

5. RESEARCH MODEL

5.1. Conclusion

The purpose of this research is to examine and understand the impact of concentrated ownership structure, board independence, and corporate social responsibility disclosure (CSR) towards a market-based performance which are market liquidity and firm value. The samples used in this research were the 34 consumer goods manufacturing companies which are listed in Indonesian Stock Exchange within five-year period in the year of 2014 to 2018. Hence, the total observation of this research is 170 firm years.

In this research, the independent variables are concentrated ownership structure, board independence, and CSR disclosure with controlling variables of company size, capital structure (leverage), and book-to-market value as the indicators. The dependent variables of this research are market liquidity and firm value.

Based on the research statistical testing, the outcome are as follow:

1. The first and second hypotheses are rejected since concentrated ownership structure fails to influence the market liquidity and firm value.
2. The third hypothesis is rejected since board independence fails to give effect to market liquidity.
3. The fourth hypothesis is accepted for board independence successfully gives impact towards the value of a firm.
4. The fifth and sixth hypotheses are both accepted for CSR disclosure and are proven to give significant impact to market liquidity and firm value.

5.2. Recommendation

1. The research results prove that firm size has a significant role as a control towards stocks liquidity and firm value. It would be better for the management to pay close attention in managing the firm's total asset which is seen by the investors as the point of reference of their portfolios.
2. In addition, leverage is also seen to play a significant role as a control towards both dependent variables. This means, besides only maintaining the assets the firms possess, it is also important to consider the most suitable method in funding the assets which can be

done through raising debt or equity. The management could pay attention to the costs the firm would bear in raising debt or equity so it will not be in excess of the assets' values.

3. The disclosure of Corporate Social Responsibility activities is, too, significant in influencing the market liquidity and firm value. The management could begin to consider investing in performing CSR activities, especially for long-term purposes, in maximizing the satisfaction of the stakeholders. CSR disclosure could act as an attraction to the shareholders for it will reflect the firm's contribution not only to their wealth but also to the society as a whole.
4. As for board independence, it was seen to have insignificant impact in determining liquidity, but significant in firm value. This means, the board independence still has the role of supporting the firm's existence in the market for the shareholders would want a fair and true monitoring towards the management and as harmony in meeting the interests of managements and shareholders.
5. Lastly, even if the concentrated ownership structure fails to give significant influence towards liquidity and firm value, it will be better for the management to reconsider the ownership structure to reduce information asymmetry caused by the concentrated structure, which probably could restrict the minority shareholders in obtaining information of the firm's operation.

5.3. Result Limitation and Future Recommendation

The limitation of this research is that the concentrated ownership structure fails to give influence towards market liquidity and firm value. This outcome could be caused by the limited samples which are placed on the consumer goods sector in Indonesia Stock Exchange. The inclusion of diverse industrial sectors, corporate history, regulation, political, government, and country states could generate different outcomes and influence towards the research.

In addition, there is still little knowledge and education in regards to corporate governance, not to mention the large costs the companies must bear in order to meet the governance standards. Thus, there is still little understanding and development to the disclosure of that information. Moreover, the stakeholders are, too, to be included as the determinants in driving the factors of market elements for the companies are required to act on behalf of their demand. Thus, to cope

with the limitations, the next research could compare more sectors besides consumer goods alone, to expose which sector could generate better and more specific outcomes.