

Board Age, Educational Background, and Foreign Nationality: Do They Affect Firm Value in the Mining Sector?

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Abstract

This study aims to examine the impact of board age, educational background, and foreign nationality on the firm value of mining companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022, from a corporate governance perspective. A quantitative approach with associative research methodology is employed, utilizing eViews version 12 and multiple linear regression analysis for data measurement. The research population comprises mining companies listed on the IDX during the specified period. The sample is determined using purposive sampling, resulting in a total of 18 companies and 72 observations. Secondary data is used in this study, obtained from the official IDX website (www.idx.co.id). Hypothesis testing is conducted using the t-test (partial) and R-test. The findings indicate that the age of board members significantly influences firm value, whereas the educational background of directors and the presence of foreign nationals on the board do not have a significant impact. The study concludes that the number of board members holding degrees in economics and business is relatively low compared to those without such qualifications. Additionally, the majority of board members are Indonesian citizens.

Keywords: Age, Educational Background, Nationality, Company Values

JEL: G3, G34, M14

1. Introduction

The increasingly rapid development of the times, supported by increasingly modern technology, makes business competition increasingly fierce. This is what encourages every business to work more efficiently and serve customers and stakeholders well. All business people compete to gain as much profit as possible, to continue to survive in the business world. One method is to have investors put money into a business, so that an investor is interested in investing their capital, the company must have good corporate value ([Rismawati, 2019](#)).

Company value is often used as a benchmark for a company's success for investors. A company that is good at increasing its company value is a company that continues to pay attention to and properly controls the use of its potential, both financial potential and non-financial potential. Achieving a high corporate value reflects perception of investors in business, which typically correlated with prices of share. The market just believes in the company's current development but also in its future potential ([Pramesti & Nita, 2022](#)). High company value can increase the

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welfare of shareholders. Meanwhile, in reality, company values fluctuate and some even experience a decline. This is suspected or caused, among other things, because of the diversity of the Board of Directors Diversity, such as the age of the board of directors, the background of the board of directors (BOD) and the board of directors being foreign nationals.

One of the companies that has an important role in encouraging economic progress is the mining sector company, especially those operating in the raw material producing industry for the coal mining sector. Mining sector companies are companies that are often associated with their governance. The mining industry is also included in the high profile industry, which is generally a company that receives attention from the public because of its operational activities and carries out broader social responsibilities that have an impact on society and has consumer visibility, high political risk, and faces high competition ([Kustina & Hasanah, 2020](#)).

The board of directors, whose is in charge of making decisions and establishing the company's objectives, can have an impact on the value of the firm. Board diversity is the term used to describe the makeup of a diverse company's board of directors. Because board diversity is viewed as a sign of independence and accountability in decision making, businesses must take into account factors like age, educational background, and ethnicity when choosing members for their boards ([Putri, 2020](#)).

In essence, a business seeks to maximize earnings for the benefit of entity owners and shareholders. In addition to that, the corporation wants to increase its value. Investors can learn about the company's performance and potential by examining its value ([Abbas & Dillah, 2020](#)).

2. Literature Review

2.1 Agency Theory

Agency theory, a branch of corporate governance theory, is frequently employed in studies to comprehend the connection between the qualities of the board of directors and business value, according to [Carter et al. \(2020:24\)](#). The owner-manager relationship is asymmetrical as a result of agency theory. A concept—good company governance—is required to prevent this unbalanced connection.

[Yogiswari & Badera \(2019\)](#) state that scholars frequently employ agency theory to explain the connection between board members and firm value. This is also true with regard to the association between the board of directors' age, educational background, and foreign national board members and the value of the company.

2.2 Signal Theory

Signal theory, according to [Brigham and Houston \(2019:33\)](#), is a practice used by business management to inform investors about the company's outlook for the future. [Pramesti & Nita \(2022\)](#) state that the foundation of signal theory is the issue of gaps or uneven access to information, whether it be financial or non-financial, that is deemed significant and may influence how external parties respond to the company's information. One way to do this is for the company to give a signal by disclosing relevant information to stakeholders.

This information will provide a good signal to interested parties so that it will influence the value of the company. Meanwhile, non-financial information can be in the form of data related to board diversity, including the age of members of the board of directors, the educational background of members of the board of directors and the nationality of members of the board

of directors.

2.3. Corporate Governance

Corporate governance is something that investors consider before making an investment. Businesses that have adopted good governance are seen as capable of fulfilling their obligations, which gives investors confidence and encourages them to focus more on the business.

A key mechanism for ensuring effective corporate governance lies in how a company's board is structured. In this context, the board of directors serves as a critical internal mechanism that supports sound governance practices (Putri, 2020). [Rismawati \(2019\)](#) stated that "Good Corporate Governance is a system that regulates and controls companies and creates added value for all stakeholders".

2.4. The Value Of The Company

According to [Arifin \(2019\)](#), company value is the value of profits earned and expected in the future, which are calculated in the present by taking into account the appropriate interest rate. Increasing company value can be achieved if the company is able to create a conducive environment for efficient, good and profitable company operations. Investor perceptions of a company's worth are frequently mirrored in its share price, meaning that a high share price typically signals high company value. Many researchers contend that a firm's market capitalization reflects the genuine value of its assets ([Yulia et al., 2022](#)).

Implementing robust corporate governance practices is one strategy to enhance this value. Moreover, beyond the straightforward connection between corporate governance and firm value, board diversity emerges as a critical element. The varied composition of directors can significantly shape the manner in which corporate governance is executed. Additionally, Tobin's Q—an alternative metric developed by Professor James Tobin (Weston and Copeland, 2004) *Tidak ada di dapus*—is calculated by dividing the market value of a company's shares by the book value of its equity, thereby offering another perspective on firm valuation.

$$\text{TOBIN'S Q} = \text{MVE} + \text{DEBT} / \text{TOTAL ASSETS}$$

Where:

MVE = P X Q Shares

DEBT = (Total Debt + Inventory – Current Assets)

Information:

TOBIN'S Q	: Value Of Company
MVE	: Market Value Of The Number Of Shares Outstanding
Total Assets	: Total Company Assets
P	: Closing stock price at the end of the year
Q Shares	: Number of shares outstanding at the end of the year

2.5. Diversity Of Board Of Directors

2.5.1. Age Of Members Of The Board Of Directors

The age of the board of directors is an indicator of board diversity, which can influence company value. The existence of age diversity will provide different backgrounds such as diversity in terms of experience, skills, abilities and social networks.

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According to [Nugroho et al. \(2021\)](#), adulthood is segmented into three distinct stages: early adulthood (ages 18–40), middle adulthood (ages 40–50), and advanced adulthood (ages 50–60). Thus, board members in the early and middle stages are classified as young directors, while those in advanced adulthood are regarded as senior directors.

2.5.2. Educational Background Of Members Of The Board Of Directors

Education is something that is very beneficial for every individual, although it is not a requirement for an individual who immediately enters the business environment. According to Anderson et al., (2022) stated that the diversity of educational backgrounds of the board of directors contributes to greater company value, because directors from different backgrounds complement each other to advise and supervise senior managers which will ultimately increase company value.

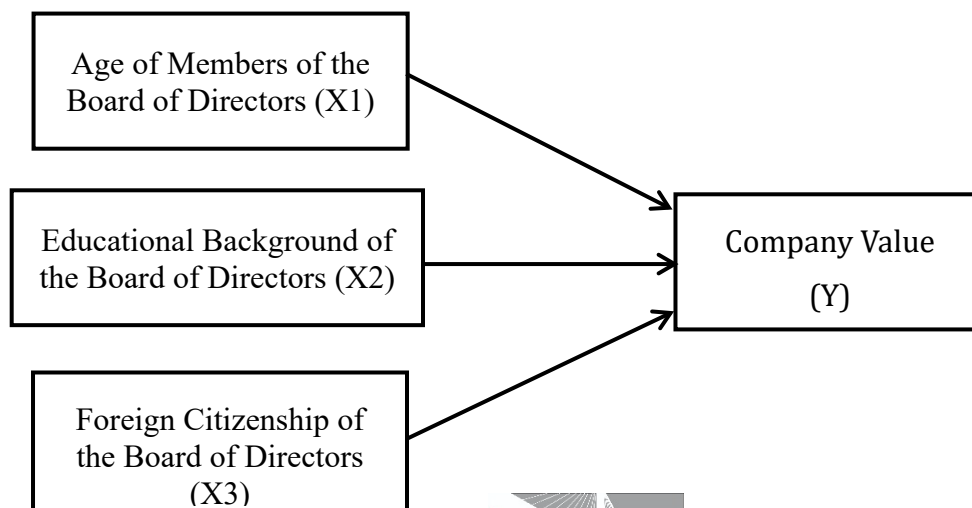
2.5.3. THE BOARD OF DIRECTORS ARE FOREIGN NATIONALS

According to [Liargovas & Skandalis \(2020\)](#), heterogeneous board members consisting of diverse nationalities will be more creative because they have different perspectives. This condition can produce better decisions and business strategies than having homogeneous board members. Additionally, the presence of foreign boards of directors demonstrates varying perspectives on the function of corporate boards in relation to control, particularly if they originate from nations with more robust shareholder rights ([Putri, 2020](#)).

Foreign national board members have different work experiences so they can bring diverse opinions and perspectives, and can also reflect different thoughts regarding the role of board members related to company control ([Yulia et al., 2022](#)).

2.6. Conceptual Research Framework

Based on Figure 1, you can see that the influence of three independent variables consisting of Age of Members of the Board of Directors (X1), Educational Background of the Board of Directors (X2) and Foreign Citizenship of the Board of Directors (X3) has on the dependent variable, namely Company Value (Y). To understand the problems to be discussed, it is necessary to have a conceptual framework which is the basis for researching problems with the aim of finding the truth of a research.



2.7. Research Hypothesis

The age of board members is related to the wisdom they have, the older a board member is, the wiser they are. This can be seen from a person's adult stages which are associated with performance, so someone in the middle adulthood group is the period when someone achieves and maintains satisfaction in their career. Instead of switching between companies, they usually concentrate more on their work. On the other hand, senior employees are more likely than younger ones to be loyal to the organization. This demonstrates how an individual's age can impact their performance at work, which ultimately can impact the worth of the firm ([Pramesti & Nita, 2022](#)).

[Putri \(2020\)](#) found that the age of board members positively influences firm value, whereas [Nugroho et al. \(2021\)](#) reported that greater age diversity among directors is significantly linked to a decline in firm value. Based on these findings, the following hypothesis is proposed:

H1: The age of board directors influences firm value from a corporate governance perspective.

In addition, the educational background of board members plays a crucial role in shaping company value, as it affects their knowledge and skill sets. The extent and type of education provide detailed insights into an individual's competencies. Although there is no requirement to have a business education for those

It would be preferable if board members had a business and economics degree before entering the corporate sphere. At the very least, board members who had prior business and economic understanding are more equipped to oversee the company and make choices than those who lack such experience ([Yogiswari & Badera, 2019](#)).

[Pradana and Khairusoalihin \(2021\)](#) demonstrate that the educational background of board members significantly influences firm value, while [Pramesti and Nita \(2022\)](#) show that educational diversity also plays a crucial role in determining company value. These findings provide further support for this assertion. These descriptions lead to the following hypothesis, which was reached in this study:

H2: The board of directors' educational background influences the company's value from a corporate governance perspective.

Furthermore, another factor that influences the value of the company is that the board of directors is a foreign citizen. Board members who are foreign nationals show that the company has been managed professionally, so that foreign investors do not hesitate to invest their capital in the company. A board of directors that has direct access to investors can indirectly provide confidence in investing in share capital in the company, with high share capital investment that will lead to high company value ([Pramesti & Nita, 2022](#)).

Judging from signal theory, the presence of foreign nationals on the board can bring a favorable signal since investors are more interested in the board of commissioners' competitive edge, which makes them want to make investments and raises the worth of the company ([Putri, 2020](#)).

This is also supported by the research results of [Yogiswari & Badera \(2019\)](#) stating that the national diversity variable has a positive influence on company value and the research results of [Umbing et al., \(2022\)](#) show that the board of directors has a positive influence on company value. Based on these descriptions, the hypothesis obtained in this research is:

H3: A board of directors with foreign nationality influences company value from a corporate governance perspective.

3. Research Method

3.1 Research Strategy

This study adopts a quantitative research design by employing secondary data drawn from the financial statements of mining companies listed on the Indonesia Stock Exchange (BEI) between 2019 and 2022. The data were sourced from the official BEI website (www.idx.co.id), annual corporate reports, and individual company websites.

3.1.1 Population and Research Sample

The population considered in this study comprises all mining-related businesses listed on the Indonesia Stock Exchange (BEI) between 2019 and 2022. The sampling method employed in this study is purposive sampling.

3.1.2 Operational Variables

Independent Variables

a. Age of Board Members

The board's age profile is assessed by determining the proportion of directors over the age of 40 relative to the total board membership. This approach is adapted from the methodology proposed by [Pramesti and Nita \(2022\)](#).

b. Educational Background of the Board

To evaluate the board's educational qualifications, the percentage of directors with academic backgrounds in business and economics is calculated relative to the overall number of board members. This metric is based on the research conducted by [Nugroho et al. \(2021\)](#).

c. Foreign Representation on the Board

The extent of international representation is measured by calculating the ratio of foreign nationals to the total number of directors on the board. This measurement approach is also derived from [Nugroho et al. \(2021\)](#).

Dependent Variables

The value of the company

The share price is a good indicator of a company's worth. The performance of the business and its potential for growth are factors that affect share price. Tobin's Q is the ratio that was employed in this study. The market value of a corporation, as determined by the market value of its existing shares and debt, is typically divided by the replacement cost of its assets to determine the value of Tobin's Q or Q ratio.

3.2 Data Analysis Method

The data in this study was processed using statistical software application and Microsoft Excel 2010 for data processing.

4. Findings and Discussions

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4.1. Research Result

This research used 72 observation data consisting of 18 sample companies with a research period of 4 years. The list of companies sampled in this research is as follows:

Table 1 List of Research Samples

No.	Code	Company Name
1	ADRO	Adaro Energy Indonesia Tbk.
2	APEX	Apexindo Pratama Duta Tbk.
3	ARII	Atlas Resources Tbk.
4	CNKO	Exploitasi Energi Indonesia Tb
5	DSSA	Dian Swastatika Sentosa Tbk
6	DWGL	Dwi Guna Laksana Tbk.
7	ETWA	Eterindo Wahanatama Tbk
8	FIRE	Alfa Energi Investama Tbk.
9	GEMS	Golden Energy Mines Tbk.
10	HITS	Humpuss Intermoda Transportasi
11	INPS	Indah Prakasa Sentosa Tbk
12	KOPI	Mitra Energi Persada Tbk.
13	PKPK	Perdana Karya Perkasa Tbk
14	PSSI	Pelita Samudera Shipping Tbk.
15	SOCI	Soechi Lines Tbk.
16	SURE	Super Energy Tbk.
17	TCPI	Transcoal Pacific Tbk.
18	TEBE	Dana Brata Luhur Tbk.

Source: www.idx.co.id (data processed)

4.2. Descriptive Statistical Analysis

Table 2 Descriptive Statistics

item	TOBIN	AGE	EDU	FOREIGN
Mean	6.456081	0.849537	0.708333	0.083333
Median	2.764948	1.000000	0.666667	0.000000
Maximum	56.54018	1.000000	1.000000	0.500000
Minimum	0.000000	0.000000	0.250000	0.000000
Std. Dev.	10.35793	0.238441	0.307382	0.148018
Skewness	3.155180	-1.762883	-0.296749	1.579352
Kurtosis	13.78340	5.818367	1.373905	4.316327
Jarque-Bera	468.3071	61.12268	8.989274	35.13036
Probability	0.000000	0.000000	0.011169	0.000000
Sum	464.8378	61.16667	51.00000	6.000000
Sum Sq. Dev.	7617.351	4.036651	6.708333	1.555556
Observations	72	72	72	72

Source: output process

Based on Table 2, the descriptive statistics reveal that the firm value variable (Tobin's Q) ranged from a minimum of 0.00 to a maximum of 56.54, with an average of 6.45 during the 2019–

2022 period. This range indicates a considerable variation in firm values, with some companies achieving very high valuations and others recording a value of 0.00. The mean of 6.45 suggests that, on average, companies in the sample had a firm value of 6.45 in decimal terms (or 6.45%) over the study period.

During the 2019–2022 period, the mean proportion of board members over the age of 40 was 0.84, with observed values ranging from 0.00 to 1.00. A value of 0.00 indicates that some companies had no board members above 40, while a value of 1.00 signifies that, in certain cases, every board member was over 40. Overall, the average of 0.84 suggests that most companies in the sample maintained a high proportion of board members in this age group.

The educational background variable for board members indicates that, during the 2019–2022 period, the proportion of directors with a background in economics and business ranged from a minimum of 0.25 to a maximum of 1.00, with an average value of 0.70. A minimum value of 0.25 suggests that in some companies only one out of every four board members (or 25%) holds a degree in economics and business. Conversely, a maximum value of 1.00 indicates that in certain cases all board members possess this qualification. Overall, an average value of 0.70 implies that about 70% of the board members across the sample have an educational background in economics and business.

Between 2019 and 2022, the metric for the proportion of foreign nationals on the board of directors ranged from 0.00 to 0.50, with an average value of 0.83. A minimum value of 0.00 indicates that certain companies had no foreign nationals serving on their board, whereas a maximum value of 0.50—representing a scenario where one out of every two board members is a foreign national—demonstrates that some companies had up to 50% foreign representation. The mean value of 0.83 suggests that, overall, the majority of companies exhibited a notably high proportion of foreign nationals on their boards.

4.3. Data Panel Model Selection Test

1. Chow Test

Table 3 Chow Test (Likelihood Ratio)

Effects Test	Statistic	d.f.	Prob.
Cross-section F	5.912101	(17,52)	0.0000
Cross-section Chi-square	77 469000	17	0.0000

Source: output process

The results from Table 3 above show that the p value (cross-section F) of 0.0000 is smaller than 0.05 or $0.0000 < 0.05$, so a temporary conclusion can be drawn that the model chosen is the Fixed Effect Model (FEM).

2. Hausman Test

Table 4 Chow Test (Likelihood Ratio)

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.033253	2	0.9835

Source: output

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The results from table 4 above show that the p value (cross-section Random) of 0.9835 is greater than 0.05 or $0.9835 > 0.05$, so a temporary conclusion can be drawn that the model chosen is the Random Effect Model (REM).

3. Lagrange Multiplier Test

Table 5 Chow Lagrange Multiplier (LM)

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	31.07560 (0.0000)	1.221675 (0.2690)	32.29728 (0.0000)
Honda	5.574550 (0.0000)	-1.105294 (0.8655)	3.160241 (0.0008)
King-Wu	5.574550 (0.0000)	-1.105294 (0.8655)	1.139983 (0.1271)
Standardized Honda	6.516490 (0.0000)	-0.884489 (0.8118)	0.356503 (0.3607)
Standardized King-Wu	6.516490 (0.0000)	-0.884489 (0.8118)	-1.184315 (0.8819)
Gourieroux, et al.	--	--	31.07560 (0.0000)

Source: output process

Table 5 indicates that the Breusch-Pagan (BP) statistic is 0.0000, which is below the significance threshold of 0.05 ($0.0000 < 0.05$). Consequently, the Random Effects Model (REM) is deemed the most appropriate estimation approach.

4.4. Panel Data Regression Analysis

Table 6 Chow Test (Likelihood Ratio)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9.098308	8.683469	1.047773	0.2985
AGE	0.446804	7.684173	0.058146	0.0195
EDU	-3.066425	7.343129	-0.417591	0.6776
FOREIGN	-10.20555	16.33993	-0.624577	0.5343

Source: output process

According to Table 6, the regression analysis reveals the following coefficients: a constant of 9.0983; for the age variable, a coefficient of 0.4468; for the educational background variable, a coefficient of -3.0664; and for the foreign nationality variable, a coefficient of -10.2055.

From these results, the panel data regression equation that occurred in this research is obtained, namely:

$$Y = 9,0983 + 0,4468 \text{ age} - 3,0664 \text{ edu} - 10,2055 \text{ foreign}$$

Based on the panel data regression model, the following interpretations can be made:

1. The constant term of 9.0983 implies that when the variables for board members' age, educational background, and foreign nationality are all zero, the firm's baseline value is

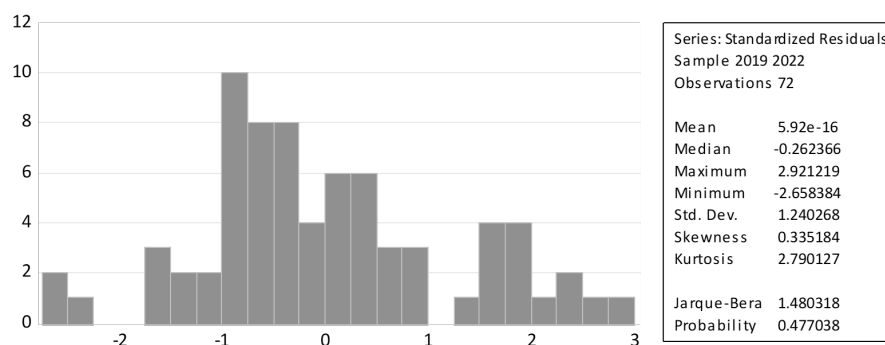
9.0983.

2. The positive coefficient of 0.4468 for the age variable suggests that, holding all other factors constant, a one-unit increase in the age variable is associated with a 0.4468 increase in the firm's value.
3. The educational background variable has a coefficient of -3.0664 , indicating that, with other variables held constant, a one-unit rise in this factor leads to a decrease in firm value by 3.0664.
4. Lastly, the coefficient for the foreign national variable is -10.2055 , which means that, assuming all else remains unchanged, a one-unit increase in the proportion of foreign board members is associated with a 10.2055 reduction in the company's value.

4.4. Classic Assumption Test

1. Normalitas Test

Table 7 Normalitas Test



Source: output process

Based on the table above, the normality test results can be expressed with a probability value of 0.477038, greater than 0.05, so it can be concluded that the data is normally distributed.

2. Multikolinearitas Test

Table 8 Multikolinearitas Test

	AGE	EDU	FOREIGN
AGE	1.000000	-0.157444	-0.241775
EDU	-0.157444	1.000000	0.721251
FOREIGN	-0.241775	0.721251	1.000000

Source: output process

Based on the results of the multicollinearity test, all inter-variable correlation coefficients were below 0.90, indicating that the dataset does not exhibit any multicollinearity issues.

3. Heteroskedastisitas Test

Table 9 Heteroskedastisitas Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.186043	0.206709	5.737740	0.0000

AGE	0.322689	0.346875	0.930275	0.3555
EDU	0.268864	0.396691	0.677766	0.5002
FOREIGN	0.086303	0.353703	0.244000	0.8080

Source: output Process

Based on Table 9, it can be seen that there is no probability value between variables that is smaller than 0.05. So it can be concluded that there is no heteroscedasticity problem in this research.

4.5. Hypothesis Test

1. Partial Test (Test T)

Tabel 10 Partial Test (Test T) (ganti)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9.098308	8.683469	1.047773	0.2985
AGE	0.446804	7.684173	0.058146	0.0195
EDU	-3.066425	7.343129	-0.417591	0.6776
FOREIGN	-10.20555	16.33993	-0.624577	0.5343

Sumber : *Output Process*

Based on Table 10, the results of the partial T-test can be summarized as follows:

1. Age of Board Members:

The significance value for the age variable is 0.0195, which is below the 0.05 threshold. Consequently, the null hypothesis is rejected in favor of the alternative hypothesis, indicating that the age distribution of board members has a statistically significant partial impact on company value.

2. Educational Background:

The educational background variable has a significance value of 0.6776, exceeding the 0.05 threshold. This leads to the acceptance of the null hypothesis and the rejection of the alternative hypothesis, suggesting that the educational background of board members does not significantly affect company value.

3. Foreign Nationality:

The variable representing the proportion of foreign nationals on the board yields a significance value of 0.5343, which is also greater than 0.05. Thus, the null hypothesis is accepted, indicating that the presence of foreign nationals on the board does not have a statistically significant impact on company value.

2. Coefficient of Determination Test (R²)

Tabel 11 Coefficient of Determination Test (R²)

R-squared	0.006766
Adjusted R-squared	0.037053
S.E. of regression	6.959361
F-statistic	0.154401

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Prob (F-statistic)	0.926510
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Sumber : *Output*

Based on the data in Table 11 above, the Adjust R-Squared value is 0.037053 or 3.70%. This means that the variables of age, educational background, and foreign nationality of board members can influence company value by 3.70%, while 96.30% is the contribution of other variables not included in this research.

4.6. Discussion

The discussion of the research results that will be explained next was obtained based on the results of the regression equation obtained previously, namely as follows:

$$Y = 9.0983 + 0.4468 \text{ age} - 3.0664 \text{ edu} - 10.2055 \text{ foreign}$$

Where the significance value (Prob.) obtained by age (X1) is 0.0195, edu (X2) is 0.6776 and foreign (X3) is 0.5343.

1. The Impact of Board Members' Age on Company Value

The results of the partial significance test (T Test) indicate that the age variable for board members has a probability value of 0.0195, which is below the 0.05 threshold. This leads to the rejection of the null hypothesis and the acceptance of the alternative, demonstrating that the age of board members has a statistically significant positive influence on firm value. In essence, for mining companies listed on the IDX between 2019 and 2022, firm value is notably affected by the presence of board members in middle adulthood (those aged over 40).

From a performance standpoint, middle-aged directors are typically at a point in their careers where they enjoy stable job satisfaction and are more inclined to remain focused on their current roles rather than seeking new opportunities. This continuity likely enhances the company's value. In contrast, board members in early adulthood (around age 40) often prioritize career progression over contributing to the firm's long-term value.

The results of this research are in line with research conducted by [Rismawati \(2019\)](#), [Nugroho et al., \(2021\)](#) and [Putri \(2020\)](#) which shows that the age of members of the board of directors has an effect on company value. Meanwhile, the results of this research are not in line with research conducted by [Aisyah & Raudhatul \(2022\)](#), [Pramesti & Nita \(2022\)](#), and [Umbing et al. \(2022\)](#), showing that the age of the board of directors has no effect on company value.

2. The Influence of Educational Background of Board of Directors Members on Values Company

According to the Partial Significance Test (T Test), the educational background variable for board members yielded a significance value of 0.6776, which exceeds the 0.05 threshold. As a result, the null hypothesis (H0) is retained while H2 is rejected, indicating that the educational background of board members does not significantly affect firm value. In other words, for mining companies listed on the IDX during the 2019–2022 period, having board members with finance and business-related degrees does not necessarily enhance company valuation.

This outcome may be attributed to the relatively small proportion of directors with backgrounds in business and economics within each organization. Many companies feature board members from diverse fields— for instance, ADRO includes legal experts, APEX has members with technological expertise, and ARII comprises professionals in mining engineering. Therefore,

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the limited presence of board members with business and economics qualifications is not the primary factor driving a company's worth.

The results of this research are in line with research conducted by [Aisyah & Raudhatul \(2022\)](#), [Umbing et al., \(2022\)](#), [Alaudin & Abdul \(2023\)](#) and [Rahma & Sukarmanto \(2023\)](#) showing that the educational background of members of the board of directors has no influence on the value of the company. Meanwhile, the results of this research are not in line with research conducted by [Yogiswari & Badera \(2019\)](#) and [Pradana & Khairusoalihin \(2021\)](#) showing that the educational background of members of the board of directors influences company value.

3. The Influence Of A Foreign Board Of Directors On Company Value

According to the Partial Significance Test (T-Test), the variable representing the proportion of foreign nationals on the board of directors has a significance value (p-value) of 0.5343, which is greater than 0.05. This leads to the acceptance of the null hypothesis (H0) and the rejection of H3, indicating that the presence of foreign directors does not significantly affect the firm's value.

This outcome suggests that, for the 2019–2022 period, the market value of mining companies listed on the IDX remains unaffected by the inclusion of foreign board members. One reason for this lack of impact may be that most companies have boards predominantly composed of Indonesian nationals—only five out of the eighteen companies include foreign nationals on their boards (with ADRO, APEX, ARII, ETWA, and SURE among those with at least one foreign director).

These findings align with previous research by [Pramesti & Nita \(2022\)](#) and [Putri \(2020\)](#), which also found that foreign nationals on the board do not significantly influence firm value. However, they contrast with the results of studies by [Yogiswari & Badera \(2019\)](#), [Nugroho et al. \(2021\)](#), and [Umbing et al. \(2022\)](#), which reported a significant impact of foreign board members on company value.

5. Conclusions

Based on the results of the research and discussion presented in the previous chapter, the following conclusions can be drawn:

1. The worth of the company is positively impacted by the age of the board of directors. It is possible to draw the conclusion that the more middle-aged directors there are on the board, the more they have the ability to raise and impact the company's value in mining businesses.
 2. The worth of the company is unaffected by the board of directors' educational backgrounds. Consequently, it can be concluded that board members with business and economic experience have no effect on raising the value of mining businesses.
 3. The value of the company is unaffected by the foreign nationality of the board of directors. The conclusion is that the high proportion of foreign nationals on the board of directors has no bearing on the growth of the firm value of mining businesses.
- Recommendations

Based on the research results, discussion and conclusions that have been described previously, the suggestions that the researcher would like to convey are as follows:

1. This research only examines the influence of age, educational background and nationality of members of the board of directors on company value. With the research

results that influence the age of members of the board of directors, it is hoped that this can be taken into consideration by companies in selecting members of their board of directors by preferring board members who are in the middle adulthood stage or aged > 40 years. Because at this age they tend to be more focused on work and not move from place to work, so they can provide more comprehensive results in increasing company value.

2. While the educational background of members of the board of directors and the nationality of members of the board of directors do not have an influence on the value of the company, it is hoped that members of the board of directors will also continue to receive education regarding economics & business even though they already have an educational background outside of economics & business. Because this can have an influence on the decision making of a member of the board of directors in a company. Also, with the majority of members of the board of directors having Indonesian citizenship, it is hoped that they will maintain a cooperative relationship from one company to another.

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