



COMPANY VALUE IN TERMS OF CAPITAL STRUCTURE, OWNERSHIP STRUCTURE AND COMPANY PROFITABILITY IN MANUFACTURING COMPANIES IN THE FOOD AND BEVERAGE INDUSTRY SECTOR LISTED ON THE INDONESIA STOCK EXCHANGE IN 2017 – 2019

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Abstract - *This study aims to examine the relationship between firm value with institutional ownership capital structure and profitability in the company. The data used in this study is the annual report of manufacturing companies in the food and beverage industry sector listed on the Indonesia Stock Exchange in the 2017-2019 period. This study uses quantitative methods. This study uses multiple linear regression analysis tools. The implications of the research are expected to make a positive contribution to all parties. As a consideration for the company in observing the factors that have an influence on the value of the company. This research is also expected to be useful for investors and potential investors in seeing opportunities to increase the value of shares held in manufacturing companies in the food and beverage industry sector listed on the IDX. The regulator can also assess and supervise the factors that affect the value of the company so that the financial statements presented are also able to increase the value of the company, therefore the financial statements issued by the company must have quality so that they can be used as a basis for decision making. Capital structure greatly influences the policies taken in the company's operational activities. In addition, the large percentage of share ownership by professionals will also directly increase the value of the company. Profitability is a real benchmark of a company's value that is used as the basis for many parties, especially investors in determining investment in a compan.*

Keywords: *Company Value, Capital Structure, Ownership Structure, Company Profitability*

1. INTRODUCTION

Several ways to approach the company's value can be done by observing the development of the company's stock price movements on the stock exchange. Stock prices that tend to be high will have a positive impact on company value. A good company value and with increased graphs is a good prospect for the company and can have a positive effect in the future. Maximizing company value is very important for a company, because maximizing company value means maximizing the company's main



goal. Increasing the value of the company is an achievement that is in accordance with the wishes of the owner of the company, because with the increase in the value of the company, the welfare of the owners of the company will also increase, especially in terms of financial income.

High stock prices make the value of the company high as well. The high value of shares can increase market confidence, not only on the company's current performance, but also on the company's prospects in the future. Firm value is reflected in the market value of a company's equity and the market value of debt. Investment opportunities in the future will also encourage an increase in the value of the company. Investment opportunities require additional funds so that the company's decision to increase capital in the form of new shares and/or debt will increase the value of the company. This means that funding decisions, dividend distribution policies, investment decisions, company growth, and company size have an influence on the movement of company value.

Earning profit from operational activities is one of the goals of establishing a company. The company's goal to make a product is to make a profit, namely the rewards obtained from providing a product for consumers. The resulting products can be in the form of goods and services. The profit earned by the company is one of the many goals to be achieved by the company. The company generally has long-term goals and short-term goals. The main goal of the company is to maximize the wealth or value of the company (value of the firm).

According to (Agus, 2010), the value of the company is the selling value of a company as an operating business. The existence of excess selling value over the liquidation value is the value of the management organization that runs the company. The higher the stock price, the higher the value of the company. The high value of the company is the desire of the shareholders because a high company value indicates the prosperity of shareholders is also high. Therefore, firm value is the investor's perception of the company which is always associated with stock prices.

Ownership structure is the composition of share ownership by internal or external parties of the company. The company's objectives include the welfare of shareholders by increasing the value of the company. High company value indicates high shareholder prosperity. The structure of the company's share ownership greatly affects the continuity of the company which in turn has an influence on the performance and quality of the company to achieve the vision of a company which is to maximize the value of the company.

Every company has the goal of maximizing the value of the company. Firm value describes an investor's assessment of the state of a company, either in the current period or in the future. (Suardikha & Apriada, 2016) explained the results of his research journal on the influence of share ownership structure, capital structure and profitability on firm value that by using a tool to process the data is SPSS 17. company. The amount of institutional ownership resulted in stronger external control of the company. The existence of institutional ownership will encourage a more optimal level of supervision on the quality of the company. The company's goals are achieved if the company's performance is able to optimize the value of the company.

(Sandra Laurencia Mandjar, 2019) in the journal of the influence of company growth, profitability, liquidity, capital structure and ownership structure on firm value, concluded that by taking a sample using the purposive sampling method as many as 7 criteria and obtained a sample of 141 companies. The tests carried out are descriptive statistical analysis test, coefficient similarity test, classical assumption test, and multiple regression test. The results of this study are that there is insufficient evidence that firm



growth, liquidity, capital structure, managerial ownership and institutional ownership have a positive effect on firm value and there is sufficient evidence that profitability has a positive effect on firm value.

(Haryono, 2017) in the journal of the effect of capital structure and ownership structure on company performance, it is concluded that these results indicate that total debt that maximizes company performance is 1.95 times of capital. This study also finds that the more the presence of multiple large shareholder structures (MLSS) will decrease the company's performance, while the more institutional ownership will increase the company's performance.

This research can provide an overview of the factors that can affect the value of the company as well as the times and technology in the future. Changes in all areas from time to time can also affect the company's value from these factors. (Pasaribu & Sulasmiyati, 2016) in his research concluded in the journal the effect of capital structure, ownership structure and profitability on firm value in basic and chemical industrial sector companies listed on the Stock Exchange in 2011-2014 and concluded that the sampling method used purposive sampling. The analysis technique uses multiple linear. The results of the F (simultaneous) test show that the DER, institutional ownership, managerial ownership and ROE variables have a significant effect on firm value. The results of the t test (partial) show that the DER variable has a negative and significant effect on firm value, while the variables of institutional ownership, managerial ownership and ROE have a positive and significant effect on firm value. It is recommended for further researchers not only to examine the basic and chemical industrial sectors, but also to the service sector, the mining sector to use other financial ratios such as Tobins' Q, EPS to assess the value of the company and the number of years of observation can be used.

(Yanti & Darmayanti, 2019) in a journal study entitled the effect of profitability, company size, capital structure and liquidity on the value of food and beverage companies with the data collection method, namely the non-participant observation method. This study uses multiple linear regression analysis. The results show that profitability, firm size, capital structure, and liquidity have a positive and significant impact on firm value in food and beverage companies on the Indonesia Stock Exchange for the 2014-2017 period.

(Putra, 2020) explains in the structural influence of share ownership and profitability on firm value that the results of this study indicate that managerial ownership, capital structure and profitability have a positive and significant effect on firm value. This study also shows that institutional ownership has no effect on firm value.

Capital structure is a complex financial decision because it is related to other financial decision variables. In order to achieve the company's goal of maximizing profits, managers must be able to assess the company's capital structure and understand its relationship to risk, return/return and value. Poor corporate capital structure decisions can result in high costs of capital. Effective financial decisions can reduce the cost of capital and will increase the value of the company. Capital structure is also related to the company's funding sources. The better the growth of the company's profitability means that the company's prospects in the future are considered better, meaning that the value of the company will also be assessed as getting better in the eyes of investors

2. LITERATURE REVIEW

Capital structure

Gitman explained about the company's capital structure describing the comparison between total debt and total capital owned by the company (Haryono, 2017). Capital structure is also related to the company's funding sources. The capital structure has several theories, including:

1. Trade-Off Theory Trade-off theory is a theory of capital structure based on the costs and benefits between the cost of capital and the benefits of using debt, namely between bankruptcy costs and tax benefits (Pangulu & Maski, 2014). Based on the trade-off model, each company must determine a target capital structure where the costs and benefits of using debt are the same. This is because the capital structure will maximize the value of the company. In Myers' opinion, in the implications of the trade off theory, business entities will look for a level of debt that will provide them with tax benefits for any additional debt in addition to the costs that may arise due to the financial gap (Pontoh & Budiarmo, 2018)
2. Pecking Order Theory Based on the pecking order theory, companies will prefer internal funding to external funding. Myers and Majluf show that pecking order theory is a theory based on information asymmetry that will affect the company's capital structure by limiting access to external funding sources (Haryono, 2017).

The capital structure in this study is proxied using the debt to equity ratio (DER), which is a ratio that compares total debt to total capital, where the greater the DER value, the smaller the amount of debt that can be guaranteed by the company's own capital. The formula for calculating DER is:

$$\text{DER} = \text{Total Debt divided by Total Equity.}$$

Institutional Ownership

According to (Almashaqbeh et al., 2019), managerial ownership is the number of shares owned by the management of the total share capital managed by a company. Managerial ownership consists of share ownership by management who has a position or position in a company either as creditors or as a board of commissioners in a company, it can be concluded that managerial ownership is shares owned by managers and directors of the company (Yusuf & Suherman, 2020).

Ownership Structure that focuses on institutional ownership is the proportion of company shares owned by institutions or institutions, such as banks, insurance companies, investment companies or other institutions. Institutional ownership acts as a monitoring agent who performs optimal supervision of management behavior in carrying out its role in managing the company (Sugiarto in Sari, 2016). A high level of institutional ownership will lead to greater oversight efforts by institutional investors so that it can prevent the manager's greedy or opportunistic behavior. The greater the share ownership by institutional investors, the greater the voting power and encouragement of financial institutions to supervise management, so that it will provide a greater impetus to improve company performance that can optimize company value. The formula for calculating share ownership by institutions is:

$$\text{KPI} = \text{Number of Shares Owned by Institution divided by Number of Outstanding Shares multiplied by 100}$$

Profitability

Profitability reflects a measure of the ability to earn a profit from a company to fund investment. The profitability of a company can be used to predict the company's ability to earn profits in the future. Myers (1977) in Sugiarto (2009:127) concludes that the company with the highest profitability is the one with the lowest debt portion, regardless of the type of industry. The company's profitability analysis describes the company's fundamental performance in terms of the level of efficiency and effectiveness of the company's operations in obtaining profits. The dimensions of the concept of profitability can explain the company's management performance. In this study, the profitability ratio used is return on equity (ROE). ROE is used as a measurement of profitability ratios because it has the advantage that it is easy to calculate and understand (Yusuf & Suherman, 2021). According to Syamsuddin (2009:64) it is formulated as follows:

$$\text{Return on Equity (ROE)} = \text{Net profit after tax divided by Equity}$$

ROE is a ratio that shows the rate of return obtained by shareholders on investment in the company. The higher the ROE indicates that the higher the rate of return on the investment made and the lower the ROE of a company, the lower the rate of return will be. A potential investor needs to see the ROE of a company before deciding to invest in order to find out how much will be generated from the investment he makes (Sitepu, 2010) in (Suardikha & Apriada, 2016)

The Value Of The Company

According to (Yusuf, 2020), the value of the company is the company's performance as reflected by the stock price formed by the demand and supply of the capital market which reflects the public's assessment of the company's performance. Meanwhile, according to (Noerirawan, M., & Muid, 2012), the value of the company is a condition that has been achieved by a company as an illustration of public trust in the company after going through a process of activities for several years, namely since the company was founded until now.

According to (Brigham & Ehrhardt, 2005), firm value is the present value of free cash flow in the future at a discount rate according to the weighted average cost of capital. Free cash flow is cash flow available to investors (creditors and owners) after taking into account all expenses for company operations and expenses for investment and net current assets.

According to (Gitman et al., 2015) the value of the company is the actual value per share that will be received if the company's assets are sold according to the share price. Firm value is defined as investors' perception of the company's level of success in managing resources. Fama stated that the value of the company will be reflected in the market price of its shares (Hermuningsih, 2013). The stock price used in this study is the stock price at the end of the year or the closing price. Company value can be formulated as follows:

$$\text{PBV} = \text{Market Price Per Share divided by Book Value Per Share}$$

3. RESEARCH METHOD

This type of research is quantitative research, namely an approach that emphasizes analysis on numerical data (numbers) from the start of data collection and the appearance of the results (Sekaran, 2006). This study uses secondary data sourced from the annual financial statements of manufacturing companies in the food and beverage industry sector listed on the Indonesia Stock Exchange in 2017-2019. Data was obtained by accessing the website www.idx.co.id.

The population in this study is the food and beverage sector manufacturing listed on the Indonesia Stock Exchange for the 2017-2019 period. Sampling in this study using purposive sampling technique, namely sampling using certain criteria. The sampling criteria are as follows:

1. Manufacturing companies in the food and beverage sector that are listed on the IDX and publish audited financial reports consistently and completely from 2017 to 2019
2. The financial reporting period ends on December 31 every year.
3. Companies that were not delisted during the observation period.
4. Financial statements using the Indonesian state currency (IDR).
5. Reporting data needed by researchers during 2017-2019

The data analysis model used in this research is using multiple linear regression which is used for each hypothesis. Data analysis was carried out using the SPSS (Statistical Program for Social Science) Ver. 23. Technical data analysis is carried out by testing the classical assumption used to ensure that the regression equation that has been carried out is linear and valid. The classical assumption test consists of normality, multicollinearity, heteroscedasticity, and autocorrelation tests. Then test the hypothesis by using multiple linear regression analysis which is used to find the relationship and influence between two or more variables on one dependent variable. Multiple linear regression analysis can be used the following equation:

$$Y = \beta_0 + \beta_1 SM + \beta_2 KI + \beta_3 PR + \varepsilon$$

Information:

Y	= Firm Value;
β_0	= Constant;
$\beta_1, \beta_2, \beta_3$	= Regression coefficient of each independent variable;
SM	= Capital Structure
KI	= Institutional Ownership
PR	= Profitability
ε	= Standard Error

4. RESULT

Classic assumption test

1. Normality test

From Figure 1 below, it can be seen that the data spreads along a diagonal line, so this regression model fulfills the assumption of normality.

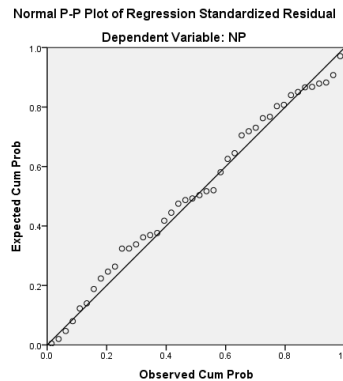


Figure 1. Normality Test Results

Normality test with graphs can be misleading if you are not careful visually it looks normal, even though statistically it can be the other way around (Ghozali, 2016). Therefore, a statistical test is needed, namely the Kolmogorov-Smirnov (K-S) test. If the significance value > 0.05 then the data is normally distributed. The following table describes the Kolmogorov-Smirnov test.

Table 1. Kolmogorov-Smirnov Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		42
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.15041890
Most Extreme Differences	Absolute	.080
	Positive	.061
	Negative	-.080
Test Statistic		.080
Asymp. Sig. (2-tailed)		.200 ^{c,d}

From the table 1, it can be seen that the Kolmogorov-Smirnov test results are 0.080 with a significance value of 0.200. These results indicate that the residual data is normally distributed because the significant value is > 0.05 , so this result is consistent with the graph analysis in the previous test which states that the regression model meets the assumption of normality.

2. Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding errors in the t-1 period (previous). If there is a correlation, it is called an autocorrelation problem. Autocorrelation arises because successive observations over time are related to each other. This is often found in time series data because of "interference" in the same individual/group in the next period (Ghozali, 2016). The autocorrelation test was carried out by looking at the Durbin-Watson (DW) value.

Table 2. Autocorrelation Test Results

Model Summary ^b	
Model	Durbin-Watson
1	1.784

Based on the results of the autocorrelation test in the table 2, it can be seen that the Durbin-Watson value is 1.784. According to the Durbin Watson table, there is no autocorrelation if the value of $du < d < 4-du$. So it was found that $1.662 < 1.784 < 4 - 1.662$, it was concluded that this regression model had no autocorrelation problem.

3. Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residual of one observation to another observation. If the residual variance from one observation to another observation remains, it is called Homoscedasticity and if it is different it is called Heteroscedasticity. A good regression model is Homoscedasticity or Heteroscedasticity does not occur (Ghozali, 2016). This test can be seen from the Scatterplots graphic image below.

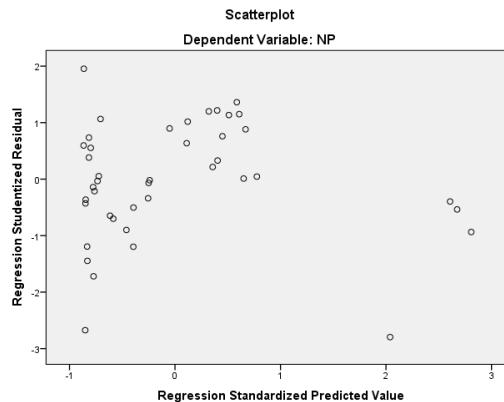


Figure 2. Heteroscedasticity Test Results

Based on the Scatterplot graph in Figure 2 , it can be seen that the points spread randomly and do not form a certain clear pattern, and are spread both above and below the number 0 on the Y axis. This means that there is no heteroscedasticity in this regression model.

4. Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation between the independent variables (independent). A good regression model should not have a correlation between the independent variables. The detection is done by using the tolerance value and VIF (variance inflation factor). If the tolerance value is > 0.10 and $VIF < 10$, then there is no multicollinearity (Ghozali, 2016).

Table 3. Multicollinearity Test Results

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	SM	.889	1,125
	KI	.952	1,050
	PR	.900	1,111

From the table 3, it can be seen that the Variance Inflation Factor (VIF) value of each independent variable does not have a value greater than 10 and a tolerance value > 0.10, so this indicates that the regression model in this study does not contain multicollinearity.

Multiple Regression Analysis

Regression coefficient testing aims to test the significance of the relationship between the independent variable (X) and the dependent variable (Y) either simultaneously (F test) or partially (t test) and also with the coefficient of determination test. The multiple linear regression model in this study is as follows:

Table 4. Multiple Linear Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	1.709	.285	
	SM	.207	.043	.455
	KI	1.188	.894	.121
	PR	.080	.013	.598

From the results of multiple linear regression analysis, the linear regression equation formed is as follows:

$$NP = 1,709 + 0,207SM + 1,188KI + 0,080PR + e$$

From the multiple linear regression equation above, it can be analyzed as follows:

- a. a The constant of 1.709 states that if the independent variable is considered constant, then the firm value is 1.709. This states that the value is positive and the contribution of changes in the independent variable to the dependent variable is quite large.
- b. b There is a significant effect between the capital structure variable (SM) on changes in the firm value (NP) variable. The result is positive (0.207) which states that capital structure has a positive and significant effect on firm value (NP).

- c. c Changes in the variable of Institutional Ownership (KI) have a regression coefficient value of 1.188. The coefficient is positive, meaning that every 1% increase in Institutional Ownership (KI) will result in an increase in firm value (NP) of 1.188% (with the other independent variables being constant).
- d. d There is a significant effect between the Profitability (PR) variable on changes in the firm value (NP) variable. The result is positive (0.080), it can be concluded that profitability has a positive and significant effect on firm value (NP).

T test (Partial Test)

Table 5. t test results

Model	t	Sig.
1 (Constant)	5.993	.000
SM	4.808	.000
KI	1.329	.192
PR	6.355	.000

From table 5 above, it can be analyzed:

- a. From the results of the partial test calculation, the value of $t_{count} = 4.808 > t_{table} 2.0195$ and a significant value of $0.00 < 0.05$ means that H_0 is rejected so that there is a partial influence between the capital structure variable (SM) on changes in the firm value variable (NP). Changes in the capital structure variable (SM) have a regression coefficient value of (0.207). These results indicate that the value of the regression coefficient with a positive direction can be interpreted that the capital structure has a positive influence on firm value.
- b. From the results of the partial test calculation, the value of $t_{count} = 1.329 > t_{table} 2.0195$ and a significant value of $0.192 > 0.05$, then the hypothesis is not accepted, this means that there is no significant effect between the variable institutional ownership (KI) on changes in the value variable. company (NP).
- c. From the results of the partial test calculation, the value of $t_{count} = 6.355 > t_{table} 2.0195$ and a significant value of $0.000 < 0.05$ means that H_0 is rejected, meaning that there is an influence between the Profitability (PR) variable on changes in the firm value (NP) variable. The results are positive, it can be concluded that profitability has a positive effect on firm value.

F Test (Simultaneous Test)

The F test basically shows whether all independent or independent variables included in the model have a joint effect on the dependent/bound variable (Ghozali, 2016).

Table 6. F Test Results

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	125.228	3	41.743	29.233	.000 ^b
	Residual	54.262	38	1.428		
	Total	179.490	41			

a. Dependent Variable: NP

b. Predictors: (Constant), PR, KI, SM

By using the distribution table F obtained $F_{count} = 3.410 > F_{table} = 2.39$ with a significance level of $0.009 < 0.05$. Thus, it can be concluded that capital structure, institutional ownership and profitability simultaneously have a significant effect on firm value.

R² Test (Coefficient of Determination Test)

The R² test (Coefficient of Determination Test) is useful for measuring how the independent variables (capital structure, institutional ownership and profitability) affect the changes that occur in the dependent variable (firm value).

Table 7. Determination Test Results

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.8350 ^a	.698	.6740	1,19497

The table above shows that the adjusted R Square (R²) value is 0.67 or 67%. So this shows that the percentage of the influence of the independent variables (capital structure, institutional ownership and profitability) on the dependent variable (Company Value) is 67%, the remaining 33% is influenced by other variables not included in this study or other factors that are more dominant.

5. DISCUSSION

Based on the results of descriptive statistical analysis and multiple linear regression testing on the effect of capital structure, institutional ownership and profitability on firm value as follows:

1. Effect of Capital Structure on Firm Value

The test results show that the capital structure (SM) has a positive and significant effect on firm value. This is in accordance with this study which shows that when the capital structure increases, the firm value increases. The results of this study are in line with the results of research by (Kang & Gray, 2014) and (Arsov & Naumoski, 2016).

2. The Effect of Institutional Ownership on Firm Value

The test results show that institutional ownership (KI) has no significant effect on firm value, so H₀ is accepted. This can happen because there is still information asymmetry between investors and company managers, information asymmetry is based on investors who do not have sufficient

information about the manager's performance. Information asymmetry between management and investors makes it difficult to monitor the actions taken by management, as a result, managers are difficult to control by investors. Thus, a large amount of institutional ownership tends to be ineffective in monitoring the behavior and performance of managers in the company. In addition, institutional ownership is expected to be able to control the management through a professional monitoring process on investment developments and manager performance. However, this supervisory function has not been carried out properly and optimally, where there is a tendency for institutions or institutions that have institutional ownership in a company, only to invest for profit alone without supervising the manager. Thus, although institutional ownership tends to be large, it does not affect the value of the company.

3. The Effect of Profitability on Firm Value.

The test results show that Profitability (PR) has a positive and significant effect on firm value. The results of this study are in line with the research results of (Sandra Laurencia Mandjar, 2019). Profitability reflects how the ability of a company to earn profits from business activities carried out in a certain period, so that investors can assess how efficient the company is in using assets and in carrying out its operations to generate profits and influence the policies and decisions of investors on the investments made, the more the company is generate profits, it will attract more investors to invest their funds to expand their business. A high level of profitability will give a positive signal to investors, increasing profits or profits will affect the market response to invest in the company and will directly affect the value of the company which is reflected in the increasing level of stock prices in the market.

6. CONCLUSION

Conclusion Based on the formulation of the problem, the theoretical basis, the hypothesis and the results of the tests that have been carried out, it can be concluded as follows:

1. The variables of Capital Structure, Institutional Ownership and Profitability have a simultaneous (joint) and significant effect on the dependent variable, namely Firm Value. This can be proven based on the results of the F test which shows good results and as expected by the author.
2. Capital structure (SM) has a positive and significant effect on firm value. This study shows that when the capital structure increases, the firm value increases. The results of this study are in line with the results of research by Kang & Gray (2014) and Arsov & Naumoski (2016).
3. Institutional ownership (KI) has no significant effect on firm value. The results of this study are in line with the research results of (Pasaribu & Sulasmiyati, 2016). This can happen because there is still information asymmetry between investors and company managers, information asymmetry is based on investors who do not have sufficient information about the manager's performance.
4. Profitability (PR) has a positive and significant effect on firm value. The results of this study are in line with the research results of Mandjar (2019). This means that when there is an increase in profit, the stock price also increases, thereby increasing the value of the company. Profitability is a reflection of the company in front of investors and the public about the company's prospects in the



future. The higher the value of profitability, the higher the value of the company and shows the company's ability to effectively use its resources.

7. SUGGESTION

Suggestions The results of this study have limitations and shortcomings that need to be improved and developed for further research. The suggestions that can be submitted based on this research are as follows:

1. This research was conducted only focused on manufacturing companies listed on the Indonesia Stock Exchange. Hopefully, for further research, the scope of the research sample can be wider. For example, covering all basic and chemical industrial companies, the service sector or the mining sector which can produce different research results.
2. In this study only use the value of the company to see and assess the ability of the company. The next hope is that it can be further developed by assessing other financial ratios. Other financial ratios such as ROA, RO, EPS, Tobin's, and others.
3. The value of the coefficient of determination (adjusted R^2) is 0.84 or equal to 84%. This means that the influence of the independent variables, namely capital structure (SM), institutional ownership (KI), and profitability (PR) on the dependent variable, namely firm value (NP) is 0.84 or equal to 84%. The remaining value of 0.16 or equal to 16% is explained by other variables not included in this study. This shows that there are other variables that need to be identified to explain their effect on firm value. It is hoped that further research will be able to consider other variables to be tested and researched.
4. The year of observation of this research is only pegged for 4 years (2017-2019), because the complete financial reports published by the Indonesia Stock Exchange are only until 2019 when the research is carried out. Future hopes for further research can add years of observation with the most recent year of observation.

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