

DETERMINANT MODEL OF COMPANY VALUE IN THE PROPERTY AND INFRASTRUCTURE SECTOR

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Abstract

The purpose of this study is to find out and test the effect of good corporate governance, company size, dividend policy, debt policy and profitability on the value of companies in the property and infrastructure sectors in 2008-2017 listed securities in Indonesia. This study is a causal study using secondary data. The population in the study amounted to 63 property and infrastructure companies registered with the IDX for the period 2008-2017. The sampling technique used in this study is purposive sampling where the entire population of 35 companies is used as data in this study. The analysis tool used in this study used regression analysis of panel data.

Keywords : *Good Corporate Governance, Company size, Dividend Policy, Debt Policy, Profitability and Corporate Value.*

1. INTRODUCTION

The Capital Market is a foam plate between parties who have excess funds (investors) to those who need additional funds by trading securities issued by related companies (Tandelilin, 2010). Investment activity is an activity of placing funds in one or more assets within a certain period with the hope of generating income or increasing the value of the investment. An investor in making decisions regarding investment, must always analyze and have in-depth knowledge of the performance of the company concerned. Company performance can be found through the company's internal information sourced from the company's financial statements (Hanafi and Halim, 1996).

The development of the property and infrastructure sector is currently very rapid. This is indicated by the presence of around 25 companies that have IPOs in the last five years and the property and infrastructure sector price index. Although Indonesia's economic growth slowed to its lowest level in six years in the first quarter of 2015. With the announcement of the president, Joko Widodo launched the "One million houses program" in April 2015 (www.kompas.com). This statement had an impact on the increase in stock prices in the property and infrastructure sector in 2016.

No	Kode	Nama Perusahaan	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1	ASRI	Alam Sutera Realty Tbk	50	105	295	460	600	430	560	345	352	356
2	BAPA	Bekasi Asri Pemula Tbk	145	67	250	148	139	66	50	50	50	88
3	BIPP	Bhuawanatala Indah Permai Tbk	50	50	50	50	101	90	95	88	90	73
4	BKDP	Bukit Darmo Property Tbk	50	153	116	115	88	88	98	90	70	75
5	BKSL	Bekasi Asri Pemula Tbk	66	97	109	265	189	157	104	58	92	130
6	BSDE	Bumi Serpong Damai Tbk	88	816	880	980	1110	1290	1805	1800	1775	1700
7	COWL	Cowell Development Tbk	410	350	122	235	143	470	615	600	1085	880
8	CTRA	Ciputra Development Tbk	90	238	339	531	787	737	1228	1451	1335	1185
9	DART	Duta Anggada Realty Tbk	32	50	95	64	126	247	291	589	496	681
10	DILD	Intiland Development Tbk	173	276	425	255	335	315	650	489	500	350
11	ELTY	Bakrieland Development Tbk	72	1930	1570	1190	540	500	500	500	500	500
12	GMTD	Gowa Makassar Tourism Developm	147	147	165	660	660	8300	6100	7500	6950	10175
13	GPR	Perdana Gapuraprima Tbk	255	105	101	117	100	151	299	199	183	103
14	JRPT	Jaya Real Property Tbk	100	160	260	440	620	800	1040	745	875	900
15	KIJA	Kawasan Industri Jababeka Tbk	49	116	117	186	195	192	293	245	290	286
16	LCGP	Eureka Prima Jakarta Tbk	50	50	50	59	170	285	600	620	135	80
17	LPCK	Lippo Cikarang Tbk	190	225	395	1790	3225	4875	10400	7250	5050	3140
18	LPKR	Lippo Karawaci Tbk	760	485	680	660	1000	910	1020	1035	720	488
19	MDLN	Moderland Realty Ltd Tbk	25	63	123	120	305	390	520	467	342	294
20	MKPI	Metropolitan Kentjana Tbk	0	2750	2800	2900	3900	9500	15300	16875	25750	36500
21	OMRE	Indonesia Prima Property Tbk	475	400	170	265	335	340	340	300	216	880
22	PLIN	Plaza Indonesia Realty Tbk	2400	2500	1990	1550	1629	1920	3750	4000	4850	3550
23	PUDP	Pudjati Prestige Tbk	68	218	294	414	490	480	450	420	380	450
24	PWON	Pakuwon Jati Tbk	98	130	203	188	225	270	515	496	565	685
25	RBMS	Ristia Bintang Mahkotasejati Tbk	96	48	52	55	92	58	56	40	55	153
26	RODA	Pikko Land Development Tbk	66	54	50	225	350	450	463	595	390	170
27	SCBD	Danayasa Arthatama Tbk	630	630	500	500	830	2700	2000	1695	1650	2700
28	SMDM	Suryamas Dutamakmur Tbk	110	83	101	130	191	190	124	95	76	106
29	SMRA	Summarecon Agung Tbk	83	300	545	620	950	780	1520	1650	1325	945
30	ADHI	Adhi karya Pesero Tbk	240	348	772	492	1493	1281	2963	2140	2080	1885
31	DGIK	Nusa Konstruksi Enjiniring Tbk	50	87	146	89	144	150	179	85	55	58
32	PTPP	Pembangunan Perumahan (persero)	0	0	760	461	789	1103	3397	3683	3810	2640
33	SSIA	Surya emesta Internisa Tbk	100	70	233	720	1080	560	1070	715	434	515
34	TOTL	Total Bangunan Persada Tbk	71	150	255	285	900	500	1120	615	765	660
35	WIKA	Wijaya Karya (persero) Tbk	204	301	630	565	1370	1463	3408	2445	2360	1550



Figure 1.1 Development of sectoral stock prices on the IDX

Table 1.1 describes property and infrastructure companies listed on the Indonesia Stock Exchange (IDX). The number of property and real estate companies listed on the IDX is 63 companies, but only 35 companies publish their financial reports regularly every year. Table 1.1 shows that the share prices of property and infrastructure companies in 2008-2017 experienced price fluctuations every year. In table 1.1 in 2017 the highest share price level was obtained by PT

Metropolitan Kentjana Tbk with a share price of Rp 36,500 and the lowest price obtained by PT Nusa Konstruksi Enjinring Tbk with a share price of Rp 58.

In Figure 1.1, it can be seen that in 2015 the property sector decreased by -6.47% and the infrastructure sector decreased by -15.42%. The share price is the price that investors will pay as a form of ownership. The higher the value of the company, the more investors are willing to pay for shares. In the growing business world, every company strives to always be dynamic in following market demands and external demands. Competition in the property and infrastructure industry makes every company increase its performance so that goals can be achieved. The increase in stock prices means that the value of the company also increases.

The information presented in the financial statements is sufficient to describe the development of the company and its achievements. If the company's financial performance shows good prospects, shareholders or potential investors will be interested in buying shares which will affect stock prices (tcvetkov et al, 2015).

A company management strategy where company owners must dare to take steps to hand over the management of their company to more skilled and professional parties or personnel. Parties who are considered experts and professionals in the company are often called agents or management. Management is expected to be able to take the right action or decision so that the company can survive with high profits and so that the prosperity of the owner of the company is maximized and the company will be viewed favorably by potential investors.

According to agency theory, the separation of ownership and management can lead to agency conflicts (Rachmawati and Triatmoko, 2006). Agency conflict causes a decrease in the value of the company. The decrease in the value of the company will affect the wealth of the shareholders, so that the shareholders will take action to supervise the behavior of management. In this case, managerial ownership is seen as an appropriate control mechanism to reduce the conflict. Managerial ownership is a situation where the manager owns the company's shares or in other words the manager is also a shareholder of the company (Christiawan and Tarigan, 2007).

Jensen and Meckling (1976) stated that giving trust by company owners to managers is considered a form of separation of decision making functions. Where this form of separation will lead to a conflict between the owner of the company as the principal and the manager as the agent. In fact, managers will prioritize the interests of achieving high levels of salary and compensation rather than trying to maximize the wealth of the owners of the company. One of the manager's actions is to charge costs for the benefit of managers outside the business to maximize the prosperity of the owner of the company so that it will have the impact of decreasing dividends that will be obtained by the company.

Based on agency theory, the existence of a high-quality good corporate governance (GCG) mechanism must be balanced against agency costs in the relationship between principals (shareholders) and their agents (managers) (Jensen and Meckling, 1976). High quality GCG mechanisms are highly valued by the stock market. An investor who will decide and invest funds needs to do a careful and thorough assessment of the issuer. investors must believe that the information received is correct (Mahendra, 2011).

The concept of corporate governance emerged when two legal experts, namely Adolf August Berle and Gardiner C. Means published a monograph entitled "The Modern Corporation and Private Property" followed by Eugene Fama and Micheal Jense in the article "Separation of ownship and Corporate of owner Ship". and control" with the principal agency theory. The issue of corporate governance is growing when several economic events occur. Asian financial crisis in 1997. Followed by the collapse of large companies such as Enron and World Com in 2002, as well as the issue of the subprime mortgage crisis in the United States in 2008. These events made the world aware of the importance of implementing Good Corporate Governance.

In Indonesia, the issue of good corporate governance surfaced after Indonesia experienced a prolonged crisis since 1998. Since then, the government and investors have paid more attention to corporate governance practices. It can be understood that the existence of global competition is not

competition between countries, but between corporations in these countries. So winning or losing, recovering or continuing to decline in the economy of a country depends on their respective corporations. This understanding opens up insight that our corporation has not been managed properly (Moeljono, 2005 in Kaihatu 2006). GCG is needed to encourage the creation of an efficient, transparent and consistent market with laws and regulations. GCG implementation needs to be supported by three interconnected pillars,

The study of water house cooper prices published in the report on institute survey (2002) places Indonesia at the bottom along with China and India with a score of 1.92% for transparency and openness. The report on GCG by the Asian Corporate Governance Association (2003) places Indonesia at the bottom with a score of 1.5 for law enforcement issues, 2.5 for institutional mechanisms and corporate governance culture with a total of 3.2 (Kaihatu, 2006). This is due to the constraints faced by companies in Indonesia, namely internal constraints (commitment of the leadership and members of the company, the level of understanding of the leadership and members of the company about the principles of good corporate governance, effective internal control items and trapped in formalities) and constraints external (legal instruments, rules and enforcement). According to the Asian Corporate Governance Association, Indonesia is ranked 11th out of 11 Asian countries with 38 points (CSLA, 2016).

In the field of economics and finance, the company's ownership structure is one of the measuring tools to determine the performance of a company (Cornett et al, 2005). The company has managerial ownership and public ownership. Shleifer and Vishny (1997) explain that managers control the company and agency problems that occur between shareholders and managers. Basically, shareholders who are users and beneficiaries of financial statements will assess the performance of management as the party responsible for running shareholder funds (Oktavia and Desmawati, 2008). With the increase in the level of public ownership, it is able to create greater oversight so that opportunistic behavior of managers is hindered.

Company size is one of the variables considered in determining the value of a company. Company size is a reflection of the total assets owned by a company. Companies themselves are categorized into two types, namely small-scale companies and large-scale companies. Company size is a reflection of the total assets owned by the company. The larger the size of the company, it means that the assets owned by the company are even greater and the funds needed by the company to maintain its operational activities are increasing and can optimize the value of the company. In this case, PT Lippo Cikarang Tbk. Total assets in 2014 amounted to Rp. 4,390,498,820,383 with a 2015 share value of Rp 10,400. In 2016 there was an increase in total assets of Rp. 12,378,227,000. 000 with a decrease in share price to Rp 3,140. it can be seen from the data above that the increase in assets cannot reflect the increase in stock prices.

The stock price for a company that experiences constant growth shows that higher dividend payments tend to increase the value of the company. However, higher dividend payments will also reduce the company's growth rate and will further reduce the value of shares. Thus, delaying the payment of dividends to shareholders for profitable investment purposes (if the return is greater than the cost of capital) will increase the share price (in a perfect capital market). In an imperfect capital market, dividend payments to increase the value of shares will be very detrimental because they have to pay fluctuation fees.

Debt policy that describes the composition of financing in the company's financial structure. The larger the company will require the greater the capital, which is usually met by management by using external sources of funds in other words debt. In a certain composition, debt will increase the productivity of the company which will automatically increase the value of the company. But if the composition becomes excessive then what will happen is a decrease in the value of the company. Even if the amount of long-term debt is there with the amount of equity, it can be ascertained a deficit. Therefore, management must be careful in determining its debt policy in order to increase the value of the company.

It can be seen from PT Lippo Cikarang Tbk that the total debt in 2014 was 1,712,352,407,686 with a share price of Rp. 10,400 in 2017 total debt was Rp.4,657,491,000,000 with a share price of 3140. From this we can see that the increase in debt cannot reflect the increase in share prices. The company to be able to carry out its operating activities, must be in a profitable condition. Without profit it will be difficult for companies to attract capital from outside. Money companies that have a high level of profitability will be interested in their shares by investors. So that it can affect the value of the company.

There is a significant and strong relationship between firm value and financial performance. Financial performance is expected to predict the value of the company in the future. However, there is an inconsistent effect of financial ratios on firm value. Namely good corporate governance, capital structure, debt policy, dividend policy and profitability. Some of these factors have an inconsistent relationship and influence on firm value.

2. IMPLEMENTATION METHOD

This study uses a quantitative approach, namely by testing the associative relationship of measurable (parametric) research variables. This research is a causal research (Causal Effect) that is research that is included to reveal the cause and effect relationship between related variables (Sularso, 2004:13). The purpose of causal research is to investigate possible cause-and-effect relationships in a way based on observations of existing effects and look for factors that may have occurred through certain data. This research is conducted by building a hypothesis first which will then be measured by statistical tools. This study uses the observation method of panel data, which is a combination of cross section data and time series data,

Table 1 Research Criteria

No	Sample criteria	Number of companies
1.	Property and infrastructure companies listed on the Indonesian stock exchange 2011-2016	63
2.	Companies that do not meet the criteria	(28)
	Sample companies	35
	Number of observations (35 X 10)	350

The data used by the researcher is secondary data, namely the company's annual reports on all companies that are the research sample. The data sources were obtained from the Indonesia Stock Exchange (www.idx.co.id) and the websites of each sample company. Research data is presented in panel data (between time) and cross section (between companies).

3. RESULTS AND DISCUSSION

3.1 Research result

This study examines the variables that affect firm value. The variables used in this study are good corporate governance, company size, dividend policy, debt policy and profitability.

3.1.1 Classic assumption test

The classical assumption test used in this study includes normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test.

3.1.1.1 Normality Test

In this study, the normality test of the residuals used the Jarque-Bera (JB) test. In this study, the significance level used was . The basis for making decisions is to look at the probability numbers from the JB statistics, with the following conditions. $\alpha = 0,05$

- If the probability value is 0.05, then the assumption of normality is met. $p \geq$
- If probability < 0.05 , then the assumption of normality is not met.

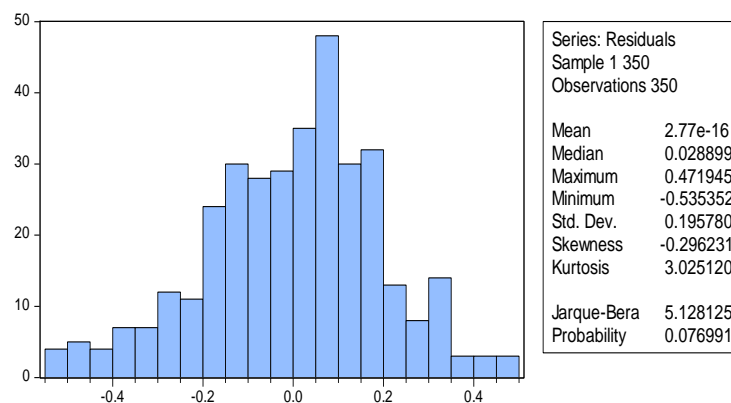


Figure 2 Normality Test with Jarque-Bera . Test

Note that based on Figure 5.1, it is known that the probability value of the JB statistic is 0.076991. Because the probability value, which is 0.076991, is greater than the significance level, which is 0.05. This means that the assumption of normality is met. p

3.1.1.2 Multicollinearity Test

In this study, the symptoms of multicollinearity can be seen from the correlation value between the variables contained in the correlation matrix. Ghozali (2013) states that if there is a fairly high correlation between independent variables, which is above 0.9, then this is an indication of multicollinearity. The results of the multicollinearity test are presented in the following table:

Table 2 Multicollinearity Test with Correlation Matrix

	X1	X2	X3	X4	X5
X1	1.0000000	-0.219852	0.053176	-0.039180	0.090283
X2	-0.219852	1.0000000	-0.033133	0.043505	0.088289
X3	0.053176	-0.033133	1.0000000	-0.005549	0.024722
X4	-0.039180	0.043505	-0.005549	1.0000000	0.362197
X5	0.090283	0.088289	0.024722	0.362197	1.0000000

Based on Table 5.2 the results of the multicollinearity test, it can be concluded that there are no symptoms of multicollinearity between the independent variables. This is because the correlation value between independent variables is not more than 0.9 (Ghozali, 2013: 105).

3.1.1.3 Heteroscedasticity Test

Detection of the presence or absence of heteroscedasticity can be done with the Breusch-Pagan test (Gujarati, 2003, Gio and Elly, 2015). The following are the results of the Breusch-Pagan test.

Table 3 Heteroscedasticity Test (Breusch-Pagan Test)
Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistics	1.642650	Prob. F(5,344)	0.1481
Obs*R-squared	8.161641	Prob. Chi-Square(5)	0.1475

It is known that the Prob Obs*R-Squared value is 0.1475 > 0.05 , which means that there is no heteroscedasticity.

3.1.1.4 Autocorrelation Test

The autocorrelation test aims to see whether there is a correlation between a period t and the previous period. Autocorrelation generally occurs in time series data. If the DW value lies between d_u and $(4 - d_u)$ or $d_u < DW < (4 - d_u)$. It means that it is free from autocorrelation. If the DW value is less than d_L or DW is greater than $(4 - d_L)$ it means that there is autocorrelation.

Table 4 Autocorrelation Test with Durbin-Watson Test

Likelihood logs	74.63953	Hannan Quinn Criter.	-0.365901
		Durbin-Watson stat	1.043589

Based on the table, the value of the Durbin-Watson statistic is 1.043589. Note that since the Durbin-Watson statistic is between 1 and 3, i.e. $1 < 1.043589 < 3$, the non-autocorrelation assumption is met. In other words, there is no high autocorrelation symptom in the residuals.

3.1.2 Selection of Estimation Method

3.1.2.1 Determination of Estimated Model between Common Effect Model (CEM) and Fixed Effect Model (FEM) with Chow Test

To determine whether the estimation model is CEM or FEM in forming a regression model, the Chow test is used. The hypothesis being tested is as follows.

- H_0 : The FEM model is no better than the CEM model.
- H_1 : FEM model is better than CEM model

The following are the results based on the Chow test using Eviews 7.

Table 5 Results of the Chow Test

Redundant Fixed Effects Tests
Pool: DPANEL
Test cross-section fixed effects

Effects Test	Statistics	df	Prob.
Cross-section F	8.946200	(34,310)	0.0000
Cross-section Chi-square	239.295259	34	0.0000

The decision-making rules for the hypothesis are as follows.

If the probability value:

- Cross-section Chi-square < 0.05 , then it is rejected and accepted H_0H_1
- Cross-section Chi-square ≥ 0.05 , then accepted and rejected. H_0H_1

Based on the results of the Chow test in Table 5, it is known that the probability value is 0.0000. Because the probability value is $0.0000 < 0.05$, the estimation model used is the fixed effect model (FEM).

3.1.2.1 Determination of Estimated Model between Common Effect Model (CEM) and Fixed Effect Model (FEM) with Chow Test

To determine whether the estimation model is FEM or REM in forming a regression model, the Hausman test is used. The hypothesis being tested is as follows.

- H_0 : The FEM model is not better than the REM model (Prob. > 0.05).
- H_1 : FEM model is better than REM model (Prob. < 0.05)

Here are the results based on the Hausman test using Eviews:

Table 6 Results from Hausman Uji Test
Correlated Random Effects - Hausman Test
Pool: DPANEL
Test cross-section random effects

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Cross-section random	15.004945	5	0.0103

The decision-making rules for the hypothesis are as follows.

If the probability value:

- Random cross-section < 0.05 , then it is rejected and accepted. $H_0 H_1$
- Random cross-section ≥ 0.05 , then accepted and rejected. $H_0 H_1$

Based on the results of the Hausman test in Table 5.6, it is known that the probability value is 0.0103. Because the probability value is $0.0103 < 0.05$, the estimation model used is the fixed effect model (FEM).

3.1.3 Hypothesis Testing

In testing the hypothesis, the coefficient of determination analysis will be carried out, simultaneous effect testing (F test), and partial effect testing (t test). Statistical values of the coefficient of determination, F test, and t test are presented in the following table:

Table 7 Statistical values of the Coefficient of Determination, F-Test, and tTest

Dependent Variable: Y?

Method: Pooled Least Squares

Date: 11/07/18 Time: 05:47

Sample: 2008 2017

Included observations: 10

Cross-sections included: 35

Total pool (balanced) observations: 350

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1?	-0.137509	0.054303	-2.532255	0.0118
X2?	-0.000904	0.009857	-0.091706	0.9270
X3?	-0.026250	0.013010	-2.017763	0.0445
X4?	0.000260	0.000799	0.325346	0.7451
X5?	0.000198	6.87E-05	2.874220	0.0043
C	0.330440	0.279795	1.181007	0.2385
R-squared	0.571637	Mean dependent var	0.239446	
Adjusted R-squared	0.517746	SD dependent var	0.212519	
SE of regression	0.147583	Akaike info criterion	-0.881641	
Sum squared resid	6.752034	Schwarz criterion	-0.440734	
Likelihood logs	194.2872	Hannan Quinn Criter.	-0.706144	
F-statistics	10.60731	Durbin-Watson stat	1.673425	
Prob(F-statistic)	0.000000			

3.1.3.1 Coefficient of Determination Analysis

Based on Table 7, it is known that the coefficient of determination (Adjusted R-squared) is . This value can be interpreted GCG, company size, dividend policy, debt policy, profitability are able to influence / explain the value of the company simultaneously or jointly by 51.77%, the remaining 48.23% is influenced by other factors. $R^2 = 0,5177$.

3.1.3.2 Simultaneous Effect Significance Test (F Test)

The test aims to test the effect of the independent variables together or simultaneously on the dependent variable. Based on Table 5.7, it is known that the value of Prob. (F-statistics), which is 0.0000 0.05, it can be concluded that all independent variables, namely GCG, firm size, dividend policy, debt policy and profitability simultaneously, have a significant effect on the firm value variable. $F <$

3.1.3.3 Panel Data Regression Equation and Partial Effect Significance Test (t Test)

Based on Table 5.7, the panel data regression equation is obtained as follows.

$$Y = 0,3304 - 0,1375X_1 - 0,0009X_2 - 0,026250X_3 + 0,0002X_4 + 0,0001X_5$$

Based on Table 7, it is known:

1. It is known that the regression coefficient value of the GCG variable is -0.1375, which is negative. This means that GCG has a negative effect on firm value. It is known that the Prob value is 0.0118, which is < 0.05 significance level, then GCG has a significant effect on firm value.
2. It is known that the regression coefficient value of the firm size variable is -0.0009, which is negative. This means that the size of the company has a negative effect on the value of the company. It is known that the Prob value is 0.9270, which is $>$ the significance level of 0.05, then the size of the company has no significant effect on the value of the company.
3. It is known that the regression coefficient value of the dividend policy variable is -0.0262, which is negative. This means that dividend policy has a negative effect on firm value. It is known that the Prob value is 0.0445, which is < 0.05 significance level, then the dividend policy has a significant effect on firm value.
4. It is known that the regression coefficient value of the debt policy variable is 0.0002, which is positive. This means that debt policy has a positive effect on firm value. It is known that the Prob value is 0.7451, ie $>$ the significance level of 0.05, then the debt policy has no significant effect on firm value.
5. It is known that the regression coefficient value of the profitability variable is 0.000190, which is positive. This means that profitability has a positive effect on firm value. It is known that the Prob value is 0.0043, which is < 0.05 significance level, then profitability has a significant effect on firm value.

3.2 Discussion

The results of hypothesis testing can be concluded that the variables of GCG, firm size, dividend policy, debt policy and profitability simultaneously have a significant effect on the firm value variable. The good corporate governance variable has a significant negative effect on the firm value variable. The firm size variable has a negative and insignificant effect on firm value. And the dividend policy variable has a significant negative effect on firm value. The debt policy has a positive and insignificant effect on firm value. While profitability has a significant positive effect on firm value.

3.2.1 Partial Effect of Firm Size on Corporate Social Responsibility Disclosure

The test results of good corporate which are projected through company ownership on firm value have a significant negative effect on firm value. It is negative as seen from the regression coefficient value of -0.1375 and the significant value is 0.0118 which is smaller than 0.005. Negative effect indicates that institutional ownership is not in line with firm value. Where the increasing institutional ownership will reduce the value of the company, and vice versa the decreasing institutional ownership will increase the value of the company. Significant effect shows that institutional ownership has an important influence on firm value.

The agency theory explains that supervision is carried out by institutional ownership which will monitor agents for the purpose of increasing firm value. And in this case it shows that institutional ownership does not supervise management but participates in controlling the company so that it tends to act in their own interests and sacrifices the interests of minority ownership. Because of this tendency, there is an imbalance in the company's policy determination so that in the end it only benefits the majority shareholder.

This is not in line with research by Imelda (2016) which states that institutional ownership has a positive and insignificant effect. From this research, institutional ownership has a significant negative effect on firm value. These results do not support the theory that institutional ownership increases the proportion of supervision over company management which will increase firm value.

3.2.2 Partial Influence of Board of Commissioners Size on Corporate Social Responsibility Disclosure

The test results of firm size on firm value are negative and not significant for firm value. It is known that the regression coefficient value of the firm size variable is -0.0009, which is negative. This means that the size of the company has a negative effect on the value of the company. It is known that the Prob value is 0.9270, which is > the significance level of 0.05, then the size of the company has no significant effect on the value of the company. Negative effect indicates that the size of the company is not in line with the value of the company. Where the increasing size of the company will reduce the value of the company, and vice versa, the decreasing size of the company will increase the value of the company. The insignificant effect indicates that firm size has no significant effect on firm value.

From this research, firm size has a negative and insignificant effect on firm value. from the management side If the company has large total assets, the management is more flexible in using the assets in the company. But the freedom this management has is outweighed by the concern the owners have over their assets. A large number of assets will reduce the value of the company if it is assessed from the side of the company owner. Therefore, the size of the company is not significant to the value of the company.

This research is in line with research conducted by Dewi and Wirajaya (2013) which states that firm size has no significant effect on firm value. This is not in line with the research of Wahyuni et al (2013), Hermuningsih (2012), Wihaidjo (2014), which stated that firm size has a positive and significant effect on firm value.

3.2.3 The Effect of Dividend Policy Effect on Firm Value

The results of testing the dividend policy on firm value are significant negative on firm value. It is known that the regression coefficient of the dividend policy variable is -0.0262, this means that the dividend policy has a negative effect on firm value. It is known that the Prob value is 0.0445, which is < 0.05 significance level, then the dividend policy has a significant effect on firm value. Negative influence shows the company's dividend policy is not in line with the value of the company. Where is increasing. Dividend policy will reduce the value of the company, and vice versa if the dividend policy decreases, it will increase the value of the company. Significant effect shows that dividend policy has an important effect on firm value.

This study is in line with the theory put forward by Miller and Modigliani which states that dividend policy does not affect firm value because according to them the dividend payout ratio is

only a detail and does not affect the welfare of shareholders. The increase in the value of dividends is not always followed by an increase in the value of the company and this study is not in line with the research conducted (Mardiayati, Putrid, Ahmad 2005) dividend policy has a positive but not significant effect on firm value.

3.2.4 The Effect of Debt Policy on Firm Value

The results of the debt policy test on firm value Significantly positive on firm value. It is known that the regression coefficient of the debt policy variable is 0.0002, this means that debt policy has a positive effect on firm value. It is known that the Prob value is 00.7451, which is $>$ the significance level of 0.05, so debt policy has no significant effect on firm value. Positive influence shows that debt policy is in line with firm value. Where the increasing debt policy will increase the value of the company, and vice versa the decreasing debt policy will reduce the value of the company. Significant effect indicates that debt policy has an insignificant effect on firm value.

This study states that the funding policy has a positive and insignificant effect on firm value. Funding decisions include determining external and internal funding sources. External funding sources can be obtained from debt and new equity, while internal funding sources are obtained from retained earnings. The better the funding decisions made by the company, the more positive it will be for increasing the value of the company. This positive result indicates that the increase in debt is interpreted by outsiders about the company's ability to pay obligations in the future or the existence of low business risk, this is not necessarily responded by the market. Increasing funding through debt is one alternative to reduce agency costs.

This study is not in line with research by Imelda (2015) which states that debt policy has a negative and significant effect on firm value. And in line with research by Wijaya and Wibaya (2006) which states that funding decisions have a positive and significant effect on firm value.

3.2.5 The Influence of Profitability on Firm Value

Profitability test results on firm value Significantly positive on firm value. It is known that the regression coefficient value of the debt policy variable is 0.000190, this means that profitability has a positive effect on firm value. It is known that the Prob value is 0.0043, which is $<$ 0.05 significance level, then profitability has a significant effect on firm value. Positive influence shows the company's profitability is in line with company value. Where the increasing profitability will increase the value of the company, and vice versa the decreasing profitability will reduce the value of the company. Significant effect shows that profitability has an important effect on firm value.

The results of this study are in line with the research conducted by Imelda (2015) and Wahyuni et al (2013) which stated that profitability had a positive and significant effect on firm value. From this research, it is found that high profits will provide an indication of good company prospects so that it can trigger investors to participate in increasing demand for shares. The increasing demand for shares will cause the value of the company to increase.

4. CONCLUSION

From the research conducted, it can be concluded as follows:

1. Institutional ownership has a negative and significant effect on firm value.
2. Firm size has a negative and insignificant effect on firm value
3. Dividend policy has a negative and significant effect on firm value
4. Debt policy has a positive and insignificant effect on firm value
5. Profitability has a positive and significant effect on firm value
6. Good Corporate Governance, Company Size, Dividend Policy, Debt Policy and Profitability simultaneously, have a significant effect on the firm value variable.

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