that there is a negative relationship

between capital expenditure and corporate hedging and firm value (Subhan Ullah, 2021). In contrast to the special review conducted by Mispriyanti (2020) and Yusuf Ayturk et al (2016), each of which proves that capital expenditure and corporate hedging have a positive effect on firm value.

Based on the suggestions of previous research conducted by Ullah et al, to add Good Corporate Governance variables in further research. So this research will examine with modifications to the addition of Independent Commissioner and Board Size variables as variables that represent Good Corporate Governance. For the reason that independent commissioners and the board of directors will be important factors in the corporation to maintain an objective, independent, transparent view and maintain professionalism in carrying out the core operational activities of the company as well as short and long term decision-making processes that will have an impact on equality relations, both to the interests of company, the interests of stakeholders and the interests of investors or company owners in accordance with agency theory.

For this reason, it is hoped that the independent commissioners and the board of directors will carry out their respective duties according to good and correct GCG principles. This will have a direct effect on firm value according to research conducted by Putra (2016) and Nathalia V Sondokan (2019) which proves that Independent Commissioner and Board Size have a positive effect on Firm Value. In contrast to the review conducted by Hapsari (2018) that the Good Corporate Governance variable with the Corporate Governance Implementation, Managerial Ownership, Board of Commissioners, and Independent Commissioners variables is proven to have a negative influence on firm value variables.

LITERATURE REVIEW

Agency Theory

Agency theory says that management's interests are often at odds with shareholder's interests, so it is easy to cause conflict. This conflict often arises because management will try to prioritize its own interests over the interests of the corporation, this will increase the costs incurred by the company and reduce the profits predicted by shareholders. Saputra (2015) argues that agency theory can be concretized in an employment contract which will direct the ratio of the rights and obligations of each party while still weighing the benefits of everyone. The work contract will be optimal if the contract is fair, able to balance the feedback between the principal and the agent, which mathematically shows that the performance of the agent's obligations is an optimal way and the delivery of very satisfying offers/rewards from the principal to the agent. Another fundamental assumption that underlies agency theory concerns agency problems due to a discrepancy between the two interests, namely the interests of corporate shareholders as owners and management interests as corporate managers.

Signaling Theory

According to Brigham and Houston (2011), signals are "actions taken by companies to provide guidance to investors on how management views the company's prospects". to satisfy owner desires signals come in the form of info about what the manager has been doing. Providing information from outside the corporation becomes urgent because it will influence investment decisions from outside the corporation. This information is very urgent for investors and business participants. Because information is essentially an indicator or explanation of past conditions, present conditions and future conditions for the sustainability of the company's economic cycle and the development of the stock market. As an analysis tool to take directions, investment owners in financial markets need concrete, appropriate,

Theory of Stakeholders.

Biset defines stakeholders as those who are interested or concerned about a particular issue, and Grimble and Wellard define stakeholders in terms of key positions and influence. From the expert's

definition, we can conclude that stakeholders are the interests of discussing for the benefit of many parties. Ramizes, in his book *Cultivating Peace* (1999), identifies various opinions about stakeholders. Friedman may refer to stakeholders as "groups or individuals who influence or may be affected by the achievement of organizational goals." Organizations are responsible to stakeholders based on social relations in the form of stakeholder responsibility and accountability with interacting organizations, with stakeholders' views of the organization and the environment. Gray, Kouhy, and Adams from Chariri and Ghazali (2007) stated that the survival of a company depends on the support of stakeholders, and the company's activities are seeking that support.

Firm Value.

Values are desirable when they are highly useful or highly positive with the best skills, and facilitate those who acquire them to fulfill the interests associated with them. Conversely, value is undesirable if the value is negative or detrimental, or if it makes it difficult for the party receiving it to influence the interests of other parties and avoid the negative values associated with it (Tika, 2012). Firm value is an investor's idea of an employer, which is often associated with stock prices. Firm value, which is formed through inventory market indicators, is strongly inspired by means of funding opportunities. Firm Value, also known as Firm value (FV) it is an economic concept that reflects business value. Firm Value is the fair value for a business on a given date. By definition given by previous researchers, Firm Value, namely the amount that someone must pay to buy/take over corporate assets is different. Like assets, firm value can be determined through book value or market value. But generally refers to the market value of a company. Firm Value is a more comprehensive substitute for market capitalization and can be calculated by following more than one approach.

Capital Expenditure

Expenditure is classified as capital expenditure if it is profitable during the accounting period, the amount is relatively large, and the expenditure is not routine (Hindrawan 2014). Capital expenditure refers to funds issued by a company to buy, repair or maintain assets over a long period of time to increase the efficiency and capacity of the company, non-current assets are usually physical assets, which are pledged as collateral and cannot be consumed such as real estate, equipment and infrastructure with a useful life of several accounting periods. Capital expenditure includes the purchase of new equipment, machinery, land, factories, buildings or warehouses, furniture and fixtures, company cars, software, or products such as intangible assets similar to patents or licenses. According to Bambang (2008), "Capital expenditure is expenditure on fixed assets (investment plan), especially for the acquisition of land, buildings, machinery, alternative equipment, and for long-term advertising. Expenditure. Project, analysis and development."

Corporate Hedging

Hedging is the company's effort to protect the corporation from exposure to exchange rate fluctuations. Hedging provides certainty, controls the supply of raw materials for production and commodities, and will provide higher and safer funding (Husna Anniyati, 2020).

Good Corporate Governance

The term corporate governance has been broadly defined, but a number of these definitions differ from one another depending on the tendencies of those who define it. In the book *Good Corporate Governance Review of Ethics in Business Practices*, Hamdani (2016) defines corporate governance as a system that regulates and runs a business. The Indonesian Institute for Corporate Governance (IICG) defines GCG as the methods and structures used to run a company with the main objective of increasing firm value in the future, taking into account the interests of other bettors. In addition to protecting the

interests of shareholders, GCG needs to ensure sustainability. This definition enables corporate governance to build trust, build collaboration, create a shared vision among everyone involved in the transaction, and predict agency problems.

Independent Commissioner

An independent commissioner is a member of a committee and previously had financial, equity, administrative and/or family relationships with completely different members of the committee or directors. no. Manage other interests or relationships. This can affect your ability to count independently. The partner's independent board of directors serves to monitor the company's performance on a regular basis. An independent board of directors (in this case the organizer of the company's internal control) can have a frugal board of directors to improve company performance standards and influence the development of firm values. KPPU can be the most fundamental person in directing and supervising the corporate governance system. The core of the corporate governance implementation mechanism appointed to support the implementation of corporate strategy that requires the fulfillment of responsibilities is the board of directors. In this case, the board of directors can also be announced to the public as a result of the company's success and resilience.

Board Size

Management is a collection of administrators known as the Chief Executive Officer. Directors work as agents or related employees who are fully responsible for the company's operational activities. In addition, the commissioners' committee must provide data to the commissioners and the committee must detail all questions of the Directors. Hamdani (2016) explicitly states that the Board of Directors can be an organ of the company. One of the roles of the Board of Directors is managing investor funding and managing company resources. In this case the company's short term and long term strategies will be different, as long as the company's management decides which policy to take. Directors may not sue the interests of the company for various interests other than the interests of the company, such as the interests of individuals, business groups, families and other parties. Each member of the board is also required to apply and understand the principles of good corporate governance.

METHODS

The research place in this study is a mining sector corporation with an Oil & Gas sub-sector in companies on the Indonesia Stock Exchange (IDX) in 2018-2020 when this research is conducted in 2022 until completion. The population is a collection of all objects, objects and other entities that may be of interest, and a collection of all objects of interest. The population in this survey are companies on the Indonesia Stock Exchange (IDX) from 2018 to 2020. The research sample is a part of the entire population that is the object of research. The sample in this study is Oil and Gas Companies which are listed on the Indonesia Stock Exchange and have financial reports for 2018 – 2020 With details, (1) RUIS, (2) ARTI, (3) ELSA, (4) MITI, (5) ESSA , (6) MEDC, (7) ENRG, (8) MTFN, (9) PKPK. (10) APEX, (11) SURE, and (12) BIPI (www.IDX.co.id).

RESULTS AND DISCUSSION

1. Descriptive Statistical Analysis

Descriptive statistics will address the interpretation of the data resulting from the mean, standard deviation, variance, maximum, minimum, sum, range, flat, and asymmetric. Discussion, hypothesis testing presented in the following section will describe some of the information taken from the research sample through descriptive statistics. The number of research samples used in this study were 12 companies.

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
<i>Firm Value</i>	36	.49	8.27	1.5792	1.57445
<i>CapitalExpenditure</i>	36	-1.59	.34	-.1456	.42301
<i>Hedging</i>	36	.00	1.00	.6667	.47809
<i>Independent Commissioner</i>	36	.25	.75	.4282	.11126
<i>Board Size</i>	36	2.00	5.00	3.6389	.99003
<i>Valid N (listwise)</i>	36				

The dependent variable in this study is firm value as measured by Tobin' Q. The results interpret a maximum value of 8.27 and a minimum value of 0.49. The mean value is 1.5792. the standard deviation value for firm value is 1.57445. Capital expenditure variable as measured by the ratio of asset values. The results interpret a maximum value of 0.34 and a minimum value of -1.59. the mean Capital Expenditure value is -0.1456 and the standard deviation value is 0.42301. Hedging variable as measured by binary number. The results interpret a maximum value of 1.00 and a minimum value of 0.00. the mean value is 0.6667 and the standard deviation value is 0.47809.

Independent Commissioner variable as measured by the ratio of Independent Commissioners to total commissioners. The results interpret the maximum value of 0.75 and the minimum value of 0.25. the mean value is 0.4282 and the standard deviation value is 0.11126. Board Size variable as measured by the reduction in the total board of directors. The results interpret a maximum value of 5.00 and a minimum value of 2.00. the mean value is 3.6389 and the standard deviation value is 0.99003.

2. Classic assumption test

Table 2. Normality Test

		Unstandardized residual
N		36
Normal Parameters, b	Means	.0000000
	std. Deviation	1.37400469
Most Extreme Differences	absolute	.146
	Positive	.146
	Negative	-.118
Test Statistics		.146
asyp. Sig. (2-tailed)		.549c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Based on table 2 above, it is known that the significance value of 0.549 is greater than 0.05. So from the table it can be concluded that the data is normally distributed.

3. Multicollinearity Test

The non-uniform variance test is used to determine whether there is an equal variance between one observation and another residue. The residual variance from one view to another is still called homoscedasticity, and if it is not the same, it is called heterogeneous dispersion. A good example of

regression is homoscedasticity. In this study, we determine the non-uniform variance using the glacier test, namely by looking at the regression results between the residual value as the dependent variable and the independent variable from the proposed regression sample. To confirm the opinion that there is a heterofree regression equation, the regression results should not be important. A good example of regression is fixed or independent heterogeneity or homoscedasticity. Detecting whether there is multicollinearity is done by looking at the VIF (Variable Inflation Factor). $VIF > 10$ is suspected of having high multicollinearity and $VIF < 10 > 0.10$ is not suspected of multicollinearity (Ghozali, 2018: 107). Following are the results of SPSS 26 data processing:

Table 3. Multicollinearity Test

Model		Collinearity Statistics	
		tolerance	VIF
1	(Constant)		
	<i>Capital Expenditure</i>	.833	1,201
	<i>Hedging</i>	.653	1,533
	<i>Independent Commissioner</i>	.990	1010
	<i>Board Size</i>	.652	1,534

From the table above, the results show that the VIF capital expenditure variable is 1.201 with a tolerance of 0.833. The VIF hedging variable is 1.533 with a tolerance of 0.653. The VIF independent commissioner variable is 1.010 with a tolerance of 0.990. The VIF board size variable is 1.534 with a tolerance of 0.652. This shows that the overall VIF of the independent variables has a number less than 10 and a tolerance value of more than 0.1. The results of testing the regression model for the exercise measure show that there are no signs of multicollinearity in the regression model. This means that all independent variables can be used as predictors.

4. Heteroscedasticity Test

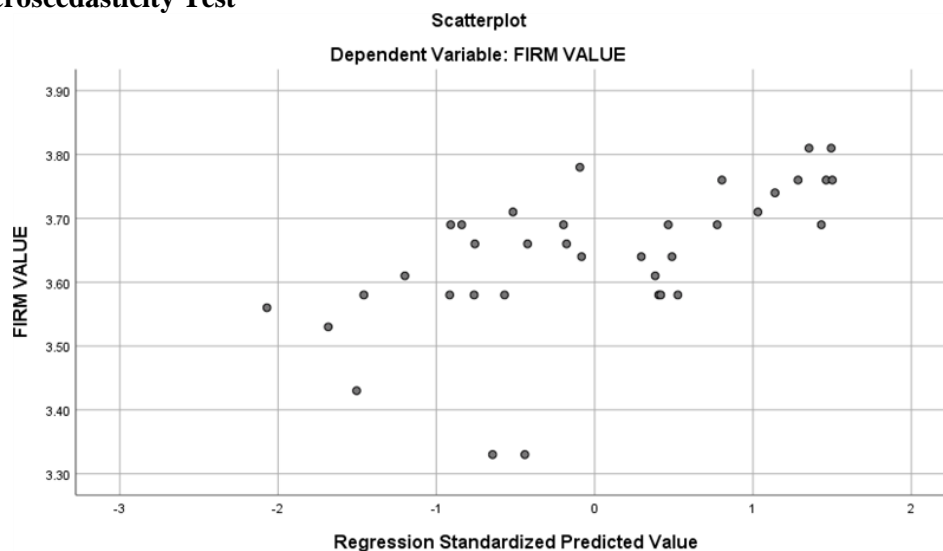


Figure 1. Scatterplot Graph

From the table above, the results of the heteroscedasticity test show that the dots spread without a clear pattern at the top and bottom or around the numbers 0. So, it can be concluded that the regression model does not contain heteroscedasticity.

5. Autocorrelation Test

The autocorrelation test aims to check whether there is a correlation in the linear regression model between the confounding error in period t and the confounding error in period $t-1$ (previous) (Ghozali, 2016). To detect the presence of autocorrelation can be used with Durbin-Watson.

**Table 4. Autocorrelation Test
Summary model^b**

Model	Durbin-Watson
1	2.033a

a. Predictors: (Constant), x_4 , x_3 , x_1 , x_2

b. Dependent Variables: y

Based on the table above, the Durbin-Watson (d) value is 2.033 and $(4 - 2.033) = 1.967$. The value of $d > d_U$ and the value of $(4-d) > d_U$. Therefore, it can be concluded that this study is free from autocorrelation assumptions.

6. Multiple Regression Analysis

Multiple regression analysis is used to determine the effect of the independent variables on the dependent variable (Ghozali, 2018:94). This test is used to determine the effect of Capital Expenditure, Hedging, Independent Commissioner, and Board Size on Firm Value. The following are the results of the research regression test:

Table 5. Multiple Regression analysis

Model		Unstandardized Coefficients		standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	2,129	.507		5,404	.000
	<i>Capital Expenditure</i>	.928	.239	.249	3,451	.000
	<i>Hedging</i>	.845	.139	.257	2043	.015
	<i>Independent Commissioner</i>	.413	.209	.260	2,337	.008
	<i>Board Size</i>	3,807	.230	.269	2,908	.000

From the multiple linear regression analysis table above, it can be seen that the regression equation model formula is as follows:

$$\text{Tobin's Q} = 2.129 + 0.928 \text{ Capital Expenditure} + 0.845 \text{ Hedging} + 0.413 \text{ Independent Commissioner} - 3,807 \text{ Board Size} + \varepsilon$$

In the Unstandardized column Coefficients obtained with a value of β_0 , β_1 , β_2 , β_3 , β_4 , β_5 so that it can be explained as follows:

1. $\beta_1 = 0.928$

The regression coefficient β_1 shows that each Capital Expenditure variable increases by 1%, the firm value will increase by 0.928 and vice versa if the Capital Expenditure decreases by 1% then the firm value will also decrease by 0.928.

2. $\beta_2 = 0.845$

The regression coefficient β_2 shows that every hedging variable increases by 1%, firm value will also increase by 0.845 and vice versa if hedging decreases by 1% then firm value will also decrease by 0.845

3. $\beta_3 = 0.413$

The regression coefficient β_3 shows that each Independent Commissioner variable increases by 1%, the firm value will also increase by 0.413 and vice versa if the Independent Commissioner decreases by 1% then the firm value will also decrease by 0.413.

4. $\beta_4 = 3.807$

The regression coefficient β_4 shows that every Board Size variable increases by 1%, the firm value will also increase by 3.807 and vice versa if the Board Size decreases by 1% then the firm value will also decrease by 3.807.

Based on the regression equation in table 7, the variables Capital Expenditure, Hedging, Independent Commissioner and Board Size have an influence on firm value.

7. Hypothesis testing

Table 6. Simultaneous Test ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20,685	4	5.171	22,426	.000b
	residual	66,076	31	2,131		
	Total	86,761	35			

a. Dependent Variables: y

b. Predictors: (Constant), x₄, x₂, x₁, x₃

SPSS results in the table above, Fcount is 22.426 with a Ftable value of 2.6786671. This shows that the Fcount value is $22.426 > Ftable\ 2.6786671$ while the significance value is $0.000 < 0.05$. It can be concluded that Capital Expenditure, Hedging, Independent Commissioner, and Board Size have a simultaneous (together) effect on Firm Value.

1. capital expenditure Test

From Table 5 it can be seen that capital expenditure with t count 3.451 t table is 2.03951 and a significance value of $0.000 < 0.05$. This value indicates that the capital expenditure variable affects firm value.

2. Hedging Hypothesis Test

From table 7 it can be seen that hedging with t count is $2.043 >$ than t table is 2.03951 and a significance value is $0.015 < 0.05$. This shows that hedging has an effect on firm value.

3. Independent Commissioner Hypothesis Test

From table 7 it can be seen that the independent commissioner with a t count of $2.337 >$ than a t table of 2.03951 and a significance value of $0.008 < 0.05$. This data shows that the independent commissioner has an effect on firm value.

4. Board Size Hypothesis Test

From table 7 it can be seen that the board size with tcount is $2.908 >$ than ttable is 2.03951 and a significance value is $0.000 < 0.05$. This data shows that board size has an effect on firm value.

8. Coefficient of Determination (R^2)

The coefficient of determination is used to measure the extent to which the sample can explain

the dependent variable. The value of R^2 which is close to zero means that the ability of the independent variable to explain the dependent variable is very limited. A value close to one means that the independent variable provides almost all the information needed to predict the independent variable. The results obtained from the coefficient of determination test (R^2) can be seen in the following table:

**Table 7. Coefficient of Determination R Square
Summary model^b**

Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watson
1	.988a	.738	.640	1.45996	2033

a. Predictors: (Constant), x4, x2, x1, x3

b. Dependent Variables: y

Based on Table 7 shows that the R Square value is 0.640 or 64%. This shows that the variables Capital Expenditure, Hedging, Independent Commissioner and Board Size can explain the firm value variable of 64%, while the remaining 36% is explained by other variables outside this research model.

Discussion

Effect of Capital Expenditure on Firm Value

Based on hypothesis testing using simple linear regression analysis, the results of the t-test on Capital Expenditure yield a Tcount value of 3.451 > Ttable value of 2.03951 and a significance value of 0.000 < 0.05. This shows that H0 is rejected and H1 is accepted, so it can be concluded that Capital Expenditure has a significant effect on firm value. Capital spending which is a signal to investors that the company will generate greater profit opportunities in the future by increasing the company's performance more effectively and efficiently through capital expenditure. The results of the research in theory prove that the signal given through capital expenditure has a significant effect on firm value. The results of this study are in line with the research of Mispriyanti (2020) and Subhan Ullah (2021) which state that capital expenditure has an effect on firm value. An increase in stock prices will be an illustration of an increase in firm value in the company. The firm value will be projected by the stock price, so that the higher the stock price, the higher the projected firm value. Thus it can be proven that capital expenditure has an effect on firm value.

Capital expenditure as a company's semi-permanent investment decision will provide a signal to investors that the company will generate greater profit opportunities in the future. This occurs due to an increase in asset value which will then lead to the possibility of increasing production yields and minimizing the possibility of non-current production within the company. Which has an impact on increasing the company's performance more effectively and efficiently so as to increase profits in the company. Investors are usually willing to invest in the hope that the investment decision will bring greater profits in the future. The investment decision will have an impact on the company's stock price.

Effect of Corporate Hedging on Firm Value

Based on hypothesis testing using simple linear regression analysis, the results of the t-test on Corporate Hedging produce a Tcount value of 2.043 > Ttable value of 2.03951 and a significance value of 0.015 < 0.05. This shows that H0 is rejected and H1 is accepted, so it can be concluded that corporate hedging has a significant effect on firm value. Corporate hedging which is an investment signal for investors that the company will protect the funds invested by investors in the company through derivative hedging instruments. Hedging is also a management tool for predicting the net present value of future income so as to provide clarity to investors regarding future profits. The results of the research in theory prove that hedging has a significant effect on firm value. These results are in line with the research of

Yusuf Ayturk et al (2016) and Subhan Ullah (2021) which state that hedging has an effect on firm value. Thus it can be proven that corporate hedging has an effect on firm value.

Hedging using derivative instruments is a risk management instrument that can minimize the risk of financial distress and protect investments from adverse currency movements. By hedging, companies can ensure to shareholders and bonds that managers are using risk management instruments to protect their investments from adverse currency movements. Aside from being a risk management tool, hedging can also be used as a tool to predict the net present value of future income expected by investors. Protection for investment as well as guaranteed net present value predictions from future income, will be a signal for investors to invest in the company. This investor tendency will have an impact on rising stock prices. The firm value will be projected by the stock price, so that the higher the stock price, the higher the projected firm value. This is in line with research conducted by previous researchers in the opinion of Yusuf Ayturk et al (2016) and Subhan Ullah (2021) who stated that hedging has an effect on firm value. Thus it can be concluded that corporate hedging has an effect on firm value.

Effect of Independent Commissioner on Firm Value.

Based on hypothesis testing using simple linear regression analysis, the results of the t test on Independent commissioners produce a Tcount value of 2.337 > Ttable value of 2.03951 and a significance value of 0.008 < 0.05. This shows that H0 is rejected and H1 is accepted, so it can be concluded that the Independent commissioner has a significant effect on firm value. Independent commissioner improve supervision and provide effective and efficient advice, input and proposals to the board of directors to reduce agency conflicts that occur. Independent commissioners will be the control to create good corporate governance which will improve the quality of company performance and quality of financial reports. good performance, good quality company reports and minimal agency conflicts will increase firm value. The results of the research in theory prove that the independent commissioner has a significant effect on firm value.

These results are in line with research by Putra (2016), Nathalia V Sondokan (2019) and Hapsari (2018) which state that independent commissioners have an influence on firm values. Thus it can be proven that the independent commissioner has an effect on firm value. The independent commissioner replicates the top management mechanism within the company. Independent commissioners have roles and objectives as supervisors as well as creating objective conditions and building equality between parties who have an interest in the company. The Independent Commissioner is expected to take higher responsibility, increase supervision and provide effective and efficient suggestions and input or proposals to the board of directors with the hope that this will reduce agency conflicts that arise between the company's board of directors and shareholders. With the existence of an independent commissioner, it is hoped that good corporate governance will be created and minimize agency conflicts, which will improve the quality of company performance and the quality of financial reports.

Good quality company performance and good quality financial reports will meet the needs of the interests of principals and their agents. Which will have the impact of increasing investor interest in investing in companies that have little agency conflict. This will trigger an increase in the company's stock price. Good quality company performance and good quality financial reports will meet the needs of the interests of principals and their agents. Which will have the impact of increasing investor interest in investing in companies that have little agency conflict. This will trigger an increase in the company's stock price. Good quality company performance and good quality financial reports will meet the needs of the interests of principals and their agents. Which will have the impact of increasing investor interest in investing in companies that have little agency conflict. This will trigger an increase in the company's stock price. An increase in stock prices will be an illustration of an increase in firm value in the company. The firm value will be projected by the stock price, so that the higher the stock price, the higher the projected

firm value. Thus it can be concluded that the independent commissioner has an effect on firm value.

Effect of Board Size on Firm Value

Based on hypothesis testing using simple linear regression analysis, the results of the t-test on Board Size yield a Tcount value of 2.908, a Ttable value of 2.03951 and a significance value of 0.000 < 0.05. This shows that H0 is rejected and H1 is accepted, so it can be concluded that board size has a significant effect on firm value. Board sizes and will be a determining factor for the quality of the decision to be taken. This decision will have an impact on agency conflicts. The smaller the agency conflict within a corporation, the better the quality of the work environment will be, and the higher the investor's trust in the board of directors. The board of directors is trusted to create a sense of security for investors to invest in the hope of a maximum return on investment. This will encourage investors to invest again. investment will encourage an increase in firm value for the better. Thus it can be proven that the independent commissioner has an effect on firm value.

These results are in line with research by Putra (2016), Nathalia V Sondokan (2019) and Hapsari (2018) which state that board size has a positive effect on firm values. Thus it can be proven that board size has an effect on firm value. One important factor of the effectiveness of the entire corporate system is Board Size. The Board of Directors will function as a place for confirming short-term and long-term policy rules. Therefore board size and will be a determining factor for the quality of decisions to be taken. This decision will have an impact on agency conflicts. The smaller the agency conflict within a corporation, the better the quality of the work environment will be, and the higher the investor's trust in the board of directors. The board of directors is trusted to create a sense of security for investors to invest in the hope of a maximum return on investment. This will give encouragement to other investors to invest in the company. The investment will have an impact on increasing the company's share price. An increase in stock prices will be an illustration of an increase in firm value in the company. The firm value will be projected by the stock price, so that the higher the stock price, the higher the projected firm value.

Effect of Capital Expenditure, Corporate Hedging, Independent Commissioner and Board Size on Firm Value

Based on hypothesis testing using simple linear regression analysis, the results of the F test simultaneously produce an Fcount value of 22.426 > Ftable value of 2.6786671 and a significance value of 0.000 < 0.05. This shows that H0 is rejected and H1 is accepted, so it can be concluded that simultaneously capital expenditure, corporate hedging, independent commissioners and board size have a significant effect on firm value. This is in line with signaling theory and agency theory which are projected with capital expenditure, corporate hedging, independent commissioners and board size that firm value will increase when managers have the right investment decisions and risk management decisions and minimize agency conflicts between agents and principals. Thus it can be proven that capital expenditure, corporate hedging, independent commissioners and board size have an effect on firm value.

CONCLUSION

Based on research problems, theoretical studies, research results, and discussion, it can be concluded as follows:

1. Based on the results of the partial test through simple regression, Capital Expenditure (X1) has a significant effect on firm value.
2. Based on the results of the partial test through simple linear regression Hedging (X2) has a significant effect on firm value.
3. Based on the results of the partial test through simple linear regression Independent Commissioner (X3) has a significant effect on firm value.

4. Based on the results of the partial test through simple linear regression Board Size (X4) has a significant effect on firm value.
5. The results of the study simultaneously state that Capital Expenditure, Hedging, Independent Commissioner, and Board Size have a joint and significant effect on firm value.

Based on the analysis that has been done, the researcher provides the following suggestions: For oil and natural gas companies in Indonesia, when they want to increase firm value, they should pay attention to the influencing factors, including capital expenditure, hedging, independent commissioners, and board size. Because based on the results of this research factor has a significant influence simultaneously (simultaneously) on firm value. For future researchers, it is hoped that they will add other independent variables related to firm value. Developing this research with different models and methods and adding years of research in order to get a clear picture of firm value.

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