

# When Liquidity and Governance Shape Firm Value: Evidence from Indonesia's Consumer Non-Cyclicals Sector

Endraria

Universitas Muhammadiyah Tangerang; Tangerang, Indonesia

E-Mail: endraria@umt.ac.id

1063

Yusar Sagara

Universitas Islam Negeri Syarif Hidayatullah; Jakarta, Indonesia

Submitted:  
SEPTEMBER 2025

Accepted:  
OCTOBER 2025

## ABSTRACT

Firm value represents a key indicator of business performance and market confidence, particularly in emerging economies where structural and governance dynamics play crucial roles. This study aims to examine the effect of capital structure, firm size, and profitability on firm value while considering liquidity and corporate governance as moderating variables. The sample consists of 15 consumer non-cyclicals companies listed on the Indonesia Stock Exchange during 2020–2024, yielding 75 observations. Panel data regression with the Fixed Effect Model was employed after conducting Chow, Hausman, and Lagrange Multiplier tests. The results reveal that capital structure (DER) has a significant positive effect on firm value (PBV), whereas firm size shows a significant negative effect in a specific model. Profitability (ROA), liquidity (CR), and corporate governance (GCG) have no significant direct impact on firm value. However, GCG significantly moderates the relationship between firm size and PBV in a positive direction, while other moderating effects are not significant. These findings reinforce the trade-off theory and agency theory, while also providing practical implications for managers, investors, and policymakers in making strategic decisions.

**Keywords:** Capital Structure, Corporate Governance, Firm Size, Firm Value, Liquidity, Profitability.

## ABSTRAK

Nilai perusahaan merupakan indikator utama kinerja bisnis dan kepercayaan pasar, terutama di negara berkembang di mana dinamika struktural dan tata kelola memainkan peran penting. Penelitian ini bertujuan menganalisis pengaruh struktur modal, ukuran perusahaan, dan profitabilitas terhadap nilai perusahaan dengan mempertimbangkan peran likuiditas dan tata kelola perusahaan sebagai variabel moderasi. Objek penelitian adalah 15 perusahaan sektor konsumen non-siklis yang terdaftar di Bursa Efek Indonesia selama periode 2020–2024 dengan total 75 observasi. Metode yang digunakan adalah regresi data panel dengan pendekatan Fixed Effect Model, setelah melalui uji Chow, Hausman, dan Lagrange Multiplier. Hasil penelitian menunjukkan bahwa struktur modal (DER) berpengaruh positif signifikan terhadap nilai perusahaan (PBV), sedangkan ukuran perusahaan (Size) berpengaruh negatif signifikan dalam model tertentu. Profitabilitas (ROA), likuiditas (CR), dan tata kelola perusahaan (GCG) tidak berpengaruh signifikan secara langsung terhadap nilai perusahaan. Namun, GCG terbukti memoderasi hubungan antara Size dan PBV dengan arah positif, sementara interaksi lainnya tidak signifikan. Temuan ini memperkuat teori struktur modal dan teori keagenan, serta memberikan implikasi praktis bagi manajemen, investor, dan pembuat kebijakan dalam pengambilan keputusan strategis.

**Kata kunci:** Struktur Modal, Tata Kelola Perusahaan, Ukuran Perusahaan, Nilai Perusahaan, Likuiditas, Profitabilitas.

JIAKES

## INTRODUCTION

Company value reflects market perceptions of current performance and growth potential, influenced by both financial and non-financial factors such as reputation, industry position, innovation, and management effectiveness (Badruzaman et al., 2022). Long-term performance signals investor and employee confidence in a firm's sustainability (Puspitawati, 2022). Key determinants, capital structure, firm size, and profitability, interact dynamically, as larger firms access capital more easily, optimizing financing, while profitability attracts investors and improves debt terms (Saba et al., 2020; Diantimala et al., 2021; Sun et al., 2022; Ajeigbe & Ganda, 2023; Fatima et al., 2023; Bicer & Şit, 2023).

External factors such as market conditions, regulations, and investor preferences also shape firm performance. Regulatory pressures may limit credit flexibility and earnings quality, while market uncertainty affects financial strategy, risk-taking, and anti-corruption practices (Ritzen, 2011; Amjad et al., 2021; Shubita, 2023). Large firms face decision-making risks from bureaucratic complexity that slow innovation and adaptability (Gajdzik & Wolniak, 2022; Ajeigbe & Ganda, 2023). Efficient project implementation and innovation remain essential for post-COVID competitiveness.

High profitability fosters reinvestment and growth, while green strategies enhance financial outcomes depending on context (Helmina et al., 2022). Sustainable growth requires balanced capital structures, as excessive leverage reduces resilience (Diantimala et al., 2021; Sumani & Suryaningsih, 2022). Firm size, profitability, and capital structure are interrelated. Large firms gain funding advantages but risk inefficiency under high leverage (Msomi, 2022). Sound governance ensures optimal capital structures that control risk and preserve long-term value (Garad et al., 2021; Ali et al., 2022; El-Chaarani & Abraham, 2022; Farooq et al., 2022; Othman et al., 2023; Agatha et al., 2023). Operational efficiency and marketing strategies further strengthen profitability and firm value (Rosario & Mazumdar, 2022; Pramono & Bustaman, 2025), while capital structure influences cost of capital and risk (Linawati & Aisjah, 2022; Farooq et al., 2022; Hegde et al., 2023).

Financing and investment decisions are central to competitiveness. Effective strategies and managerial incentives enhance performance, while governance via boards and audit committees ensures transparency and investor trust (Garad et al., 2021; Chowdhury et al., 2024). ESG initiatives reinforce reputation and attract investment. The interplay among capital structure, size, profitability, and firm value is complex (Zhou et al., 2019; DeAngelo, 2022; Muzaki et al., 2024). Liquidity and governance moderate financial outcomes across contexts. Strong governance and stock liquidity reduce leverage in Australia but increase it in China. National governance, through securities laws and anti-corruption measures, enhances liquidity and amplifies ESG performance impacts (Chen et al., 2011; Luo et al., 2024). Nonetheless, research on non-cyclical sectors such as luxury fashion and FMCG remains limited, even as sustainability increasingly influences marketing and consumer behavior (Dekimpe et al., 2018; Tortajada et al., 2024; Crocco et al., 2024; D'Amore et al., 2024).

The 2020–2024 post-pandemic period highlights changes in capital structure, profitability, and governance. Firms increased liquidity and adjusted leverage, with SMEs relying more on debt and government support. Optimal capital structures and CSR improved resilience (Huang & Ye, 2021), while strong governance facilitated stakeholder engagement and ESG investment (Csedő et al., 2022). Government aid influenced leverage and investment, and ESG activities mitigated financial constraints (Duchin & Harford, 2021; McCann et al., 2023; Polat & Tekin, 2024).

In the non-cyclical consumer sector, firm size, profitability, liquidity, and governance jointly determine value. Capital structure affects leverage and risk (Rocca, 2007; Sibilkov, 2009; Nadarajah et al., 2016), while governance enhances value and efficiency (Beiner et al., 2006; Chang et al., 2014; Segura et al., 2024; Alofaysan et al., 2024). Post-pandemic trends emphasize sustainability, digital transformation, and innovative financing as key to resilience and growth (Charina et al., 2022; Ben-Zvi & Luftman, 2022; Zackery et al.,

2022; Salisu et al., 2022; Prusko & Ehmke, 2023). Collectively, these findings reveal the intertwined economic, technological, and environmental forces shaping firm value, offering insights for businesses and policymakers in Indonesia and beyond. This study thus examines the influence of capital structure, firm size, and profitability on firm value moderated by liquidity and governance in non-cyclical consumer sector firms listed on the Indonesia Stock Exchange (2020–2024), using quantitative financial and market data analysis to provide strategic implications for investors and enrich corporate finance research in Indonesia.

## **LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT**

### **The Determinants of Firm Value**

The evolution of agency theory from a unilateral to a reciprocal approach deepens understanding of shareholder–management relations and mitigates conflicts of interest. Initially focusing on the principal-agent problem and ethical behavior to prevent adverse selection and moral hazard, the theory later adopted a bilateral perspective (Pouryousefi & Frooman, 2017), emphasizing reciprocity as a moral remedy to agency risks while maintaining economic foundations. This aligns with Englmaier and Leider (2012), who argue that reciprocal motivation can substitute performance-based pay by balancing financial and non-financial incentives. Multiple major shareholders can also limit tunnelling and enhance governance (Zhan et al., 2023). Integrating stakeholder theory (Magill et al., 2015) and the eclectic governance performance model (Ozdemir & Kilincarslan, 2021) highlights the need to align governance, incentives, and stakeholder interests for sustainable performance. Furthermore, signalling mechanisms, financial disclosure, leverage, and patents, reduce information asymmetry and lower capital costs (Conti et al., 2013; Clinch & Verrecchia, 2015; Laux et al., 2017; Romito & Vurro, 2021). Moreover, equity market structure influences how information asymmetry affects the cost of capital, especially in imperfect markets (Armstrong et al., 2011).

Capital structure is a key determinant of firm value. Optimal debt levels can enhance market informativeness and firm performance by improving coordination and signalling efficiency. In Slovak firms, leverage affects performance (Horváthová & Mokrišová, 2017), while excessive debt reduces competitiveness in Chinese firms (Zhou et al., 2019). In the EU energy sector, asset tangibility and size positively relate to debt, whereas profitability and liquidity show negative correlations (Jaworski & Czerwonka, 2021). CSR can lower the costs of high leverage by easing stakeholder concerns (Bae et al., 2019), though imperfect managerial knowledge complicates achieving optimal gearing (DeAngelo, 2022). Overall, capital structure reflects dynamic interactions among firm-specific, macroeconomic, and institutional factors that shape firm value.

Firm size strongly influences company value through productivity, economies of scale, and efficient resource use (Medrano-Adan et al., 2019). Larger firms often pursue strategic mergers to protect profits or attract investors (Gorton et al., 2009), while multiple large shareholders and ownership structures affect valuation dynamics. Size also enhances the benefits of sustainability and social responsibility practices, improving investment efficiency compared to SMEs (Wang et al., 2018; Alsayegh et al., 2022). Although foundation ownership may limit growth, it supports workforce stability (Block & Fathollahi, 2022). Thus, firm size, ownership, and strategy jointly shape corporate value.

Profitability remains a primary determinant of firm value. ESG integration enhances profitability and, consequently, firm value, particularly in Chinese multinationals, where cultural distance moderates this effect. Profitable firms attract more capital, leading to non-linear growth in residual income and long-term value (Biddle et al., 2001). In volatile contexts like Russia, production and scale efficiency drive profitability, while external finance mainly impacts foreign-owned firms (Spitsin et al., 2020). Intellectual capital also boosts profitability, mediating its effects on leverage and value. Return on Equity (ROE) reflects capital efficiency, linking profitability to shareholder wealth and investment attractiveness (Dreżewski et al., 2018). Sustainable and ESG-based practices further strengthen market value through improved financial performance (Zhou et al., 2022).

Even during crises such as COVID-19, strong sustainability performance mitigated value loss (Bose et al., 2021). Thus, profitability shaped by ESG efforts, capital investment, intellectual capital, and economic conditions remains fundamental to firm value.

H1: Capital structure has a significant effect on firm value.

H2: Company size has a significant effect on firm value.

H3: Profitability has a significant effect on firm value.

## **1066**

### **Liquidity has a Moderating Variable**

Liquidity is a key determinant of firm value, affecting stock returns, asset pricing, and corporate finance. Market liquidity enhances efficiency by directing capital to productive investments, boosting returns. Asset liquidity is especially valuable for firms with limited growth opportunities (Gopalan et al., 2012). In corporate settings, liquidity lowers equity costs, improves governance, and supports informed trading, collectively enhancing firm value (Holden et al., 2014). In bond markets, higher liquidity reduces yield spreads, decreasing capital costs (Chen et al., 2007). Voluntary disclosure further increases liquidity by reducing information asymmetry (Balakrishnan et al., 2014). In emerging markets, liquidity drives expected returns despite liberalization, while downside liquidity risk demands a premium, highlighting the importance of risk management (Bekaert et al., 2007; Anthonisz & Putnins, 2017). Institutional ownership also asymmetrically affects the link between stock liquidity and returns (Daryaei & Fattahi, 2022).

Liquidity plays a nuanced role in moderating the effect of capital structure on firm value, as evidenced by various academic perspectives. Myers and Rajan (1998) highlight the liquidity paradox, where more liquid assets can both enhance and hinder a firm's ability to raise external finance, depending on the context. This dual nature of liquidity suggests that while it can facilitate financing by making assets more attractive to lenders, it can also reduce a firm's commitment to specific projects, potentially affecting its capital structure decisions. DeAngelo et al. (2022) research on leverage and cash dynamics further supports this complexity by showing that cash balances and leverage interact in ways that affect capital structure, with firms often increasing leverage when internal funds are scarce. This interaction suggests that liquidity, in the form of cash reserves, can buffer leverage volatility, thereby stabilizing a firm's capital structure. Furthermore, Chang et al. (2017) have shown that during a financial crisis, liquidity in the form of cash holdings becomes more valuable, especially for financially constrained firms, which can affect firm value by providing a cushion against external shocks. This suggests that liquidity can enhance firm value by offering flexibility in times of financial distress. Furthermore, Lemmon et al. (2014) discuss how securitisation, a form of liquidity management, can optimise capital structure by reducing financing costs and bankruptcy risk, thus positively impacting firm value. Finally, Acharya et al. (2013) emphasize that firms with high aggregate risk prefer cash reserves over credit lines. Studies have shown that liquidity management strategies are crucial in determining how capital structure affects firm value. Collectively, these insights illustrate that liquidity not only moderates the impact of capital structure on firm value by providing financial flexibility and reducing risk but also interacts with leverage and cash dynamics to influence a firm's financial strategy.

H4: Liquidity has a significant effect on firm value.

H5: Liquidity moderates the impact of capital structure on firm value.

H6: Liquidity moderates the impact of company size on firm value.

H7: Liquidity moderates the impact of profitability on firm value.

### **Good Corporate Governance as a Moderator Variable**

Good Corporate Governance (GCG) is widely recognized as a critical factor influencing firm value, though its effects are context-dependent and often mediated by other variables. Corporate governance mechanisms, such as board structures, independent commissioners, and institutional ownership, are designed to mitigate agency



emphasizing that both internal management and structural mechanisms are crucial for value maximization.

## RESEARCH METHODS

This study uses a quantitative approach with a causal-comparative research method. The primary objective of this approach is to examine the causal relationship between the independent variables (capital structure, firm size, and profitability) and the dependent variable (firm value), while considering the role of moderating variables (liquidity and corporate governance). This approach is commonly used in corporate finance research to provide empirical evidence for the proposed hypothesis (Sekaran & Bougie, 2016). The population in this study is all non-cyclical consumer sector companies listed on the Indonesia Stock Exchange (IDX) during the period 2020 to 2024. This sector was chosen because of its defensive characteristics and tendency to be stable in fluctuating economic conditions.

The research sample was selected from companies in the non-cyclical consumer sector listed on the Indonesia Stock Exchange (IDX) in 2024, initially comprising 116 firms. The first screening excluded newly listed companies after 2020, leaving 90 firms that had been consistently registered on the IDX during the 2020–2024 period. The second stage focused on firms with complete financial statements and annual reports for the same period, reducing the sample to 70 companies. Firms under delisting status or subject to late reporting sanctions were further excluded, resulting in 50 companies. In the fourth stage, only companies providing consistent data for the research variables, namely, Price-to-Book Value (PBV), Debt-to-Equity Ratio (DER), Return on Assets (ROA), Current Ratio (CR), and corporate governance, were retained, narrowing the sample to 25 firms. Finally, the sample was refined to include companies with complete, consistent, and relevant data representing the main sub-sectors of food and beverages, retail, pharmaceuticals, and tobacco, resulting in a final sample of 15 companies. Over the study period of 2020–2024, this yielded a total of 75 observations (15 companies × 5 years) used in the research analysis.

This study uses secondary data from company annual reports, sustainability reports, and financial statements, accessed via the companies' official websites and the Indonesia Stock Exchange. Secondary data was used to enhance objectivity and research reliability (Sekaran & Bougie, 2016). Data were collected through documentation, downloaded, and systematically processed to form a complete dataset. Panel data regression analysis was employed to examine variable influences and interactions, using EViews 9 with both fixed-effects (FEM) and random-effects (REM) models. The Hausman test determined the best-fitting model, forming the basis for the baseline and moderation analysis.

$$Y = \alpha + \beta_1 DER + \beta_2 SIZE + \beta_3 ROA + \varepsilon$$

$$Y = \alpha + \beta_1 DER + \beta_2 SIZE + \beta_3 ROA + \beta_4 CR + \beta_5 (DER \times CR) + \beta_6 (SIZE \times CR) + \beta_7 (ROA \times CR) + \varepsilon$$

$$Y = \alpha + \beta_1 DER + \beta_2 SIZE + \beta_3 ROA + \beta_4 CGI + \beta_5 (DER \times CGI) + \beta_6 (SIZE \times CGI) + \beta_7 (ROA \times CGI) + \varepsilon$$

Where :

Y	: Company Value (PBV)
A	: Constant (intercept)
DER ( $X_1$ )	: Capital Structure (Debt to Equity)Ratio)
SIZE ( $X_2$ )	: Company Size (Ln Total Assets)
ROA ( $X_3$ )	: Profitability (Return on Assets)
CR ( $M_1$ )	: Liquidity (Current Ratio) as a moderator
CGI ( $M_2$ )	: Corporate Governance Index as a moderator

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7$  : Regression coefficients  
 $\varepsilon$  : Error term

Before regression analysis, classical assumption tests are conducted to ensure model validity and unbiased estimates. Normality is checked using the Jarque-Bera test, where a probability  $>0.05$  indicates normally distributed residuals. Multicollinearity is assessed via the Variance Inflation Factor (VIF), with values  $<10$  indicating no serious multicollinearity. Autocorrelation is tested using the Durbin-Watson (DW) statistic, where values near 2 indicate no autocorrelation. Heteroscedasticity is examined with the Glejser test, with significance  $>0.05$  confirming constant residual variance. Once assumptions are satisfied, hypothesis testing is performed. The t-test evaluates the individual effect of each independent variable ( $p < 0.05$  indicates significance), the F-test assesses simultaneous effects ( $p < 0.05$  indicates overall model significance), and the coefficient of determination ( $R^2$ ) measures how well independent variables explain dependent variable variation. Together, these tests ensure the regression results are valid, reliable, and explanatory.

## RESULTS

In quantitative research using panel data, selecting the appropriate regression model is crucial for valid and reliable results. Panel data combines cross-sectional and time-series dimensions, offering richer information than single-dimension data, but only if the model matches the data characteristics. The Common Effect Model (CEM) assumes all firms are homogeneous, the Fixed Effect Model (FEM) accounts for individual differences with distinct intercepts, and the Random Effect Model (REM) treats differences as random and uncorrelated with independent variables. Incorrect model choice can produce biased or inefficient estimates, especially when testing moderating variables like liquidity (CR) and corporate governance (CGI). Tests such as the Chow, Hausman, and Lagrange Multiplier determine the best model. Proper selection ensures that coefficient estimates are consistent, unbiased, and substantively meaningful, accurately reflecting the relationships between variables.

**Table 1.** Results of Moderated Regression Model Selection with Panel Data.

Test Type	Test Statistics	Probability	Decision	Selected Model
Redundant	$F = 194.5277$	0.0000	Prob $< 0.05$	Fixed Effect Model (FEM) more
Fixed Effects Test	274.6566		$\rightarrow$ Reject $H_0$	right compared to Common Effect Model (CEM)
Hausman Test	$\text{Chi}^2 = 11.5618$ (df = 5)	0.0413	Prob $< 0.05$ $\rightarrow$ Reject $H_0$	Fixed Effect Model (FEM) more precise than Random Effect Model (REM)

Based on Table 1, the following findings were obtained. First, the Redundant Fixed Effects Test results show a probability value of 0.0000 for the F test and 0.0000 for the Chi-square test. These probability values are lower than the 0.05 significance level, so the null hypothesis ( $H_0$ ) is rejected. Thus, it can be concluded that the Fixed Effect Model (FEM) is more appropriate to use than the Common Effect Model (CEM). This indicates that there are significant differences between individuals (cross-section) in the model, so the FEM approach is more appropriate because it can accommodate the presence of different individual effects. Furthermore, the Hausman Test results show a Chi-square statistic value of 11.5618 with a p-value of 0.0413, which is smaller than 0.05. This means the null hypothesis ( $H_0$ ) is again rejected. Thus, it can be concluded that the Fixed Effect Model (FEM) is more appropriate to use than the Random Effect Model (REM). These results confirm that the inter-individual differences in the research data are not random, but rather correlated with the independent variables. Therefore, the FEM model was chosen to produce more consistent and unbiased estimates. Therefore, based on the results of these two tests, the most appropriate panel regression model for this study is the Fixed

Effects Model (FEM). The selection of the FEM indicates that the characteristics of each sample company have different fixed influences on company value, making this approach most suitable for analyzing the influence of independent and moderating variables on the dependent variable

Table 2. Descriptive Statistics

Variables	Mean	Median	Maximum	Minimum	Std. Dev.	Observations
X1	0.959600	0.740000	3.580.000	0.170000	0.837503	75
X2	2.511.429	2.447.500	3.303.000	1.633.000	4.901.537	70
X3	0.105600	0.090000	0.350000	0.010000	0.071077	75
Y	3.830.000	0.810000	5.677.000	0.180000	8.468.817	75
M1	9.874.040	1.950.000	1.757.000	0.450000	3.665.431	75
M2	8.465.333	8.400.000	1.000.000	8.000.000	4.850.448	75
M1 x X1	4.667.653	1.570.000	1.142.400	0.500000	1.897.363	75
M1 x X2	1.639.342	5.268.000	28972.93	4.320.000	6.014.924	75
M1 x X3	1.467.267	0.180000	3.742.400	0.030000	6.102.525	75
M2 x X1	8.326.800	6.375.000	35800.00	1.445.000	8.048.600	75
M2 x X2	2.016.527	2.034.400	2.807.550	9.680.000	4.560.365	75
M2 x X3	9.179.067	7.650.000	3.480.000	0.940000	6.928.591	75

Based on Table 3, it can be explained that the research variables have quite diverse distribution characteristics. Variable X1 (Debt to Equity Ratio/DER) shows an average of 0.96 with a minimum value of 0.17 and a maximum of 3.58. This indicates that the capital structure levels of the sample companies are relatively varied, with a standard deviation of 0.83, indicating a fairly wide difference between companies. Variable X2 (Size The variable X3 (Profitability/ROA) has an average value of 2.51 million (in log units of total assets) with a median of 2.44 million and a maximum of 3.30 million. However, the standard deviation is very high (4.90 million), indicating a large gap between companies in terms of asset size. Meanwhile, X3 (Profitability/ROA) is relatively more stable with an average of 0.106, a minimum value of 0.01, a maximum of 0.35, and a standard deviation of 0.071, indicating that the data distribution is still quite controlled. For the dependent variable Y (Firm Value/PBV), the average is 3.83 million, and the median is 0.81, indicating significant inequality. This is reinforced by the standard deviation of 8.46 million, so the distribution of company values in the sample is very spread out, and there are companies with very high PBV. Furthermore, the moderating variable M1 (Liquidity/CR) has an average value of 9.87 million with a median of 1.95 million. The spread is quite high, with a standard deviation of 3.66 million, indicating a large variation in liquidity levels between companies. Similarly, M2 (Good Corporate Governance/GCG), with a mean of 8.46 million, a median of 8.40 million, and a standard deviation of 4.85 million, indicates differences in the implementation of corporate governance. In the interaction variables, the average values vary quite significantly. In general, the descriptive analysis results indicate that the research data exhibits heterogeneous characteristics across sample companies.

Table 3. Determination Coefficient Test

Model	Adjusted R-squared
Model 1 (X1, X2, X3)	0.984381
Model 2 (X1, X2, X3, M1, M1 Interaction)	0.984141
Model 3 (X1, X2, X3, M2, M2 Interaction)	0.985462

Table 3 shows that the estimation results show that Model 1 (which only includes the main independent variables: DER, Size, and ROA) produces an Adjusted R-squared value of 0.984381. This figure means that 98.44% of the variation in firm value can be explained by these three variables, while the remaining 1.56% is explained by other factors outside the research model. This value is already very high, indicating that the basic model is strong enough to predict firm value. In Model 2, after the addition of the liquidity

variable (CR) and its moderating interaction, the Adjusted R-squared value actually decreased slightly to 0.984141. Conversely, Model 3, which includes Good Corporate Governance (GCG) and its moderating interaction, increases the Adjusted R-squared value to 0.985462, the highest value compared to the two previous models. This indicates that the presence of GCG can strengthen the model's ability to explain variations in firm value.

**Table 4.** F Test

Model	Prob(F-statistic)	Information
Model 1 (X1, X2, X3)	0.000000	Significant
Model 2 (X1, X2, X3, M1, M1 Interaction)	0.000000	Significant
Model 3 (X1, X2, X3, M2, M2 Interaction)	0.000000	Significant

Table 4 shows that the estimation results show that the Prob(F-statistic) value in the three research models is 0.000000, which is much smaller than the 5% significance level. This indicates that all three models, Model 1 (X1, X2, X3), Model 2 (X1, X2, X3, M1, M1 Interaction), and Model 3 (X1, X2, X3, M2, M2 Interaction), are all simultaneously significant.

**Table 5.** Combined Results of Multiple Regression Analysis and Hypothesis Testing

Variable	Model 1	Model 2 (M1 Moderation)	Model 3 (M2 Moderation)	Result
C (Constant)	0.5756 (p=0.5498)	0.8275 (p=0.4164)	30.8771 (p=0.0630)	Not significant in all models
X1 (DER)	0.6676 (p=0.0219)	0.7973 (p=0.0108)	10.9274 (p=0.0907)	Significant in Model 1 & 2
X2 (Size)	0.000249 (p=0.5287)	0.0000264 (p=0.9512)	-0.01438 (p=0.0382)	Only significant in Model 3
X3 (ROA)	3.2847 (p=0.1469)	2.7730 (p=0.3453)	-20.9392 (p=0.3998)	Not significant
M1 (CR)	-	-0.1279 (p=0.2007)	-	Not significant
M1X1 (DER×CR)	-	-0.0000163 (p=0.9901)	-	Not significant
M1X2 (Size×CR)	-	0.007915 (p=0.1946)	-	Not significant
M1X3 (ROA×CR)	-	-0.007470 (p=0.2357)	-	Not significant
M2 (GCG)	-	-	-0.3581 (p=0.0702)(marginal)	Nearly significant (10% level)
M2X1 (DER×GCG)	-	-	-0.001227(p=0.1156)	Not significant
M2X2 (Size×GCG)	-	-	0.017316(p=0.0346)	Significant
M2X3 (ROA×GCG)	-	-	0.2984(p=0.3010)	Not significant

Based on Table 5, the t-test is used to partially test the effect of each independent variable on the dependent variable, assuming the other variables are held constant. The test criterion is that if the probability value (p-value) is <0.05, then the independent variable is declared to have a significant effect on the dependent variable.

## DISCUSSION

The analysis shows that the Debt-to-Equity Ratio (DER) has a positive and significant effect on Price-to-Book Value (PBV) in Models 1 and 2, supporting the first hypothesis (H1) that higher leverage increases firm value, provided debt remains within optimal

limits. A positive DER coefficient indicates that the market perceives firms willing to use debt as capable of exploiting tax shields and enhancing managerial discipline. This aligns with Botta and Colombo (2022), who emphasize that capital structure decisions reflect a complex interaction of firm-specific, macroeconomic, and institutional factors determining optimal leverage. Dierkes and de Maeyer (2020) note that blended financing strategies, which better reflect real-world behavior, significantly influence market valuation. Ozdagli (2012) adds that financial leverage can increase investment irreversibility through interest tax deductions, affecting stock returns and amplifying value premiums. However, excessive leverage can harm Tobin's Q and ROA, highlighting the need for careful leverage management. In capital-intensive industries, deviations from target leverage affect strategic decisions such as mergers and acquisitions (Alexandridis et al., 2020), while financial flexibility allows firms to adjust to future investment shocks (Lambrinoudakis et al., 2019). Horváthová and Mokrišová (2017) further confirm leverage as a key determinant of business performance. In stable, non-cyclical sectors, measured leverage becomes a strategic tool to enhance investor-perceived value.

Firm size does not significantly affect PBV in Models 1 and 2, but in Model 3, it negatively impacts PBV. Large firms often face higher agency costs due to operational complexity, potentially reducing market valuation (Racicot et al., 2019). Ineffective governance exacerbates these inefficiencies, as seen in Chinese firms lacking a controlling entity (Qin et al., 2023). Strong governance mechanisms, such as effective boards, can reduce agency costs and enhance transparency, mitigating stock price decline risks (Treepongkaruna et al., 2023). In Indonesia, firm size alone does not significantly affect profitability, indicating that governance quality is more influential (Suroto & Setiadi, 2019). Disclosure of ESG information can reduce information asymmetry and agency costs, particularly in larger firms with strong liquidity and historical performance. These findings suggest that firm size influences value only when governance is effective, supporting partial acceptance of H2.

Return on Assets (ROA) does not significantly affect PBV in any model, rejecting H3. While profitability theoretically attracts investor interest, in the non-cyclical consumer sector, PBV is driven more by growth expectations, brand reputation, and capital structure. Fixed effects capturing inter-firm heterogeneity suggest that variations in ROA insufficiently explain PBV changes. Similar results were reported in consumer goods sub-sector studies from 2018 to 2020. Corporate Sustainability Performance (CSP) further emphasizes long-term value creation over short-term financial metrics like ROA (Ali & Jadoon, 2022). Strategic decisions such as refranchising and buybacks also influence stock returns, particularly in lower ROA firms (Sadovnikova et al., 2023). Thus, profitability is not the primary determinant of PBV in this sector.

Liquidity, measured by the current ratio does not significantly impact PBV, rejecting H4, and it does not moderate the relationships between DER, size, or profitability and firm value. The influence of liquidity varies across markets, and in stable sectors, investors prioritize efficient fund use over excess liquidity (Beber et al., 2009a; Pereira & Zhang, 2010; He & Milbradt, 2014; Liu et al., 2023b). High-risk firms may hold cash primarily for risk mitigation rather than value enhancement. and firm-specific factors further obscure liquidity effects (De Jong et al., 2008; Acharya et al., 2013; Suroto & Setiadi, 2019; Vuković et al., 2022).

Good Corporate Governance (GCG) generally functions more as a moderator than a direct determinant of firm value. While GCG alone often does not significantly impact PBV, it interacts with factors like firm size and profitability to enhance perceived value (Permatasari & Musmini, 2023; Sulastiningsih et al., 2023; Vashti & Nugraheni, 2024; Nugraha et al., 2024; Aprilia & Yanti, 2024). For instance, strong governance in large firms mitigates agency risks and enhances investor trust, increasing value (Beiner et al., 2006; Khanchel, 2007; Cheung et al., 2007; Kohl & Schaefer, 2012; Suhadak et al., 2020). Conversely, GCG does not significantly moderate the relationship between DER or ROA and PBV, reflecting mixed empirical evidence and contextual dependence (Rocca, 2007; Larcker et al., 2007; Fox et al., 2019; Purbawangsa et al., 2020; Suhadak et al., 2020; Putri

& Megawati, 2021; Sonjaya & Muslim, 2023). The results suggest that while DER and firm size significantly influence PBV, ROA and liquidity do not, and GCG primarily enhances firm value through its interaction with size rather than serving as a direct driver.

## CONCLUSION

Based on the analysis and discussion, the following research conclusions can be drawn. First, capital structure, as proxied by the Debt to Equity Ratio (DER), has a significant positive effect on firm value (PBV). This indicates that increasing the proportion of debt in the capital structure is perceived by the market to increase firm value despite the inherent financial risk. Second, firm size has been shown to have a significant negative effect on PBV, but only in certain models. Therefore, it can be concluded that larger firms do not always increase market value due to the complexity of bureaucracy and higher managerial risk. Third, profitability (ROA) does not significantly affect PBV, indicating that a company's ability to generate returns on assets has not been directly appreciated by the market in the non-cyclical consumer sector. Fourth, liquidity (CR) does not significantly affect PBV and is not shown to moderate the influence of DER, Size, or ROA on PBV. This confirms that the adequacy of current assets to short-term liabilities is not a primary factor in market valuation. Fifth, corporate governance (GCG) also does not have a significant effect on PBV, but has a significant positive moderating role on the relationship between Size and PBV. Thus, good GCG practices can strengthen the value of large companies by addressing the weaknesses arising from their large business scale, although GCG does not moderate the relationship between DER and ROA on PBV. Overall, this study shows that DER is a consistent factor influencing company value, while GCG's role as a moderator is more prominent in strengthening the value of large companies. These findings provide important implications that optimal capital structure management and effective governance implementation are key for non-cyclical consumer sector companies to increase their market value on the Indonesia Stock Exchange.

Theoretically, the research results strengthen the trade-off theory regarding the positive effect of leverage on firm value, while also confirming the role of GCG as a moderating variable according to the agency theory perspective. Practically, companies are advised to optimize their capital structure with a healthy debt composition, while large companies need to strengthen governance practices to minimize weaknesses due to business scale. For investors, capital structure and governance should be primary considerations in investment decision-making. For further research, it is recommended to add other variables such as dividend policy or growth opportunity, expand the research period beyond 2024, use more robust econometric methods, and conduct cross-sector comparisons to examine differences in the influence patterns of firm value determinants.

## REFERENCES

- [1] Acharya, V. V, Almeida, H., & Campello, M. (2013). Aggregate risk and the choice between cash and lines of credit. *Journal of Finance*, 68(5), 2059–2116.
- [2] Agatha, C., Liani, C., Nathalie, N., & Meiden, C. (2023). Pengaruh dari good corporate governance terhadap nilai perusahaan dengan menggunakan meta analisis. *Jurnal Riset Akuntansi dan Manajemen Malahayati (JRMM)*, 12(1), 1-12.
- [3] Ajeigbe, K. B., & Ganda, F. (2023). Management of risk of corporate distress and failure before, during and after the covid-19 pandemic via corporate governance performance. *International Journal of Innovative Research and Scientific Studies*, 6(4), 741–752.
- [4] Alexandridis, G., Antypas, N., Gulnur, A., & Visvikis, I. (2020). Corporate financial leverage and M&As choices: Evidence from the shipping industry. *Transportation Research Part E: Logistics and Transportation Review*, 133(1), 1-14.
- [5] Ali, A., & Jadoon, I. A. (2022). The value relevance of corporate sustainability performance (CSP). *Sustainability*, 14(15), 90-98.
- [6] Ali, S., Zhongxin, W., Ali, Z., Fei, G., & Chowdhury, M. A. S. (2022). Does institutional quality moderate the relationship between corporate governance and stock liquidity? Evidence from the emerging market of Pakistan. *Frontiers in Psychology*, 13(1), 8-27.
- [7] Alofaysan, H., Jarbouy, S., & Binsuwadan, J. (2024). Corporate sustainability, sustainable

- governance, and firm value efficiency: evidence from Saudi listed companies. *Sustainability*, 16(13), 36-54.
- [8] Alsayegh, M. F., Rahman, R. A., & Homayoun, S. (2022). Corporate sustainability performance and firm value through investment efficiency. *Sustainability*, 15(1), 305-315.
- [9] Amjad, R. M., Rafay, A., Arshed, N., Munir, M., & Amjad, M. M. (2021). Non-linear impact of globalization on financial crimes: a case of developing economies. *Journal of Money Laundering Control*, 25(2), 358-375.
- [10] Anthonisz, S. A., & Putnins, T. (2017). Asset pricing with downside liquidity risks. *Management Science*, 63(8), 2549-2572.
- [11] Aprilia, F., & Yanti, H. B. (2024). Pengaruh corporate social responsibility dan good corporate governance pada nilai perusahaan dengan ukuran perusahaan sebagai variabel moderasi. *Jurnal Ekonomi Trisakti*, 4(2), 1051-1058.
- [12] Armstrong, C. S., Core, J. E., Taylor, D. J., & Verrecchia, R. E. (2011). When does information asymmetry affect the cost of capital?. *Journal of accounting research*, 49(1), 1-40.
- [13] Badruzaman, J., Fadilah, A. R., & Abdurrahman, F. (2022). Determining the effect of return on equity (ROE) on price earnings ratio (PER) and price to book value (PBV) in LQ45 companies, Indonesia. *WSEAS Transactions on Business and Economics*, 19(2), 1564-1575.
- [14] Bae, K. H., El Ghouli, S., Guedhami, O., Kwok, C. C., & Zheng, Y. (2019). Does corporate social responsibility reduce the costs of high leverage? Evidence from capital structure and product market interactions. *Journal of Banking & Finance*, 100(3), 135-150.
- [15] Balakrishnan, K., Billings, M. B., Kelly, B., & Ljungqvist, A. (2014). Shaping liquidity: On the causal effects of voluntary disclosure. *the Journal of Finance*, 69(5), 2237-2278.
- [16] Beber, A., Brandt, M. W., & Kavajecz, K. A. (2009a). Flight-to-quality or flight-to-liquidity? Evidence from the euro-area bond market. *Review of Financial Studies*, 22(3), 925-957.
- [17] Beiner, S., Drobetz, W., Schmid, M. M., & Zimmermann, H. (2006). An integrated framework of corporate Governance and firm valuation. *European Financial Management*, 12(2), 249-283.
- [18] Bekaert, G., Harvey, C. R., & Lundblad, C. (2007). Financial openness and the Chinese growth experience. In *China's Financial Transition at a Crossroads*. New York/1 Columbia University Press.
- [19] Ben-Zvi, T., & Luftman, J. (2022). Post-pandemic IT: Digital transformation and sustainability. *Sustainability*, 14(22), 152-175.
- [20] Biçer, M., & Şit, A. (2023). The impact of corporate governance quality on firm value: a case study on corporate governance index of bursa istanbul. *Central European Business Review*, 12(3), 1-13.
- [21] Biddle, G. C., Chen, P., & Zhang, G. (2001). When capital follows profitability: Non-linear residual income dynamics. *Review of Accounting Studies*, 6(2), 229-265.
- [22] Block, J., & Fathollahi, R. (2023). Foundation ownership and firm growth. *Review of Managerial Science*, 17(8), 2633-2654.
- [23] Bose, S., Shams, S., Ali, M. J., & Mihret, D. (2022). COVID-19 impact, sustainability performance and firm value: international evidence. *Accounting & Finance*, 62(1), 597-643.
- [24] Botta, M., & Colombo, L. V. A. (2022). Non-linear capital structure dynamics. *Journal of Business Finance & Accounting*, 49(9-10), 1897-1928.
- [25] Chang, Y. K., Chou, R. K., & Huang, T. H. (2014). Corporate governance and the dynamics of capital structure: New evidence. *Journal of Banking & Finance*, 48(3), 374-385.
- [26] Chang, Y., Benson, K., & Faff, R. (2017). Are excess cash holdings more valuable to firms in times of crisis? Financial constraints and governance matters. *Pacific-Basin Finance Journal*, 45(1), 157-173.
- [27] Charina, A., Kurnia, G., Mulyana, A., & Mizuno, K. (2022). Sustainable education and open innovation for small industry sustainability post covid-19 pandemic in Indonesia. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(4), 215-230.
- [28] Chen, L., Lesmond, D. A., & Wei, J. (2007). Corporate yield spreads and bond liquidity. *The journal of finance*, 62(1), 119-149.
- [29] Chen, V. Z., Li, J., & Shapiro, D. M. (2011). Are OECD-prescribed "good corporate governance practices" really good in an emerging economy?. *Asia Pacific Journal of Management*, 28(1), 115-138.
- [30] Cheung, Y. L., Thomas Connelly, J., Limpaphayom, P., & Zhou, L. (2007). Do investors really value corporate governance? Evidence from the Hong Kong market. *Journal of International Financial Management & Accounting*, 18(2), 86-122.
- [31] Chowdhury, H., Hasan, M. M., Luong, H., & Xu, S. (2025). Do ceos' industry tournament incentives affect stock liquidity?. *Corporate Governance: An International Review*, 33(4), 717-759.
- [32] Clinch, G., & Verrecchia, R. E. (2015). Voluntary disclosure and the cost of capital. *Australian Journal of Management*, 40(2), 201-223.
- [33] Conti, A., Thursby, J., & Thursby, M. (2013). Patents as signals for startup financing. *The Journal of Industrial Economics*, 61(3), 592-622.
- [34] Crocco, E., Broccardo, L., Alofaysan, H., & Agarwal, R. (2024). Sustainability reporting in carbon-intensive industries: Insights from a cross-sector machine learning approach. *Business Strategy and the Environment*, 33(7), 7201-7215.
- [35] Csedő, Z., Magyari, J., & Zavarkó, M. (2022). Dynamic corporate governance, innovation, and sustainability: Post-COVID period. *Sustainability*, 14(6), 31-89.

- [36] D'Amore, G., Testa, M., & Lepore, L. (2024). How is the utilities sector contributing to building a sustainable future? A systematic literature review of sustainability practices. *Sustainability*, 16(1), 374.
- [37] Daryaei, A. A., & Fattahi, Y. (2022). Stock liquidity and stock return: an asymmetric impact of institutional ownership approach. *Corporate Governance: The International Journal of Business in Society*, 22(4), 781-797.
- [38] De Jong, A., Kabir, R., & Nguyen, T. T. (2008). Capital structure around the world: The roles of firm-and country-specific determinants. *Journal of banking & Finance*, 32(9), 1954-1969.
- [39] DeAngelo, H. (2022). The capital structure puzzle: what are we missing?. *Journal of Financial and Quantitative Analysis*, 57(2), 413-454.
- [40] DeAngelo, H., Gonçalves, A. S., & Stulz, R. M. (2022). Leverage and cash dynamics. *Review of Finance*, 26(5), 1101-1144.
- [41] Dekimpe, M. G., & Deleersnyder, B. (2018). Business cycle research in marketing: A review and research agenda. *Journal of the Academy of Marketing Science*, 46(1), 31-58.
- [42] Diantimala, Y., Syahnur, S., Mulyany, R., & Faisal, F. (2021). Firm size sensitivity on the correlation between financing choice and firm value. *Cogent Business & Management*, 8(1), 19-26.
- [43] Dierkes, S., & de Maeyer, I. (2020). Valuation with mixed financing strategies. *Business Research*, 13(3), 1317-1341.
- [44] Dreżewski, R., Kruk, S., & Makowka, M. (2018). The evolutionary optimization of a company's return on equity factor: Towards the agent-based bio-inspired system supporting corporate finance decisions. *IEEE Access*, 6(2), 51911-51930.
- [45] Duchin, R., & Harford, J. (2021). The COVID-19 crisis and the allocation of capital. *Journal of Financial and Quantitative Analysis*, 56(7), 2309-2319.
- [46] El-Chaarani, H., & Abraham, R. (2022). The impact of corporate governance and political connectedness on the financial performance of Lebanese banks during the financial crisis of 2019–2021. *Journal of Risk and Financial Management*, 15(5), 203-220.
- [47] Ellen Pei-yi Yu., Guo, C. Q., & Luu, B. V. (2018). Environmental, social and governance transparency and firm value. *Business Strategy and the Environment*, 27(7), 987-1004.
- [48] Englmaier, F., & Leider, S. (2012). Contractual and organizational structure with reciprocal agents. *American Economic Journal: Microeconomics*, 4(2), 146-183.
- [49] Farooq, M., Al-Jabri, Q., Khan, M. T., Ali Ansari, M. A., & Tariq, R. B. (2024). The impact of corporate governance and firm-specific characteristics on dividend policy: an emerging market case. *Asia-Pacific journal of business administration*, 16(3), 504-529.
- [50] Farooq, M., Noor, A., & Ali, S. (2022). Corporate governance and firm performance: empirical evidence from Pakistan. *Corporate Governance: The International Journal of Business in Society*, 22(1), 42-66.
- [51] Fatima, N., Shaik, A. R., & Tripathy, S. (2023). Firm value and profitability of Saudi Arabian companies listed on tadawul: moderating role of capital structure. *International Journal of Sustainable Development and Planning*, 18(5), 1515-1521.
- [52] Fox, M. B., Gilson, R. J., & Palia, D. (2019). The core corporate governance puzzle: contextualizing the link to performance. *BUL Rev.*, 99(2), 199-215.
- [53] Gajdzik, B., & Wolniak, R. (2022). Smart production workers in terms of creativity and innovation: The implication for open innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(2), 68-80.
- [54] Garad, A., Rahmawati, A., & Pratolo, S. (2021). The impact of board directors, audit committee and ownership on financial performance and firms value. *evaluation*, 17(18), 19-30.
- [55] Gopalan, R., Kadan, O., & Pevzner, M. (2012). Asset liquidity and stock liquidity. *Journal of Financial and Quantitative Analysis*, 47(2), 333-364.
- [56] Gorton, G., Kahl, M., & Rosen, R. J. (2009). Eat or be eaten: A theory of mergers and firm size. *The Journal of Finance*, 64(3), 1291-1344.
- [57] He, Z., & Milbradt, K. (2014). Endogenous liquidity and defaultable bonds. *Econometrica*, 82(4), 1443-1508.
- [58] Hegde, A. A., Panda, A. K., & Masuna, V. (2023). Does companies' financial flexibility drive their leverage dynamics? New evidence. *Managerial Finance*, 49(2), 270-290.
- [59] Helmina, M. R. A., Sutomo, I., & Respati, N. W. (2022). Empirical examination of green industry strategy through ISO-14001 on firm value: Mediating roles of profitability and leverage. *Planning*, 17(5), 1417-1424.
- [60] Holden, C. W., Jacobsen, S., & Subrahmanyam, A. (2014). The empirical analysis of liquidity. *Foundations and Trends® in Finance*, 8(4), 263-365.
- [61] Horváthová, J., & Mokrišová, M. (2017). Výkonnost' verzus efektivnost' podniku. *Journal of Global Science*, 2(3), 23-40.
- [62] Huang, H., & Ye, Y. (2021). Rethinking capital structure decision and corporate social responsibility in response to COVID-19. *Accounting & Finance*, 61(3), 4757-4788.
- [63] Jaworski, J., & Czerwonka, L. (2021). Determinants of enterprises' capital structure in energy industry: Evidence from European Union. *Energies*, 14(7), 1871.

- [64] Khanchel, I. (2007). Corporate governance: measurement and determinant analysis. *Managerial Auditing Journal*, 22(8), 740-760.
- [65] Kohl, N., & Schaefer, W. (2012). Corporate governance and market valuation of publicly traded real estate companies: Evidence from Europe. *The Journal of Real Estate Finance and Economics*, 44(3), 362-393.
- [66] La Rocca, M. (2007). The influence of corporate governance on the relation between capital structure and value. *Corporate Governance: The international journal of business in society*, 7(3), 312-325.
- [67] Lambrinoudakis, C., Skiadopoulou, G., & Gkionis, K. (2019). Capital structure and financial flexibility: Expectations of future shocks. *Journal of Banking & Finance*, 104(2), 1-18.
- [68] Larcker, D. F., Richardson, S. A., & Tuna, I. R. (2007). Corporate governance, accounting outcomes, and organizational performance. *The accounting review*, 82(4), 963-1008.
- [69] Laux, C., Lóránth, G., & Morrison, A. D. (2018). The adverse effect of information on governance and leverage. *Management Science*, 64(4), 1510-1527.
- [70] Lemmon, M., Liu, L. X., Mao, M. Q., & Nini, G. (2014). Securitization and capital structure in nonfinancial firms: An empirical investigation. *The Journal of Finance*, 69(4), 1787-1825.
- [71] Linawati, N., & Aisjah, S. (2022). The effect of profitability and Bank size on firm. *Investment Management and Financial Innovations*, 19(2), 331-343.
- [72] Liu, G., Li, J., Gregoriou, A., & Bo, Y. (2023). Which market enhances market efficiency by improving liquidity? evidence of market liquidity in relation to returns of stocks. *Asian Economic Papers*, 22(1), 33-61.
- [73] Luo, Z., Li, Y., Nguyen, L. T., Jo, I., & Zhao, J. (2024). The moderating role of country governance in the link between ESG and financial performance: A study of listed companies in 58 countries. *Sustainability*, 16(13), 5410-5430.
- [74] Magill, M., Quinzii, M., & Rochet, J. C. (2015). A theory of the stakeholder corporation. *Econometrica*, 83(5), 1685-1725.
- [75] McCann, F., McGeever, N., & Yao, F. (2023). SME viability in the COVID-19 recovery. *Small business economics*, 61(3), 1053-1074.
- [76] Medrano-Adán, L., Salas-Fumás, V., & Javier Sanchez-Asin, J. (2019). Firm size and productivity from occupational choices. *Small Business Economics*, 53(1), 243-267.
- [77] Msomi, T. S. (2022). Factors affecting non-performing loans in commercial banks of selected West African countries. *Banks and Bank Systems*, 17(1), 1-10.
- [78] Muzaki, R. A., Damayanti, F., & Espa, V. (2024). The effect of capital structure, liquidity and company size on profitability. *Jurnal Ilmiah Manajemen Kesatuan*, 12(5), 1857-1864.
- [79] Myers, S. C., & Rajan, R. G. (1998). The paradox of liquidity. *The quarterly journal of economics*, 113(3), 733-771.
- [80] Nadarajah, D., & Syed A. Kadir, S. L. (2016). Measuring business process management using business process orientation and process improvement initiatives. *Business process management journal*, 22(6), 1069-1078.
- [81] Nugraha, K. A., Asmeri, R., & Lubis, D. (2024). Pengaruh ukuran perusahaan, good corporate governance (gcg) dan profitabilitas terhadap nilai perusahaan (studi kasus perusahaan sub sektor farmasi yang terdaftar di BEI Periode 2017-2021). *Ekasakti Matua Jurnal Manajemen*, 2(3), 277-287.
- [82] Nurlita, M. I., & Gunarsih, T. (2021). Analysis of the effect of dividend policies on corporate value with good corporate governance (gcg) as moderating variables. *International Journal of Business, Humanities, Education and Social Sciences (IJBHES)*, 3(1), 12-17.
- [83] Othman, R., Laswad, F., & Berkahn, M. (2023). Financial CRIM Es in small businesses: causes and consequences. *Journal of Financial Crime*, 30(3), 742-758.
- [84] Ozdagli, A. K. (2012). Financial leverage, corporate investment, and stock returns. *The Review of Financial Studies*, 25(4), 1033-1069.
- [85] Ozdemir, O., & Kilincarslan, E. (2021). The governance role of shareholders and board of directors on firm performance: an eclectic governance-performance model. *International Journal of Accounting & Information Management*, 29(4), 493-527.
- [86] Pereira, J. P., & Zhang, H. H. (2010). Stock returns and the volatility of liquidity. *Journal of Financial and Quantitative Analysis*, 45(4), 1077-1110.
- [87] Permatasari, K. I., & Musmini, L. S. (2023). Pengaruh good corporate governance terhadap nilai perusahaan dengan ukuran perusahaan sebagai variabel moderasi:(studi empiris pada BUMN yang tergabung dalam Indeks SRI-KEHATI yang terdaftar di Bursa Efek Indonesia 2019-2021). *Jurnal Ilmiah Akuntansi dan Humanika*, 13(3), 407-417.
- [88] Polat, A. Y., & Tekin, H. (2024). How does csr strategy impact corporate cash policy in emerging markets? evidence from the covid-19 outbreak. *Journal of Central Banking Law and Institutions*, 3(2), 285-310.
- [89] Pouryousefi, S., & Frooman, J. (2017). The problem of unilateralism in agency theory: towards a bilateral formulation. *Business Ethics Quarterly*, 27(2), 163-182.
- [90] Pramono, A. B. S., & Bustaman, Y. (2025). Evaluating firm value in Indonesian state-owned enterprises: the roles of efficiency, profitability, and board independence. *Jurnal Ilmiah Akuntansi Kesatuan*, 13(3), 523-534.

- [91] Prusko, W., & Ehmke, D. (2023). Restructuring lessons from the Covid pandemic: Bail-out vs. Market approach: Country view: Germany. *European Business Organization Law Review*, 24(2), 207-229.
- [92] Purbawangsa, I. B. A., Solimun, S., Fernandes, A. A. R., & Mangesti Rahayu, S. (2020). Corporate governance, corporate profitability toward corporate social responsibility disclosure and corporate value (comparative study in Indonesia, China and India stock exchange in 2013-2016). *Social Responsibility Journal*, 16(7), 983-999.
- [93] Puspitawati, L. (2022). Capital structure, profitability, hedging policy, firm size, and firm value: Mediation and moderation analysis. *Journal of Eastern European and Central Asian Research*, 9(5), 789-801.
- [94] Qin, J., Liu, J., & Deng, D. (2023). Absence of ultimate controller and investment efficiency: Evidence from China. *Plos one*, 18(6), 28-40.
- [95] Racicot, F. É., Rentz, W. F., Tessier, D., & Theoret, R. (2019). The conditional Fama-French model and endogenous illiquidity: A robust instrumental variables test. *PloS one*, 14(9), 22-59.
- [96] Ritzen, J. M. (2011). *Eine Chance für europäische Universitäten*. Berlin: Königshausen & Neumann.
- [97] Romito, S., & Vurro, C. (2021). Non-financial disclosure and information asymmetry: A stakeholder view on US listed firms. *Corporate Social Responsibility and Environmental Management*, 28(2), 595-605.
- [98] Rosario, S., & Mazumdar, C. S. (2022). A study of the impact of value-added efficiency on profitability and market value in the Indian pharma industry. *Academic Journal of Interdisciplinary Studies*, 11(1), 212-225.
- [99] Saba, I., Ariff, M., & Mohd Rasid, E. S. (2021). Performance of Shari'ah-compliant and non-Shari'ah-compliant listed firms: a case study of Malaysia. *International Journal of Islamic and Middle Eastern Finance and Management*, 14(1), 128-150.
- [100] Sadovnikova, A., Kacker, M., & Mishra, S. (2023). Franchising structure changes and shareholder value: Evidence from store buybacks and refranchising. *Journal of the Academy of Marketing Science*, 51(5), 1098-1117.
- [101] Salisu, A. A., Omoke, P. C., & Sikiru, A. A. (2023). Geopolitical risk and global financial cycle: Some forecasting experiments. *Journal of Forecasting*, 42(1), 3-16.
- [102] Segura, L. C., Naser, A., Abreu, R., & Perez-Lopez, J. A. (2024). ESG dimensions and corporate value: insights for sustainable investments. *Sustainability*, 16(17), 7376.
- [103] Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. New Jersey: John Wiley & Sons.
- [104] Shubita, M. F. (2023). The relationship between profitability and cash flow in Jordanian banks. *Banks and Bank Systems*, 18(4), 195-210.
- [105] Sibilkov, V. (2009). Asset liquidity and capital structure. *Journal of financial and quantitative analysis*, 44(5), 1173-1196.
- [106] Sonjaya, Y., & Muslim, M. (2023). The effect of capital structure on firm value in banking companies listed on the Indonesia Stock Exchange. *Golden Ratio of Finance Management*, 3(1), 44-55.
- [107] Spitsin, V., Ryzhkova, M., Vukovic, D., & Anokhin, S. (2020). Companies profitability under economic instability: evidence from the manufacturing industry in Russia. *Journal of Economic Structures*, 9(1), 9-23.
- [108] Suhadak, Mangesti Rahayu, S., & Handayani, S. R. (2020). GCG, financial architecture on stock return, financial performance and corporate value. *International Journal of Productivity and Performance Management*, 69(9), 1813-1831.
- [109] Sulastiningsih, S., Pradita, Y., & Waeno, M. (2023). Pengaruh good corporate governance terhadap nilai perusahaan: Studi empiris pada perusahaan LQ45 Periode 2016-2020. *Jurnal Riset Akuntansi dan Bisnis Indonesia*, 3(2), 595-616.
- [110] Sumani, S., & Suryaningsih, I. B. (2022). The moderating role of good corporate governance: the influence of capital structure, profitability, dividend payment and inflation on the value of mining companies in Indonesia. *Quality-Access to Success*, 23(188), 1-10.
- [111] Sun, Y., Qiao, X., An, Y., Fang, Q., & Wu, N. (2022). Does multiple capitals disclosure affect the capital market? An empirical analysis in an integrated reporting perspective. *Frontiers in Psychology*, 13, 72-83.
- [112] Suroto, F., & Setiadi, I. (2019). Pengaruh good corporate governance dan firm size terhadap profitabilitas (studi empiris pada perusahaan non keuangan indeks LQ 45 Yang Terdaftar Di BEI Tahun 2013-2017). *Journal of Accounting Science*, 3(2), 79-101.
- [113] Tortajada, G. E., Moreira, A. C., Duarte, P., & Silva, S. C. (2024). Circular economy and sustainability in luxury fashion consumer behavior: A review and research agenda. *International Journal of Consumer Studies*, 48(5), 13-30.
- [114] Treepongkaruna, S., Chatjuthamard, P., & Leemakdej, A. (2023). Stock price crash risk and military connected board: Evidence from Thailand. *Plos one*, 18(6), 1-10.
- [115] Vashti, D. A., & Nugraheni, R. (2024). Pengaruh mekanisme good corporate governance terhadap nilai perusahaan. *Accounting Student Research Journal*, 3(1), 22-37.
- [116] Vuković, B., Tica, T., & Jakšić, D. (2022). Sustainable growth rate analysis in Eastern European companies. *Sustainability*, 14(17), 10-21

- [117] Wang, J., Zhang, Y., & Goh, M. (2018). Moderating the role of firm size in sustainable performance improvement through sustainable supply chain management. *Sustainability*, *10*(5), 16-30.
- [118] Zackery, A., Amankwah-Amoah, J., Heidari Darani, Z., & Ghasemi, S. (2022). COVID-19 research in business and management: A review and future research agenda. *Sustainability*, *14*(16), 98-110.
- [119] Zhan, Y., Liao, J., & Zhao, X. (2024). Top management team stability and maturity mismatch between investment and financing: the moderating effects of state ownership and institutional ownership. *International Journal of Emerging Markets*, *9*(1), 1-130.
- [120] Zhou, G., Liu, L., & Luo, S. (2022). Sustainable development, ESG performance and company market value: Mediating effect of financial performance. *Business Strategy and the Environment*, *31*(7), 3371-3387.
- [121] Zhou, M., Wang, H., Zeng, X., Yin, P., Zhu, J., Chen, W., ... & Liang, X. (2019). Mortality, morbidity, and risk factors in China and its provinces, 1990–2017: a systematic analysis for the Global Burden of Disease Study 2017. *The Lancet*, *394*(10204), 1145-1158.