

The Effect Of Good Corporate Governance And Leverage Toward Company Value With Profitability As A Moderating Variable

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Abstract: The main purpose of this study was to determine the effect of good corporate governance mechanisms which consists of the composition of the Audit Committee, Institutional Ownership and Independent Commissioners, and leverage on firm value with return on assets as moderating. Some secondary data were collected as a sample from companies that included in the list of the Consumer Goods Sub-Sector listed in the Indonesia Stock Exchange in the period 2015 - 2018. The sampling technique which used in this study was purposive sampling method with the criteria as (1) listed in the Indonesia Stock Exchange from 2015 to 2018. (2) Publish the audited financial reports in the period 2015-2018 which was in Rupiah currency. (3) having an advantage. Some data that required in this study were taken from the Indonesian Capital Market Directory (ICMD) in 2015-2018. Multiple linear regression analysis was used in this study where the partial testing was analysed using the t statistical test and the simultaneous testing was analysed using the ANOVA statistical test and classical assumption test was conducted first before it. The results of this study shows that Good Corporate Governance which proxied by the Audit Committee has an effect on firm value, while Institutional Ownership and Independent Commissioners have no effect on firm value; Leverage and Profitability have a positive effect on firm value; Profitability is only able to moderate the audit committee, while Institutional Ownership and Independent Commissioners has no effect even though it was moderated by profitability; and Profitability is able to mediate the effect of Leverage on Firm Value.

Keywords: audit committee, independent commissioner, leverage, firm value, return on assets

1. Introduction

The purpose of a company is to enrich the financial condition of its owner or shareholders, and to maximize the value of the company (Danarwati, 2013). Company value itself is measured using the Tobin's Q ratio. Tobin's Q is an indicator that can show management performance in managing company activities to support firm value. If the company value is guaranteed, of course it will influence going concern of the company itself (Dewi, 2016). However, as an effort to maximize the firm value, agency conflicts often occur. One of conditions that causes agency conflict is information asymmetry which opens up opportunities for managers to take actions that give benefit to them (Budiharjo, 2016).

In Sabrin (2016), it is explained that profitability can be measured from two approaches, namely the sales approach and the investment approach. The most widely used measurement are return on assets (ROA) and return on equity (ROE). The profitability ratio is measured by ROA and ROE which reflects business attractiveness. Return on assets (ROA) is the proportion of overall ability of company to generate profit with the total number of available assets in the company. ROA is used to know the level of operational efficiency of the company as a whole. One of the profitability ratio measurements that is often used is return on equity (ROE), which is a measurement of the ability of company to generate profits using its own capital. This ratio shows the investment efficiency which seen in the effectiveness of their own capital management. Based on Monoarfa's research (2018), it was found that profitability has a significant positive effect on firm value. This is different from the results of research which done by Thaib and Dewantoro (2017).

Good Corporate Governance is very important for companies because it has a vital role in the development of corporate organization in developing countries (Narwal and Jindal, 2015) because the purpose of Corporate Governance is "to create added value for all interested parties (stakeholders)." Various types of fraud cases which done by managers on financial reports were carried out to invite investors or creditors to invest in companies (Dewi and Suardana, 2015).

There are many factors that influence the value of a company. Leverage is one of factors that affects firm value. Solvency or leverage is about measure of the extent to which a company is financed with debt (Wiagustini, 2014: 85). Companies can use leverage to obtain capital to get higher profit (Suwardika and Mustanda, 2017). Leverage has a significant positive effect on company value, this is in accordance with the results of research conducted by Suwardika and Mustanda (2017), Pratama and Wiksuana (2016). The opposite results were obtained by Rahmadani and Rahayu (2017), the results of thier research showed that leverage has a significant negative effect on company value but a research conducted by Cherytaet al. (2017) found that leverage does not significantly influence the company value.

A research which done by Wida and Suartana (2014) found that managerial ownership has no influence on firm value, but on the other hand, institutional ownership has a positive influence on firm value. In contrast to the research which conducted by Susanti and Mildawati (2014), its results showed that managerial ownership has a positive effect on firm value, but institutional ownership has no effect on firm value. Another study which done by Kusumaningtyas (2014) found that the audit committee has a positive effect on firm value. Meanwhile, a research conducted by Muryati and Suardikha (2014) showed that the committee had no effect on firm value.

A research which conducted by Hartoyo (2016) about good corporate governance showed that independent commissioners have a negative effect on firm value. Meanwhile, a research conducted by Dianawati and Siti (2016) found that Good Corporate Governance (GCG) as measured by an independent board of commissioners has a positive influence on firm value. The selection of the value of manufacturing companies as the object of research because manufacturing companies need long-term source of funds which obtained from stock investment by investors to finance the operational activities of company so that it affects the value of company (Herawaty, 2008).

Based on some explanation above, the authors here are interested in raising this issue as scientific writing with the title: "The Effect of Good Corporate Governance and Leverage on Firm Value with Profitability as a Moderating Variable".

Formulation of the problem

Based on the explanation above, the authors determine the formulation of the problems as follows:

- 1.Does the audit committee affect Firm Value?
- 2.Does institutional ownership affect Firm Value?
- 3.Does the independent commissioner affect the value of the company?
- 4.Does leverage affect Firm Value?
- 5.Does return on assets affect Firm Value?
- 6.Does return on assets moderate Good Corporate Governance toward firm Value?
- 7.Does return on assets moderate Leverage toward Firm Value?

2. Literature

Agency Theory

An agency relationship occurs when one or more individuals, which known as the principal, it hires another individual or organization, called as an agent to perform a number of services and delegate the authority to make decisions to the agent (Brigham and Houston, 2006). According to Darmawati et al. (2004), the essence of the agency relationship is the separation between ownership (principal / investor) and control (agent / manager). Ownership is represented by the investor who delegates authority to the agent, in this case is the manager, to manage the investor's wealth. Investors hope that by delegating such management authority, they will get benefit from the increase in investor wealth and prosperity.

The agency relationship can create problems when the parties concerned have different goals. Owners of the capital want their wealth and prosperity increase, while managers also want their welfare increase too, so that conflicts of interest arise between owners (investors) and managers (agents). Owners are more interested in maximizing return and securities price from their investments, while managers have broad psychological and economic need, including maximizing compensation (Darwis, 2009).

The Company Value

The first main objective of the company is to reach maximum profit or profit as much as possible. The second goal of the company is to prosper the owner of the company or the shareholders. Meanwhile, the third goal of the company is to maximize the company value which is reflected in its share price (Husnan, 2000: 7).

The company value is very important because high company value will be followed by the increase of shareholder wealth (Brigham and Gapenski, 1996). The higher the stock price, the higher the company value. Company owners desire high company value because it automatically shows that the shareholder's prosperity is high too.

Equity Market Value (EMV) diperoleh dari hasil perkalian harga saham penutupan (*closing price*) akhir tahun dengan jumlah saham yang beredar pada akhir tahun. *Equity Book Value* (EBV) diperoleh dari selisih total asset perusahaan dengan total kewajibannya.

The wealth of shareholders and the company is represented by the market price of the stock, which is a reflection of investment, financing, and asset management. The dependent variable in this research is company value and it is measured using Tobin's Q. According to Smithers and Wright (2000: 37), Tobin's Q is calculated by comparing the ratio of the stock market of company with the book value of company equity using the formula as follows:

$$\text{Tobin's Q} = \frac{(EMV + D)}{(EBV + D)}$$

Note:

- Tobin's Q = Company value
- D = Book value of total debt
- EMV = Equity Market Value
- EBV = Book value of equity (Equity Book Value)

Equity Market Value (EMV) is obtained from the multiplication of the closing stock price at the end of the year with the number of shares outstanding at the end of the year. Equity Book Value (EBV) is obtained from the difference between the total assets of company and its total liabilities.

Good Corporate Governance

Good Corporate Governance is one of the key elements in increasing economic efficiency including a series of relationship between company management, the board of directors, shareholders and other stakeholders (Wati, 2012). The Cadbury Committee, as quoted by the Forum for Corporate Governance in Indonesia (FCGI) defines the Corporate Governance as a set of regulations that control the relationship between shareholders, company managers, creditors, government, employees and internal stakeholders, other externs related to their rights and obligations, or in other words a system that regulates and controls the company. According to Muh (2009: 2) in Wati (2012), "Good Corporate Governance is defined as a set of systems that regulate and control a company to create added value (value added) for stakeholders. It is because Good Corporate Governance can encourage the formation of a clean, transparent and professional management work pattern. From the above definition, it can be concluded that Good Corporate Governance is a mechanism that regulates and controls the company through the relationship between shareholders, company managers, creditors, government, employees and other internal and external stakeholders with the main goal in increasing company value. There are five principles of Good Corporate Governance according to the National Committee on Governance Policy (KNKG) in Fadhilah (2014):

The GCG mechanism should be applied in every company in order to maintain the integrity of a financial report, as instructed by Nuryanah (2005) in Anisa (2013) that the implementation of good corporate governance will have an impact on the results of financial statements, the company or management will find it difficult to do accounting manipulation because there is supervision from the board of commissioners so that the results of financial

statements are in accordance with the actual situation and with integrity. Each company is expected to be able to ensure the implementation of GCG principles in each aspect of business and at all levels of company. In this research, the elements of corporate governance which used as the independent variables are:

a. Institutional Ownership

According to Bukhori (2012) in Wulandari & Budiarta (2014), institutional ownership is the percentage of the number of shares at the end of the accounting period owned by external parties, such as institution, companies, insurance, banks or other institutions. The existence of company ownership by institution is considered related to the quality of the financial statement which will be made like stated by Gidion (2005) in Anisa (2013) that the percentage of certain share owned by an institution can influence the process of preparing financial statement which will be accrualization based on the interests of management. Therefore, monitoring action is needed by a company and institutional shareholders so that the behavior of managers in controlling and making decisions can be limited.

b. Managerial ownership

Managerial ownership is the percentage of stock ownership by management who actively participates in making company decisions (Directors and Commissioners) (Setiana & Sibagariang 2013). It means that managerial ownership is a situation where managers who have rule in running the company also act as shareholders of the company. Jensen and Meckling (1976) in Wulandari & Budiarta (2014) state that stock ownership by management can help to unite the interests between the internal parties of company and investors. The best performance of company will increase the proportion of management stock ownership.

Possible assumption that appears in that statement is when the manager owns the company, the manager is no longer likely to act opportunistically. The relationship between managers and shareholders is an asymmetrical relationship in which it has potential to create conflicts between shareholders and management. If the management acts as a shareholder, the conflict is considered to be able to be minimized. Each decision from management which also acts as owner and its activities in a company will certainly be different from a company whose management does not have stock proportion in it. In a company with managerial ownership, managers will align their interests with their interests as shareholders. In contrast, for a company without managerial ownership, its managers are likely to be concerned only with their own interests.

c. Audit Committee S

In accordance with the Decree of the Chairman of BAPEPAM Number: Kep. 29 / PM / 2004, the audit committee is a committee which formed by the board of commissioners to supervise the management of a company. The audit committee acts as a liaison between shareholders, the board of commissioners and management. The audit committee has function to help the board of commissioners to improve the quality of financial reports, creating a climate of discipline and control that can reduce the opportunity for irregularities in company management, increase the effectiveness of internal and external audit function and identify matters that require the attention of the board of commissioners (Alijoyo, 2003). Thus, it can be said that the audit committee has function to help independent commissioners in terms of supervision and control as well as minimizing the occurrence of agency costs within the company.

Some duties of the audit committee are as stipulated in the Decree of the Chairman of BAPEPAM Number: Kep-29 / PM / 2004, namely:

1. Reviewing the financial information that will be issued by company, such as financial reports, projections and other financial information.
2. Reviewing company compliance toward laws and regulations in the capital market sector and other laws and regulations relating to company activities.
3. Reviewing the implementation of audits by internal auditors.
4. Making report to the commissioners about various risks faced by the company and the implementation of risk management by the board of directors.
5. Reviewing and reporting the board of commissioners on complaints relating to the issuer.

- Maintaining the confidentiality of documents, data and company secrets.

In BEJ Circular letter, Number: SE-008 / BEJ / 12-2001, it explains that the membership of the audit committee consists of at least three people including the chairman of the audit committee. The independent commissioner of company is a member of the audit committee as well as the chairman of audit committee. Meanwhile, other members are not independent commissioners and it must come from external independent parties who have no relationship with the company.

Leverage

The solvency ratio is a ratio that measures the amount of debt used in company spending (Sudana, 2009: 23). According to Kasmir (2012: 151), the solvency ratio is a ratio which used to measure the extent to which the assets of company are financed with debt. According to Manurung (2012), the solvency ratio is a ratio that shows the company's ability to fulfill all its financial obligations if the company is liquidated.

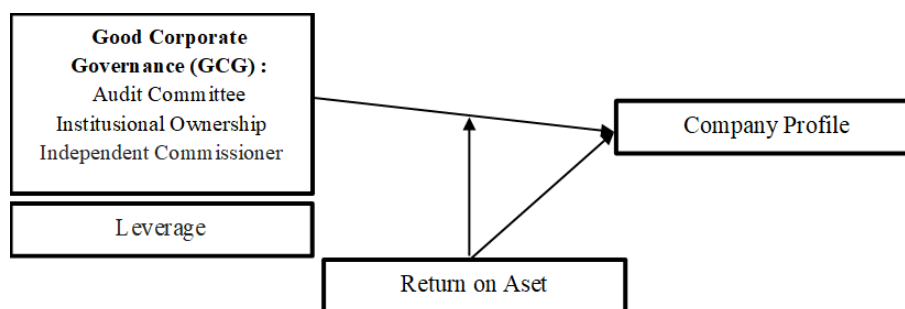
Profitability

Puspaningtyas (2017) explains that the ability of a company to get profits in a period reflects the ability of company to increase company value which is reflected in the stock price. Based on Monoarfa's research (2018), it showed that the profitability has a significant positive effect on firm value. This shows that the higher the profitability, the higher the firm value. The higher the ability of company to get profit, it will increase the company value as indicated by the increase in the stock price of company. Companies that have high profitability each year tend to be liked by many investors. This research predicts that profitability has a positive effect on company value.

3. Framework and Hypothesis Developing

Based on the formulation of problems above, the research objectives, and previous research, the research hypothesis is written as follows:

Figure 1, Theoretical Framework



Source: The results of author's analysis

Hypothesis

Based on the existing problems and some objectives that will be achieved, the authors have some hypothesis, namely:

- H1 = The effect of the Audit Committee on company value.
- H2 = The effect of institutional ownership on company value
- H3 = The Effect of independent commissioners on company value
- H4 = The effect of Leverage on company value
- H5 = Profitability toward the company value
- H6 = Profitability strengthens the relationship between Good Corporate Governance and Company Value

H7 = Profitability strengthens the relationship between Leverage and company Value

4. Research Method

Types of research

Casual associative research was used as the research method in this research. According to Sanusi (2011), associative-causal is research that looks for a relationship between two or more variables. The purpose of associative research is to find a relationship between one variable and another.

Population and Research Sample

The populations of this study were the companies that included in the list of sub sector of consumer goods listed in the Indonesia Stock Exchange in 2015-2018, namely 38 companies.

From the existing population, a certain number of samples were taken using purposive random sampling technique, namely the technique of determining samples with certain consideration (Suliyanto, 2005). The sample which used in this study was selected based on the following criteria:

1. Some companies which were listed in BEI/ Indonesia Stock Exchange (IDX) in 2015-2018
2. Some complete data owned by company and those data were in accordance with the variables studied.

According to those criteria, the number of company samples used was 15 companies in 4 periods, namely in 2015 - 2018. Then, the total samples were 15 companies x 4 periods = 60 data which to be used in this study.

Operational Variables

Table 1, Variable Operationalization

No	Variables	Indicators	Scales
1	Independent Variables (X1) AuditCommittee	Audit committee size = Σ Audit Committee	Nominal
2	Dependent Variables (X2) Institutional Ownership	$IO = \frac{\text{the total of institutional stock ownership}}{\text{The Total of company stock sheet}}$	Ratio
3	Independent Variables (X3) Independent Commissioner	Independent Commissioner size = Σ Independent commissioner	Ratio
4	Independent variables (X4) Leverage	$DER = \frac{\text{TotalDebt}}{\text{TotalEquity}}$	Ratio
5	Independent variables (X5) Profitability	$ROA = \frac{\text{Net Income}}{\text{TotalAsset}}$	Ratio
6	Dependent variables (Y) Company value	$\text{Tobin's Q} = \frac{(EMV + D)}{(EBV + D)}$	Ratio

Data collection technique

Some data used in this research is time series data. According to Kuncoro (2009), time series data is data that is arranged chronologically according to time in a certain variable. Time series data which is based on annual basis from 2014 to 2018 was used in this research. Documentation method is used as data collection method in this

research. The documentation method was done by collecting data from various literatures in accordance with the research theme and also some data which obtained from the financial reports available on the Indonesia Stock Exchange (BEI/IDX) during 2014-2018.

Types and Sources of Data

Some data which collected in this study are in the form of quantitative data, namely data that are measured in a numerical scale. The data used in this study are secondary data. Secondary data is data which received by researchers indirectly. Secondary data in this study are in the form of annual financial reports produced by food and beverage consumption companies which listed in Indonesia Stock Exchange (IDX). This financial report was obtained from the official website of IDX (www.idx.co.id) and the official website of company.

5. Results and Discussion

Description of the Research Data

Descriptive statistics include minimum, maximum, mean and standard deviation. The research variable data includes the dependent variable, namely company value and the independent variables include environmental performance, Audit Committee, Institutional Ownership, Independent Commissioners and Leverage. The results of the descriptive statistical analysis can be seen in Table 2 below:

1. The company value has an average value of 4.0977, while the standard deviation value is 6.78288. It indicates that the stock price variable is not normally distributed, because the standard deviation value is higher than the average value of the variable.
2. The Audit Committee has an average score of 3.0667, and the standard deviation value is 0.25155. It indicates that the environmental performance variables are normally distributed, because the standard deviation value is smaller than the average value of the variable.
3. Institutional ownership has an average value of 0.6766, but the standard deviation value is 0.17847. It indicates that the institutional ownership variable is normally distributed, because the standard deviation value is smaller than the average value of the variable.
4. Independent Commissioners have an average score of 4,2000, then the standard deviation value is 1.73498. This indicates that the independent commissioner variable is normally distributed, because the standard deviation value is smaller than the average value of the variable.
5. Debt to Equity Ratio has an average value of 0.9007, while the standard deviation value is 0.48984. It indicates that the leverage variable is not normally distributed, because the standard deviation value is higher than the average value of the variable.
6. Return On Equity has an average value of 8.5428 and the standard deviation value is 10.56673. This indicates that the leverage variable is not normally distributed, because the standard deviation value is higher than the average value of the variable.

Table 2, The Results of Descriptive Statistics Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
AK	60	3,00	4,00	3,0667	,25155
IO	60	,28	,92	,6766	,17847
KOM	60	2,00	8,00	4,2000	1,73498
DER	60	,17	2,12	,9007	,48984
ROA	60	-9,71	52,67	8,5428	10,56673
FV	60	,10	32,70	4,0977	6,78288
Valid N (listwise)	60				

Classic assumption test

A model is considered as good for a prediction tool if it has the best liner unbiased estimator properties (Gujarati, 1997). Besides, a regression model is said to be quite good and can be used to predict if it passes a series of econometric assumption test that underlie it.

The classical assumption test is done to determine the condition of the existing data in order to determine the most appropriate analysis model to be used. The classic assumption test which used in this research consists of the autocorrelation test using the Durbin-Watson statistic, the multicollinearity test using the Variance Inflation Factors (VIF) and the heterosdasticity test.

Multicolonierity Test

The method that can be used to test the multicollinearity, it is done using tolerance value or Variance Inflation Factor (VIF). The tolerance value limit is 0.10 and the Variant Inflation Factor (VIF) is 10 (Hair et al., 1998; 48).

Table 3, Multicollinearity Test Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Zscore: AC	,855	1,693
Zscore: IO	,946	2,022
Zscore: KOM	,896	2,042
Zscore: DER	,715	1,398
Zscore: ROA	,905	1,442
X1_X5	,671	1,897
X2_X5	,652	1,533
X3_X5	,958	2,442
X4_X5	,756	2,195

a. Dependent Variable: FV

The results of multicollinearity test showed that there are no variables which have a tolerance value less than 0.10 and all variables have a VIF value less than 10, so that it can be concluded that there is no multicollinearity in the regression model.

Autocorrelation Test

The autocorrelation test has main aim to test whether in the regression model there is a correlation between confounding error in t period and confounding error in t-1 period (previous). The consequence of autocorrelation in a regression model is that the sample variants do not represent the population variants. Furthermore, the regression model which is produced cannot be used to estimate the value of the dependent variable in the value of certain independent variables.

To diagnose the presence of autocorrelation in a regression model, it is done through the Durbin-Watson test (DW-test) with the following conditions:

Less than 1.1 There is autocorrelation

- 1.10 to 1.54 Without conclusion
- 1.55 to 2.46 No autocorrelation
- 2.46 to 2.90 Without conclusion
- More than 2.90 There ia autocorrelationon

Table 4, The Autocorrelation Test Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,941 ^a	,885	,864	2,49817	1,947

- a. Predictors: (Constant), X4_X5, Zscore: KOM, Zscore: AK, Zscore: DER, X2_X5, Zscore: ROA, Zscore: IO, X3_X5, X1_X5
- b. Dependent Variable: FV

From the table above, the Durbin-Watson value is 1.947, so that it can be concluded that there is no autocorrelation in this regression model.

Heteroscedasticity Test

The heteroscedasticity test has main aim to test whethe there is an inequality of variance from the residuals of one observation to another in regression model. In this research, it was tested using Spearman's Rho. Priyastama (2017) states that this test uses a significant level of more than 0.05 and in it is concluded that heteroscedasticity does not occur here.

Table 5, The Results of Heteroscedasticity Test Correlations

			Unstandardized Residual
Spearman's rho	Zscore: AK	Correlation Coefficient	,015
		Sig. (2-tailed)	,907
		N	60
	Zscore: IO	Correlation Coefficient	-,002
		Sig. (2-tailed)	,989
		N	60
	Zscore: KOM	Correlation Coefficient	,020
		Sig. (2-tailed)	,877
		N	60
	Zscore: DER	Correlation Coefficient	-,067
		Sig. (2-tailed)	,613
		N	60
	Zscore: ROA	Correlation Coefficient	-,065
		Sig. (2-tailed)	,623
		N	60
X1_X5		Correlation Coefficient	-,057
		Sig. (2-tailed)	,668
		N	60
X2_X5		Correlation Coefficient	-,053
		Sig. (2-tailed)	,686
		N	60
X3_X5		Correlation Coefficient	,041
		Sig. (2-tailed)	,756
		N	60
X4_X5		Correlation Coefficient	,107
		Sig. (2-tailed)	,417
		N	60
	Unstandardized Residual	Correlation Coefficient	1,000

Sig. (2-tailed)	
N	60

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Normality test

The purpose of normality test is to test whether confounding or residual variables have a normal distribution in regression model. The normality of the data was tested using one sample Kolmogorov-Smirnov with a level of significance of 0.05. The results of the normality test of this study are presented in Table 6 below:

Table 6, The Results of Normality Test One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		60
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	2,29974822
	Absolute	,124
Most Extreme Differences	Positive	,124
	Negative	-,097
Kolmogorov-Smirnov Z		,960
Asymp. Sig. (2-tailed)		,315

a. Test distribution is Normal.

b. Calculated from data.

Based on the results of the normality test in Table 5 above, it shows that the regression model residuals before and after moderation have asymp values. $sig. > \alpha = 0.05$. Thus, it is interpreted that the residual values in all regression models are stated to be normally distributed.

Determination Coefficient Test (R2)

This test shows the percentage of the ability of the independent variable in explaining the variation of the dependent variable. The amount of determination coefficient from 0 to 1. The closer to zero of the coefficient of determination, the smaller the effect of the independent variable, on the contrary, the closer to one of the coefficient of determination, the greater the influence of the independent variable. The test results are shown in the following table.

Table 7, The Results of the R Test Model Summary^b

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	,941 ^a	,885	,864		2,49817

a. Predictors: (Constant), X4_X5, Zscore: KOM, Zscore: AK, Zscore: DER, X2_X5, Zscore: ROA, Zscore: IO, X3_X5, X1_X5

b. Dependent Variable: FV

Based on table 7 above, it can be seen that the coefficient of determination R Square has a value of 0.766 so that it can be stated that the ability of the independent variables (Environmental Performance, Institutional Ownership, Independent Commissioner, and Return on equity) in explaining the variation of the dependent variable (Stock Price) is limited but it supports together because it has increased.

The value of R Square (R2) is changed to the form of percentage; it means that it is the percentage of the contribution of the influence of the independent variable on the dependent variable. The R2 value of the first hypothesis is 0.766, which means that the percentage of the influence of environmental performance variable, institutional ownership, independent commissioners, and return on equity to the variable stock price is 76.6% while the rest (100% -76.6% = 23.4%) is affected by other variables outside the model.

Simultaneous Significance Test (Test Statistic F)

Simultaneous significance test (Test F) is used to show whether all the independent variables included in the model and it has a joint influence on dependent variable (Ghozali, 2009). If the analysis uses the F test, it shows that all independent variables are simultaneously significant explanation for the significance of the dependent variable.

Table 8, The Results of F Test ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2402,395	9	266,933	42,772	,000 ^b
Residual	312,042	50	6,241		
Total	2714,437	59			

a. Dependent Variable: FV

b. Predictors: (Constant), X4_X5, Zscore: KOM, Zscore: AK, Zscore: DER, X2_X5, Zscore: ROA, Zscore: IO, X3_X5, X1_X5

MULTIPLE LINIER REGRESSION

In accordance with the results of the research hypothesis which states that between variables, there is a significant relationship with the dependent variable, multiple linear regression is required to make the analysis model.

Table 9, The Results of Statistical t-Test Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3,443	,808		4,262	,000
Zscore: AK	-6,826	1,112	-1,006	-6,137	,000
Zscore: IO	-,764	,462	-,113	-1,652	,105
Zscore: KOM	-,013	,465	-,002	-,027	,978
Zscore: DER	2,074	,385	,306	5,394	,000
Zscore: ROA	2,288	,603	,337	3,791	,000
X1_X5	6,320	1,028	1,138	6,150	,000
X2_X5	-,445	,525	-,050	-,848	,400
X3_X5	-1,123	,627	-,134	-1,792	,079
X4_X5	-3,217	,549	-,416	-5,862	,000

a. Dependent Variable: FV

The Effect of Good Corporate Governance on Company Value

The results of the regression coefficient in table 9 above show that the Audit Committee has a negative t count of 6.137 with a probability of 0.000, It indicates that the p value (0.000) is less than the level of significance (0.05), so that H1 is accepted, meaning that the audit committee has significant influence on company value. Meanwhile, the Institutional ownership has a probability of $0.105 > 0.05$ and a significant independent commissioner of 0.978 so that both of them do not have a significant impact on company value.

The agency problem will indicate that the value of the company will increase if the owner of the company can control management behavior so that it will not waste the resources of company, either in the form of improper investment or in the form of shirking. Corporate governance is a system that regulates and controls a company which is expected to provide and increase company value to shareholders. Thus, the implementation of good corporate governance is believed to be able to increase company value and also the profit that will be obtained by shareholders.

The results of this research showed that the audit committee and directors have a relationship with company value because the value is positive. This means that the more the number of audit committees and the number of directors in a company, the management supervision in the company is high and it can affect or increase the value of the company with profitability. In accordance with Permatasari's (2016) research, its results showed that profitability is able to moderate the effect of GCG on company value. The existence of profitability will strengthen the positive influence between GCG and company value.

The Influence of Leverage on Company Value

The results of the regression coefficient in table9 above show that the leverage has a negative t count of 5.494 with a probability of 0.000. It shows that the p value (0.000) < significance level (0.05), so that H2 means that leverage has a significant positive effect on company value.

Based on the results of test which described above, it can be concluded that companies in the goods consumer sector are able to manage debt well. Its relationship with maximizing the wealth of the owner of company. This result is supported by the research of Tah and Susilo (2017) that leverage does not have a significant effect on company value and has a negative direction. It against the research of Rahmadani and Rahayu (2017).

Effect of Profitability on firm value

The results of the regression coefficient in table 9 above shows that the profitability has a positive t count of 3,791 with a probability of 0,000. It shows that the p value (0.000) < significance level (0.05), so that H3 means that profitability has a significant positive effect on company value.

When the profitability increases, the company value will automatically increase and vice versa, if the profitability decreases, the company value also decreases, so that a company must be in a profitable condition because without profit, it will be difficult for companies to attract investors to invest their funds in company stock. Therefore, some efforts to increase profitability are important for the sustainability and the future of company itself.

The results of this study are supported by research of Denziana (2016) which shows that profitability has a positive and significant effect on company value.

The Effect of Good Corporate Governance on firm value with profitability as moderating

The results of the regression coefficient in table 9 above also shows that the audit committee has a positive t count of 6.150 with a probability of 0.000. It shows that the p value (0,000)< significance level (0.05), so that H4 means that the profitability is able to moderate the Audit Committee as one of the GCG mechanisms which analyzed in influencing company value.

The results shows that the audit committee and directors have a relationship with the company value because the value is positive. It means that the more the number of audit committees and the number of directors in a company, the higher management supervision in the company and it can affect or increase the value of the company with profitability. It is in accordance with Permatasari's (2016) research which shows that profitability is

able to moderate the influence of GCG on company value. The existence of profitability will strengthen the positive influence between GCG and company value.

The Effect of Leverage on Firm Value with Profitability as Moderation

The results of the regression coefficient in table 9 above explains that leverage which moderates profitability has a negative t count of -5,862 with a probability of 0,000. It shows that the p value (0.000) <significance level (0.05), so that H5 means that profitability is able to moderate leverage in influencing company value.

Debt financing has an impact on corporation because debt has a fixed burden. Companies with high profits will use much internal funds, because the internal sources of funds are abundant so that when the leverage or the use of debt is high, profitability is not able to strengthen the relationship toward the company value due to the use of high debt so that the relationship that occurs with company value is weakened. It proves that there is additional profitability variable or the ability of company to earn profits can influence the leverage in increasing company value. The results of this research are in line with the results of Astutiningrum's (2017) research which explained that profitability is able to mediate leverage on company value.

CONCLUSIONS AND SUGGESTIONS

Conclusions

Based on the results of the analysis and discussion that has been done above, the following conclusion can be given:

1. Good Corporate Governance which is proxied by the Audit Committee has an effect on company value, while the Institutional Ownership and Independent Commissioners have no effect on company value.
2. Leverage and Profitability have a positive effect on company value.
3. Profitability was only able to moderate the audit committee, while the Institutional Ownership and Independent Commissioners had no effect even though it was moderated by profitability.
4. Profitability is able to mediate the effect of Leverage on company Value

Suggestion

1. For future researchers, further researchers are advised to use other samples with various characteristics from varied industrial sectors and to extend the research period.
2. Other research should also add some independent variables which influence firm value.

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