

THE ROLE OF INSTITUTIONAL OWNERSHIP MODERATING CAPITAL STRUCTURE, PROFITABILITY, AND MANAGERIAL OWNERSHIP ON COMPANY VALUES

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Abstract: *The proportion of the value of capital structure, profitability, managerial ownership, and institutional ownership greatly influences the company's performance in increasing the value of the company so that it has an impact on shareholder wealth. This research aims to determine and analyze the relationship between capital structure, profitability, and managerial ownership of company value with institutional ownership as a moderating variable. The research uses company objects in the consumer goods industry sector for 2019-2021. The research method uses quantitative research with a descriptive approach, data collection techniques using the documentation method, and data analysis techniques using multiple linear regression analysis and Moderated Regression Analysis (MRA) using the SPSS 23 application. Partially, the capital structure does not affect company value. Profitability and managerial ownership have a positive effect on the company value. The moderation test of institutional ownership cannot moderate the positive effect of capital structure and managerial ownership non-company value, and institutional ownership can moderate the negative effect of profitability on company value.*

Keywords: *Capital Structure, Profitability, Managerial Ownership, Company value, and Institutional Ownership.*

Abstrak: *Proporsi nilai struktur modal, profitabilitas, kepemilikan manajerial dan kepemilikan institusional sangat memengaruhi kinerja perusahaan dalam meningkatkan nilai perusahaan sehingga berdampak pada kekayaan pemegang saham. Studi penelitian ini bertujuan untuk mengetahui dan menganalisis hubungan struktur modal, profitabilitas, kepemilikan manajerial terhadap nilai perusahaan dengan kepemilikan institusional sebagai variabel moderasinya. Penelitian menggunakan objek perusahaan pada sektor industri barang konsumsi periode tahun 2019-2023. Metode penelitian menggunakan penelitian kuantitatif dengan pendekatan yaitu deskriptif, teknik pengumpulan data menggunakan metode yaitu dokumentasi dan teknik analisis data menggunakan metode analisis regresi linier berganda dan Moderated Regression Analysis (MRA) menggunakan aplikasi SPSS 23. Secara parsial struktur modal tidak berpengaruh terhadap nilai perusahaan, profitabilitas dan kepemilikan manajerial berpengaruh positif terhadap nilai perusahaan dan uji moderasi kepemilikan institusional tidak mampu memoderasi pengaruh positif struktur modal dan kepemilikan manajerial terhadap nilai perusahaan, dan kepemilikan institusional mampu memoderasi pengaruh negative profitabilitas terhadap nilai perusahaan.*

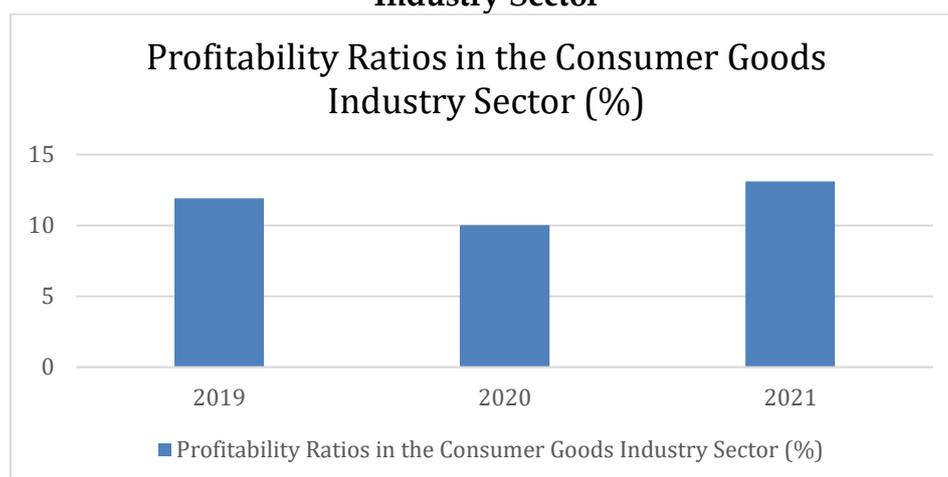
Kata Kunci: *Struktur Modal, Profitabilitas, Kepemilikan Manajerial, Nilai Perusahaan, dan kepemilikan Institusional*

INTRODUCTION

The capital market contributes more to becoming an alternative source of financing for company activities. Sources of financing can be in the form of sales of bonds or stocks. Most investors often demand stocks, namely manufacturing stocks, especially in the consumer goods industry sector. The consumer goods industry sector can be divided into five types: the food and beverage sub-sector; cigarette sub-sector; pharmaceutical sub-sector; cosmetics sub-sector; and household goods sub-sector.

This research uses the consumable goods industry sector as an object of research because the B-company shares of the BI-industry asector are the most resistant to BB crisis compared to other sectors. After all, in a critical condition or not, the products of consumer goods industry companies that are needed by society are allowed. It is proven by the persistence of the companies in the consumer goods industry. ii no significant decrease in profitability ratios during the 2020 economic recession.

Figure 1. Graph of Company Profitability Ratios in the Consumer Goods Industry Sector



Source: Processed by Researchers (2023)

This study uses the 2019-2021 period as the research period. The year was chosen because it is the most recent year that allows it to be used as a research population regarding the availability and completeness of research data. In addition, the author wants to know the ability of the consumer goods industry sector to maintain company value before the 2019 economic recession, during the 2020 economic recession, and after the 2021 economic recession. Indonesia is experiencing an economic recession marked by the minus of the Indonesian economy for two consecutive quarters, respectively, namely the second quarter of 2020 minus 3.49% and the third quarter of 2020 minus 5.32% (Fauzia, 2020). The cause of Indonesia's economic recession in 2020 was the COVID-19 pandemic, in which many companies laid off employees due to a stagnant economy (Gumilang & Sulhan, 2022). It caused many unemployment, and people's purchasing power decreased, thus impacting on declining company sales and profits.

A company needs to maintain its value because it is the primary goal of a business organization. The company value reflects investors' perceptions of the company's success in creating value as measured by market prices. Company value can be measured by price to book value (PBV). Price to book value is the ratio of the market price of a stock to its book value.

Company value can be influenced by two factors, namely external factors and internal company factors (Putra et al., 2016). Capital structure is one of the company's internal factors. The capital structure is financing that comes from foreign and own capital, where own capital comes from stock funds and retained earnings (Yusintha & Suryandari, 2010). The trade-off theory states that companies can increase company value through debt because debt can reduce the tax burden caused by paying interest (Umdiana & Claudia, 2020). In addition, the financial manager analyzes and selects funding sources with the lowest interest rate and the right weight or proportion to produce an optimal capital structure that can increase company value (Single & Ngatno, 2018). It is supported by the results of research conducted by Dwiputra & Cusyana (2022) and Ayuningrum et al. (2021) that capital structure positively affects company value. However, Rahmi & Oktapiani (2021) found that capital structure has a negative effect on company value, and Darmawan & Firdausy (2021) stated that capital structure does not affect company value.

The second internal factor is profitability. Profitability is the company's ability to earn profits concerning sales, total assets, and capital (Tala & Karamoy, 2017). A high profitability ratio provides a positive signal for investors to invest in the company so that the stock price rises and increases the company's value (Indriyani, 2017). It is in line with the findings by Mufidah & Purnamasari (2018) state that profitability has a positive effect on company value, and Ali et., al. (2021) states that profitability has a negative effect on company value and Muharramah & Hakim (2021) states that profitability does not affect company value.

The third internal factor is managerial ownership. Managerial ownership is the percentage of shares owned by managers of the number of outstanding shares (Warfield et al., 1995). The relationship between managerial ownership and company value, according to Jensen & Meckling (1976), namely agency problems, can be reduced by adding managerial ownership to the company. The greater the managerial ownership in the company, the more management will try to improve its performance for the benefit of shareholders and for its own sake to increase the company's value. It is supported by Putranto & Kurniawan (2018), and Fana & Prena (2021), explaining that managerial ownership positively affects company value. Sholikhah & Trisnawati, (2022) found that managerial ownership has a negative effect on company value. However, Trafalgar & Africa (2019) state managerial ownership does not affect company value.

The fourth internal factor is institutional ownership. Institutional ownership is share ownership of an institutional company or other institutions such as insurance companies, banks, investment companies, and other institutional ownership (Wardhani et al, 2017). The greater the institution's ownership, the greater the power of voice and encouragement from the institution to oversee management. It will give

impetus to company managers in improving company performance so that it impacts increasing company value. Furthermore, institutional ownership is share ownership with dominant investors in Indonesia to strengthen organizational management performance (H. et al., 2021). This is supported by the findings of Rakhmat & Fafirudin (2020) and Anggita et al. (2021), stating that institutional ownership positively affects company value. However, the findings of Bakhtiar et al (2020), Azizah (2020) state that institutional ownership has a negative effect on company value. Julia Putri & Ahmar (2019) stated that profitability could strengthen the effect of profitability on company value, and Yudha et al. (2022) stated that institutional ownership could strengthen the positive effect of managerial ownership on company value.

THEORETICAL REVIEW

Trade Off Theory

The trade-off theory was first introduced in 1963 by Modigliani and Miller; this theory explains how much debt the company has and how much equity the company has so that there is a balance between costs and profits. Myers (2001) states that companies will owe up to a certain level of debt, where the tax savings from additional debt are equal to the cost of financial distress. The essence of the trade-off theory in capital structure is to balance the benefits and sacrifices of using debt. Additional debt is still permitted if the benefits exceed the sacrifices made. Meanwhile, if the sacrifice due to the use of debt is greater, additional debt is no longer allowed (Umdiana & Claudia, 2020).

Signaling Theory

Signaling theory was mentioned firstly by Spence, (1973), which explained that the sender (owner of the information) gives a signal or signal in the form of information that reflects the condition of a company that is beneficial to the recipient (investor). According to Righam & Houston (2011), signal theory explains management's perception of the company's growth in the future, which will affect the response of potential investors to the company. The signal explains management's efforts to realize the owner's wishes. This information is considered as an important indicator for investors and business people in making investment decisions.

Agency Theory

Jensen and Meckling first coined agency theory 1976 state that agency relationships occur when one or more people (principals) hire another person (agent) to provide a service and then delegate decision-making authority. Agency theory explains the separation between management functions (by managers) and ownership functions (by shareholders) in a company. The goals of managers and shareholders are the same, namely, to increase the company's value through increasing shareholder wealth. However, managers often only sometimes act in the interests of shareholders or take actions contrary to the wishes of shareholders, resulting in conflicts between company managers and their shareholders (Wongso, 2013).

Research Hypothesis

Trade-off theory explains that debt will increase the company's value if the position structure modal is below the optimal point for each addition. It is caused by debt can save taxes so that the company's value becomes optimal. By reason that assuming point target capital structure optimal Not yet achieved, for based on trade-off theory predict existence connection Which positive to value company. It is supported by the results of previous research conducted by Dwiputra & Cusyana (2022) and Ayuningrum et al. (2021) stated that structure modal influential positive to value company.

H1: Capital structure has a positive effect on company value

In signal theory, high profitability will give a positive signal to investors to attract investors to invest in the company. The high interest of investors to invest in companies with high profitability will increase stock prices, increasing the company's value. It is supported by the results of previous research conducted by Mufida & Purnamasari (2018), stating that profitability positively affects company value.

H2 : Profitability has a positive effect on company value

In agency theory, conflicts of interest between managers and shareholders (agency problem) can be reduced by increasing managerial ownership in the company. The greater the managerial ownership in the company, the more management will try to improve its performance for the benefit of shareholders and its own sake. Self-interest in question is by increasing performance which has an impact on increasing the company's value, then the value of his wealth as a shareholder will also increase. It is supported by the results of previous research conducted by Putranto & Kurniawan (2018), Fana & Prena (2021), stating that managerial ownership positively affects company value.

H3: Managerial ownership has a positive effect on company value

Rakhmat & Fafirudin (2020) state that institutional ownership positively affects company value. It means that the larger the shares the institution owns, the higher the company value. It is due to the high supervision institutions carry on company managers in making financial decisions, including debt policies. Financial managers will establish appropriate debt policies to increase company value and shareholder prosperity. The trade-off theory explains that if the position of the capital structure is below the optimal point, then every additional debt will increase the company's value. Assuming that the optimal capital structure target point has not been reached, based on the trade-off theory, it predicts a positive relationship to company value. This theory is reinforced by the research results of Dwiputra & Cusyana (2022), state that capital structure positively affects company value.

H4 : Institutional ownership can moderate the positive effect of capital structure on company value

The company value will increase as the proportion of institutional ownership increases. The existence of institutional investors in a company will carry out more monitoring of the company, such as company performance and company profit levels. It will encourage company management to improve company

performance; high company performance can increase company profitability so that the size of institutional ownership can strengthen the positive influence of profitability on company value. It is supported by research by Julia Putri & Ahmar (2019) states that institutional ownership can strengthen the positive effect of profitability on company value.

H5: Institutional ownership can moderate the positive effect of profitability on company value.

In agency theory, an increase in institutional ownership accompanied by an increase in managerial ownership can align with the company's goals, namely increasing the company's value and the shareholders' prosperity. The manager is no longer selfish because the manager feels that he owns the company he is running. In addition, the institution encourages supervision of managers' performance for the company's progress. It means that institutional ownership can strengthen the effect of managerial ownership on company value. This statement is strengthened by the research results of Yudha et al. (2022) state that institutional ownership can strengthen the positive effect of managerial ownership on company value.

H6: Institutional ownership can moderate the positive effect of managerial ownership on company value

RESEARCH METHODS

This research uses a type of quantitative research with a descriptive approach. According to Sugiyono (2011:45), quantitative research is research in the form of numbers and analysis using statistics. This study uses a descriptive approach to describe the research object and research results. According to Sugiyono (2013), the descriptive method is a method used to describe or provide an overview of the object under study through data or samples that have been collected without conducting analysis and making definitive conclusions that generally apply.

This study uses secondary data. Secondary data is data obtained indirectly from the object of research. Secondary data in this study is from the company's annual financial reports. This research was located at the Sharia Investment Gallery, Maulana Malik Ibrahim State Islamic University Malang, Jalan Gajayana Number 50, Malang City. This study retrieves data from the official website of the Indonesian stock exchange in the form of financial reports from companies that are the object of research, namely companies in the consumer goods industry sector, from the website www.idx.go.id.

The population is the whole subject or the totality of research subjects which can be in the form of people, objects, or something that can be obtained and can provide research information (data). The population in this study are manufacturing companies in the consumer goods industry sector which are listed on the Indonesia Stock Exchange (IDX) during the 2019-2021 period.

The sampling technique used in this study used purposive sampling to obtain a representative sample based on predetermined criteria. The criteria for determining the sample in this study are:

Table 1. Sample Criteria

No	Sample Criteria	Number of Samples
1.	Company industry sector consumer goods registered on the exchange Indonesian effect (AT) period 2019-2021.	176
2.	Company industry sector consumer goods that are not publish financial statements which have been audited per 31 deep December period 2019-2021.	(9)
3.	Company industry sector consumer goods that are not produce profit period 2019-2021.	(36)
4.	Company industry sector consumer goods no has managerial ownership for the period 2019-2021.	(63)
5.	Company industry sector consumer goods no own institutional ownership for the period 2019-2021.	(8)
Total consumer goods industry companies meet the criteria sample period 2019-2021.		(60)

Source: Data processed by researchers, 2023

Operational variables are defined as research variables, dimensions, and indicators used to measure these variables. The independent variable used in this study is company value, the dependent variable is capital structure, profitability, and management ownership, and the moderation parameter uses institutional ownership.

Investors' assessment of the company's level of success, which is closely related to its stock price, is the company's value (Soebiantoro, 2007). Company value in this study uses price to book value (PBV). PBV can be calculated using the Weston & Copeland formula (2010: 244), namely:

$$PBV = \frac{\text{Stock Price}}{\text{Share Book Value}}$$

The capital structure is the composition of common stock, preferred stock, retained earnings, and long-term debt the business entity maintains in financing assets. The capital structure in this study uses the debt-to-equity ratio (DER). Debt to equity ratio (DER) can be calculated using the formula (Fahmi, 2017 p. 182), namely:

$$THE = \frac{\text{Total Debt}}{\text{Owner's equity}}$$

The profitability ratio measures a company's ability to generate profits using company-owned sources such as company assets, capital, or sales. Profitability in this study uses return on equity (ROE). Return on equity (ROE) can be calculated using the formula (Kasmir, 2014: 115), namely:

$$ROE = \frac{\text{Profit After Tax}}{\text{Owner's equity}}$$

Managerial ownership indicates that the manager owns company shares or is also a company shareholder. These parties sit on the board of commissioners and the company's board of directors. Managerial ownership can be calculated by the formula (Dewi & Abundanti, 2019):

$$KM = \frac{\text{Share Ownership by Managers, Director, Commissioner}}{\text{Total Outstanding Shares}}$$

Institutional ownership is the percentage of shares owned by the institution. The institutions in question include government agencies, foreign companies, and financial institutions such as insurance, banks, and pension funds. The moderation variable in this study uses institutional ownership. The formula for calculating institutional ownership is (Dewi & Abundanti, 2019):

$$TO = \frac{\text{Number of Institutional Shares}}{\text{Number of shares outstanding}}$$

Researchers use documentation techniques which this method is carried out by collecting all secondary data contained in the company's financial reports, information through journals, and other information media that can be used to solve existing problems (Arikunto, 2013). The data collected is financial report data for 3 years for companies in the consumer goods industry sector that had go public and are listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period.

This research was conducted to determine the effect of the relationship between the independent variables (capital structure, profitability, managerial ownership) and the dependent (company value), and to test whether institutional ownership can moderate the effect of the independent variables on the dependent variable. This research was conducted using multiple linear regression analysis and moderation with the SPSS version 23 program. The tests carried out in this study were descriptive analysis test, normality test, heteroscedasticity test, autocorrelation test, coefficient of determination (R^2), multiple linear regression analysis, test F, t-test and moderated regression analysis (MRA) test.

RESULTS AND DISCUSSION

Descriptive Analysis Test

Descriptive analysis test, namely statistics used to analyze data by describing the data that has been collected.

Table 2. Descriptive Analysis Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
THE	60	0,17	1,59	0,6838	0,37122
ROE	60	0,01	0,36	1,1168	0,07466
Managerial ownership	60	0,01	0,48	0,0910	0,13223
The value of the company	60	0,10	3,87	1,3328	0,99452

Institutional Ownership	60	0,05	0,99	0,6410	0,20546
Valid N (listwise)	60				

Source: Processed data, 2023

The results of processing descriptive statistical data in this study, namely:

1. The capital instructor variable proxied by DER has a minimum value of 0.17, a maximum value of 1.59, an average value of 0.6838, and a standard deviation value of 0.37122.
2. The profitability variable proxied by ROE, the minimum value is 0.01, the maximum value is 0.36, the average value is 1.1168, and the standard deviation value is 0.07466
3. Managerial ownership variable, the minimum value is 0.01, the maximum value is 0.48, the average value is 0.0910, and the standard deviation value is 0.13223.
4. The company value variable has a minimum value of 0.10, a maximum value of 3.87, an average value of 1.3328, and the standard deviation value of 0.99452.
5. Institutional ownership variable, the minimum value is 0.05, the maximum value is 0.99, the average value is 0.6410, and the standard deviation value is 0.20546.

Normality test

The data normality test is intended to show that the sample data comes from a normally distributed population (Juliansyah, 2014). The normality test has criteria, namely if the significance value is > 0.05 (5%), then the distribution of the variables is categorized as normally distributed, but if the significance value is <0.05 (5%), then the distribution of the variables is categorized as normally distributed.

Table 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		60
Normal <i>Parameters^b</i>	Mean	,0000000
	Std. Deviation	,35371980
Most Extreme Differences	Absolute	,100
	Positive	,100
	Negative	-,061
Test Statistic		,100
Asymp. Sig. (2-tailed)		,200 ^c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

Source: Data source processed, 2023

From the table above, the SPSS results from the normality test with the Kolmogorov Smirnov show a result of 0.200. Asymp value. Sig. (2-tailed) in this

study is greater than 0.05. Therefore, the researcher concluded that this study's X, Y and Z variables were normally distributed.

Heteroscedasticity Test

Heteroscedasticity is a condition with an inequality of variance from the residuals in the regression model. A good regression model requires no heteroscedasticity problem. Heteroscedasticity causes the estimator to be inefficient, and the coefficient of determination will be very high.

Table 4. Heteroscedasticity Test Results
Correlations

Model		Unstandardized		Standardized		
		B	Std. Error	Beta	t	Say.
1	(Constant)	,816	,285		2,862	,006
	THE	-,060	,120	-,068	-,505	,615
	ROE	,088	,596	,020	,148	,883
	Managerial ownership	-,915	,526	-,366	-1,740	,087
	Institutional Ownership	-,525	,338	-,326	-1,552	,127

Source: Processed by researchers, 2023

Based on the table above, the results of the heteroscedasticity test show that the independent variables capital structure (DER), profitability (ROE), managerial ownership, and institutional ownership have a significance value of >0.05 , so it can be concluded that there are no symptoms of heteroscedasticity occurring.

Autocorrelation Test

The autocorrelation test is used to determine whether or not there is a correlation between variables (Ghozali, 2011). A good regression model is the absence of autocorrelation. Whether or not autocorrelation occurs in this study can use the Durbin-Watson method taken from SPSS. There is no correlation between variables if the Durbin Watson (DW) value is $1 < DW < 3$.

Table 5. Autocorrelation Test Results
Model Summary

Mode	R	R Square	Adjusted Square	Std. Error of the Estimate	Durbin-Watson
1	,512 ^a	,262	,208	,88508	2,247

a. Predictors: (Constant), Institutional Ownership, DER, ROE, Managerial Ownership

b. Dependent Variable: Company Value

Based on the results of the autocorrelation test, the Durbin-Watson value shows a value of 2.247. This result lies between $1 < DW < 3$, namely $1.7274 < 2.247 < 2.2726$ so there is no autocorrelation.

Coefficient of Determination (R^2)

The coefficient of determination R^2 measures how well the sample regression line fits or matches the data. In addition, the coefficient of determination determines how much influence the independent variables have on the dependent variable. There are several categories in testing the coefficient of determination: very strong, strong, moderate, low and very low.

Table 6. Test Coefficient Determination

<i>Model Summary</i>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,512 ^a	,262	,208	,88508

a. Predictors: (Constant), ownership institutional, DER, ROE, Ownership managerial

b. Dependent Variable: Company Value

Source: data processed, 2023

Based on the table above, the total value of the coefficient of determination or R Square is 0.262. The number 0.262 amounts to 26.2%. It means that the independent variables affect the dependent variable by 26.2%. Other variables influence the remaining 72.8%.

Multiple Linear Regression Analysis

Multiple regression analysis is a data analysis technique carried out to determine the correlation between the independent variables and the dependent variable; in other words, this analysis is carried out to be able to see how much influence the independent variables (capital structure (DER), profitability (ROE), ownership) managerial) towards the dependent variable (company value).

Table 7. Multiple Analysis Regression

<i>Coefficients^a</i>							
Model	Unstandardized Coefficients		Standardize d Coefficients	t	Say.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
1 (Constant)	,770	,340		2,265	,027		
THE	-,285	,317	-,107	-,901	,371	,951	1,051
ROE	4,800	1,578	,360	3,041	,004	,947	1,056
Managerial ownership	2,162	,869	,287	2,488	,016	,995	1,005

a. depend on Variable: Value Company

Source: data processed, 2023

The SPSS results in this study's multiple linear regression test showed a constant value of 0.770. Then, the coefficient value of the DER-proxied capital structure is -0.285, the profitability proxied by ROE is 4.800, and managerial ownership is 2.162. Therefore, the regression equation in this study is:

$$\text{Company Value} = 0.770 - 0.285 \text{ BC} + 4.800 \text{ P} + 2.162 \text{ KM}$$

Based on the equation formula, it can be described as follows:

1. Constant is worth 0.770, which means that if the independent variables (capital structure, profitability, and managerial ownership) have a value of 0, then the company value variable will have a positive value of 0.770.
2. The capital structure variable (DER) is -0.285, which means that if there is an increase in the capital structure of 1 unit, the company's value will decrease by 0.285 or 28.5%.
3. The variable profitability (ROE) is worth 4,800, which means that if there is an increase in profitability by 1 unit, then the value of the company will increase by 4,800 or 480%.
4. The managerial ownership variable is worth 2.162, which means that if there is an increase in managerial ownership by 1 unit, the company value will increase by 2.162 or 216.2%.

Simultaneous Significance Test (F Test)

The managerial ownership variable is worth 2.162, which means that if there is an increase in managerial ownership by 1 unit, the company value will increase by 2.162 or 216.2%.

Table 8. The result from Table Test Significance Simultaneous ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Say.
1 Regression	14,920	3	4,973	6,412	,001 ^b
Residual	43,435	56	,776		
Total	58,355	59			

a. Dependent Variable: Value Company

b. Predictors: (Constant), DER, ROE, Ownership managerial

Source: data processed, 2023

Based on the SPSS test results above, F_{count} is 6.412. In addition, in determining the F_{table} , it is necessary to test the significance level of 0.05 with $df = n - k - 1$ ($60 - 3 - 1 = 56$), which means that the value of $df = 56$. Then it can be seen in the F distribution table with df_1 and df_2 56, shows F_{table} , worth 2.77. Thus F_{count} (6.412) $>$ F_{table} (2.77) and a significance value of $0.001 < 0.05$. Researchers can conclude that capital structure (DER), profitability³ (ROE), and managerial ownership significantly influence the company value of the consumer goods industry sector from 2019 to 2021.

Partial Significance Test (T-Test)

A T-test was conducted to determine the effect of either partially or each variable between variables X and Y.

Table 9. Result in Table Significance Test Partial

Model	<i>Coefficients</i>				
	Unstandardized Coefficients		Standardized Coefficients	t	Say.
	B	Std. Error	Beta		
1 (Constant)	,770	,340		2,265	,027
THE	-,285	,317	-,107	-,901	,371
ROE	4,800	1,578	,360	3,041	,004
Managerial ownership	2,162	,869	,287	2,488	,016

a. depend on Variable: Company Variable

Source: data processed, 2023

Based on the SPSS test output above, it can be interpreted as follows:

1. The capital structure proxied by DER (X1) has a significance value (0.371) > 0.05, so H₀ is rejected.
2. Profitability proxied by ROE (X2) has a significant value (0.004) < 0.05, so H₀ is accepted.
3. Managerial ownership (X3) has a significance value (0.016) < 0.05, so H₀ is accepted

Moderated Regression Analysis (MRA) Test

Table 10. Result Table Moderated Regression Test Analysis (MRA)

Model	<i>Coefficients</i>				
	Unstandardized Coefficients		Standardized Coefficients	t	Say.
	B	Std. Error	Beta		
1 (Constant)	,931	,343		2,715	,009
THE	-1,523	,730	-,569	-2,087	,042
ROE	18,871	4,209	1,417	4,483	,000
Managerial ownership	-,347	1,876	-,046	-,185	,854
Moderation 1	1,834	1,110	,487	1,652	,104
Moderation 2	-21,560	6,061	-1,184	-3,557	,001
Moderation 3	1,632	4,525	,073	,361	,720

a. Dependent Variable: Company Value

Source: data processed, 2023

Based on the test table with moderated Regression Analysis (MRA), the above show that;

1. Moderation equation 1 or $X1*Z$ calculation shows a coefficient value of 1.834 (positive) with a Sig value > 0.05 , 0.104. H_0 is rejected
2. Moderation equation 2 or $X2*Z$ calculation shows a coefficient value of -21.560 (negative) with a Sig value < 0.05 , 0.001. H_0 is rejected
3. Moderation equation 3, or the $X3*Z$ calculation, shows a coefficient value of 1.632 (positive) with a Sig value > 0.05 , 0.720. H_0 is rejected

Discussion

Effect of Capital Structure on Company Value

The capital structure variable in this study uses the debt-to-equity ratio (DER). The tested results show that capital structure has no effect on company value in companies in the consumer goods sector for the 2019-2021 period. This result means that the proportion of debt the company uses for company activities does not affect the company's value. It was caused by the economic recession in 2020, which caused companies to take sources of capital from debt due to losses so that investors did not have problems with companies using debt to finance the company's operations. This result is in line with Darmawan & Firdausy (2021), namely that capital structure does not affect company value.

Effect of Profitability on Company Value

The profitability variable in this study uses return on equity (ROE). SPSS results show that profitability has a positive effect on company value. This result means the higher the profitability ratio, the higher the company value. It is due to the company's high profitability ratios indicating its ability to generate high profits for shareholders. In signal theory, high profitability will give a positive signal to investors to attract investors to invest in the company. The high interest of investors to invest in companies with high profitability will increase stock prices, increasing the company's value. It is supported by the results of previous research conducted by Mufida & Purnamasari (2018), state that profitability positively affects company value.

Effect of Managerial Ownership on Company value

The test results show that managerial ownership positively affects company value. This result means that the higher the proportion of managerial ownership, the higher the company value. It refers to agency theory; conflicts of interest between managers and shareholders (agency problem) can be reduced by increasing managerial ownership in the company. The greater the managerial ownership in the company, the managers will try to improve their performance for the benefit of shareholders and their interests. Self-interest in question is that by increasing performance which impacts increasing the company's value, the value of its wealth as a shareholder will also increase. It is supported by the results of research conducted by Putranto & Kurniawan (2018), Fana & Prena (2021) stating that managerial ownership positively affects company value.

Effect of Capital Structure on Company value Moderated by Institutional Ownership

The SPSS test results show that institutional ownership cannot moderate the positive effect of capital structure (DER) on company value. It means that the larger the shares owned by the institution does not strengthen the effect of capital structure on company value. It is due to the need for more oversight by the institution in setting the company's capital structure policy. Companies tend to change their capital structure due to uncertain economic conditions during the 2020 economic recession. This result is different from the research by Rakhmat & Fafiruddin (2020), which states that institutional ownership positively affects company value.

Effect of Profitability on Company value Moderated by Institutional Ownership

SPSS test results show that institutional ownership can moderate the negative effect of profitability on company value. It means that with an increase in the proportion of institutional ownership, the company's profit decreases, thereby reducing the value of the company. It is because institutional parties tend to conflict with company managerial parties in making decisions, reducing management performance and the ability to generate company profits. It is not in line with Putri & Ahmar's research (2019) states that institutional ownership can strengthen the negative effect of profitability on company value.

Effect of Managerial Ownership on Company value Moderated by Institutional Ownership

SPSS test results show that institutional ownership cannot moderate the effect of managerial ownership on company value. It means that the greater the share ownership by the institution does not strengthen the effect of managerial ownership on company value. Due to the diverse portion of ownership in Indonesia, the majority of which are not independent due to many family companies, institutional ownership is not a concern for investors in assessing a company. This result differs from the research by Yudha et al. (2022) that institutional ownership cannot moderate the positive effect of managerial ownership on company value.

CLOSING

From the description of the research, capital structure, profitability, and managerial ownership positively affect company value. Besides that, the partial capital structure does not affect company value; profitability affects company value, and managerial ownership positively affects company value. The moderation test concluded that institutional ownership is not able to moderate the effect of capital structure on company value, institutional ownership can moderate the negative effect of profitability on company value, and institutional ownership is unable to moderate managerial ownership on company value in companies in the consumer goods industry sector for the 2019-2021 period. The limitations of this study are proxies for variables and research samples. Therefore, for future researchers, it is recommended to increase the number of research proxies and research years so that

there are more research samples. It is intended so that the research being tested is of higher quality and better.

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