Journal of Digital Economics and Business (MINISTAL)
Vol. 2, No. 1, 2023 : 157-174

The Influence of Profitability, Firm Size, and Capital Structure on Firm Value with Managerial Ownership as Moderation Variables (Empirical Study of Basic Material Sector Companies on the IDX in 2019-2021)

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A R T I C L E I N F O

Keywords: Profitability, Firm Size, Capital Structure, Firm Value, Managerial Ownership

Received : 01 November
Revised : 02 December
accepted: 03 January

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A B S T R A C T

The condition of the Covid'19 pandemic resulted in a decrease in firm value. The purpose of this study was to analyze profitability, firm size, and capital structure on firm value with managerial ownership as a moderating variable. The population in this study is the company's basic materials registered on the IDX in 2019-2021, the sampling method is purposive sampling, the sample used was 38 samples with certain criteria, while the method of analysis in this study used MRA multiple regression analysis. The results of this study indicate that profitability does not affect firm value, firm size hurts negative firm value, capital structure has a positive effect on firm value, managerial ownership can moderate profitability, firm size is on firm value, and managerial ownership is not able to moderate capital structure on firm value. This research contributes to the field of financial accounting in the form of insight into the factors that influence firm value during a pandemic.

DOI: https://10.55927/ministal.v2i1.2335
ISSN-E: 2827-8259
https://journal.formosapublisher.org/index.php/ministal/index

INTRODUCTION

At the end of 2019, the Covid-19 virus first appeared in the city of Wuhan–China, then spread to all corners of the world. This disease was discovered by WHO (World Health Organization, n.d.). In Indonesia, the Covid-19 case was first discovered on March 2, 2020, in the city of Depok, West Java then spread to all parts of Indonesia with a growing number of cases. Data from Handling Task Force Covid-19 on October 30, 2020, showed that 406.000 cases of covid had been confirmed in Indonesia with a death rate reaching 13.782. The increase in Covid-19 cases has had an impact not only on health but also on the economy. Based on this, WHO has recommended implementing social distancing, including countries that have not been affected by Covid-19 (Cucinotta & Vanelli, 2020). However, with the existence of large-scale social restrictions in several regions, the economy in Indonesia has slowed down (Ofeser & Susbiyantoro, 2021). Based on a survey conducted by the Subdirectorate of Statistical Indicators, Central Bureau of Statistics (BPS) in July 2020, 8.76% of companies stopped operating, and 24.31% of companies reduced capacities such as working hours, machines, and manpower. While 58.95% of companies are still operating normally (BPS, 2020). These conditions resulted in the company starting to improve the quality of the company in various ways to survive during the pandemic (Wahyuni et al., 2022).

As a result of the spread of Covid-19 which affected the economy in Indonesia, especially basic materials companies in 2020, the Jakarta Composite Index (IHSG) decreased from 31.25% to a level 4330.67. Viewed from each sector, basic materials became the company index with the deepest decline, namely 43.53% year to date. The index includes issuers engaged in the cement industry, poultry farming, pulp and paper, ceramics, porcelain, and chemicals. The majority of issuers recorded revenue growth in the range of 2% -32% year on year. However, the issuer's net profit has decreased by around 20% -32% year on year (Qolbi, 2020). The decline in the Jakarta Composite Index (IHSG) and the company's financial performance caused by Covid-19 can also affect the measurement of company value (Revinka, 2021). Firm value is the investor's perception of the company which is often associated with stock prices. A high company value is the desire of the company owners because a high value indicates the prosperity of the shareholders is also high (Ofeser & Susbiyantoro, 2021). When the stock price rises, the value of the company increases (Panjaitan et al., 2022). Firm value is an attraction for investors concerned with stock prices and company performance.

Many factors affect the value of the company, including profitability, company size, and capital structure (Utami & Widati, 2022). Profitability is the skill of a company when obtaining sales profits, certain assets, and equity (Sutisna & Suteja, 2020). Many studies have tested the effect of profitability on firm value, but the results have not been consistent. Based on research results Nugroho et al., (2019) and Astuti et al., (2018) found that profitability has a positive effect on firm value. While research is being carried out Koeshardjono et al., (2019) and Risqi & Suyanto, (2022) argue that profitability hurts negative firm value. The second factor that affects the value of the company is its size of the company. Company size is the size of the company known from the amount of capital and total sales (Risqi & Suyanto, 2022). Many studies have tested the effect of firm size on firm value, but the results have not been consistent. Research results under investigation Ramdhonah et al., (2019) and Pantow et al., (2015) Firm size hurts negative firm value. While research is being carried out Nugroho et al., (2019) and Oktaviarni et al., (2019) stated that firm size has a positive effect on firm value.

The third factor that affects the value of the company is the capital structure. The capital structure is the balance between debt and capital owned by the company (Ramdhonah et al., 2019). Many studies have tested the effect of capital structure on firm value, but the results have not been consistent. Research result Nugroho et al., (2019) and Astuti et al., (2018) argues that capital structure does not affect firm value. But the research carried out by Kusumawati & Rosady, (2018) and Zulfi & Widyawati, (2021) argues that capital structure has a positive effect on firm value. Managerial ownership is the shares that management owns, meaning that as the owner of the company, management is actively involved when making company-related decisions (Anisha, 2018). The ownership structure of a company has different effects on management activities when taking risks (Chun & Lee, 2017). For example, internal mechanisms, structures, and boards of commissioners, as well as external mechanisms such as the market for company control are expected to overcome agency problems and be able to generate quality profits. It is hoped that this quality profit reporting will be able to have a positive influence so that it can increase investor interest in investing which results in a maximum value for the company. Managerial ownership is assumed to strengthen or weaken the effect of profitability, firm size, and capital structure on firm value. Good managerial ownership as a moderating variable is also expected to increase firm value.

Based on the description above regarding the importance of company value for investors and given the inconsistent research results, this research replicates the research conducted by Krisnando, (2019) which examined "The effect of return on assets on firm value with managerial ownership as a moderating variable (an empirical study of manufacturing companies listed on the IDX in 2016-2017)". The difference between this research and previous research is the addition of company size and capital structure variables. This research also uses the 2019-2021 period and the object of research is the basic materials sector companies on the IDX. This study aims to analyze and prove if profitability, firm size, and capital structure have a positive effect on firm value, and if managerial ownership can moderate profitability, firm size, and capital structure on firm value. This research is organized as follows: Introduction which examines the problems or background of the need for research to be carried out, Literature review and development of hypotheses, Research methods that explain the sample, Results of analysis and discussion, Closing which contains conclusions, limitations, and suggestions.

THEORETICAL TEVIEW

Agency Theory

Jensen and Meckling, (1976) said agency theory is the idea of unequal interests between the principal and the agent. These differences result in decisions taken by management not accommodating the interests of the shareholders. This is commonly known as an agency problem. Managerial ownership is the strongest control mechanism for solving agency problems (Widianingsih, 2018). Good managerial ownership is expected to increase the value of the company.

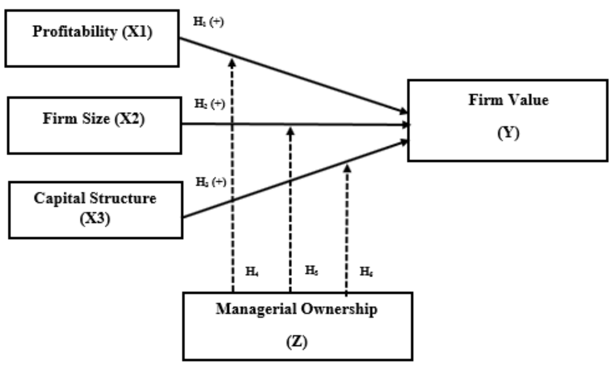
Signalling Theory

Job Market Signalling is the first signal theory research started by Michael Spence (1973). The theory involves two parties, internal parties as signal givers such as management, and external parties as signal receivers such as investors. Spence (1973) proposed signal standards for increasing power in decision-making. This theory is related to the value of the company, if the company fails to convey a good signal about the value of the company, then the value of the company will deviate from its position, that is, the value of the company can be higher or lower than the actual value.

Conceptual Framework

Based on the existing problem formulation, the conceptual framework in this study is as follows:

Image 1 Conceptual Framework



Effect of Profitability on Firm Value

Profitability is a company's skill when it earns profit through its business operations by using the budget that the company has, such as sales, total assets, or personal capital. The profitability variable can be calculated using a profitability scale that calculates the company's skills when making a profit. Based on signal theory, with high profitability, the company's skills in obtaining large profits can provide a positive signal to investors so that it can increase the value of the company. (Hastuti, 2022). Investors are more interested when the company's profitability increases each year. This condition is in line with the research conducted by Nugroho et al., (2019), Kusumastuti et al., (2017), and

Astuti et al., (2018) profitability has a positive effect on firm value. Based on the description above, the following hypothesis is formulated:

H1: Profitability Has a Positive Effect on Firm Value.

The Effect of Firm Size on Firm Value

According to Nurminda et al., (2017) Firm size is a value that indicates the size of the company in several ways, namely total assets, total sales, and market capitalization. In this research, firm size is measured by the total assets owned by the company. Based on the signal theory, firm size seen from high assets is expected to give a positive signal to investors. According to Suryana & Rahayu, (2018), the total assets of a company will be more consistent than the number of sales and greater than the market capitalization value. If the number of company assets is greater, management can be more flexible in the use of company assets. The ease of controlling the company's assets will increase the value of the company. This condition following research by Nugroho et al., (2019), Astuti et al., (2018), and Denziana & Monica, (2016) stated that firm size has a positive effect on firm value. Based on the description above, the following hypothesis is formulated:

H2: Firm Size Has a Positive Effect on Firm Value

Effect of Capital Structure on Firm Value

DER is a comparison between total debt and personal capital. Based on signal theory, large companies tend to use debt to finance their assets. Assuming that large companies are considered to be able to bear the risk of bankruptcy when the company's debt portion is high. In this theory, the large debt owned by the company is a signal from managers to investors that the company is performing reliably and can bear the risk of bankruptcy. If the capital structure transformation does not replace the firm value, then there is no optimal capital structure (Kusumastuti et al., 2017). However, if the firm value changes the capital structure, then the optimum capital structure can be obtained. This condition is in line with research by Phitaloka & Kartika, (2018) and Kusumawati & Rosady, (2018) found that capital structure has a positive effect on firm value. Based on the description above, the following hypothesis is formulated:

H3: Capital Structure Has a Positive Effect on Firm Value

The Effect of Profitability on Firm Value Is Moderated by Managerial Ownership

If ROA increases, the company is getting better, because the company's management can manage the budget properly to make a profit. Meanwhile, if ROA decreases, the company will face losses (Ziandra et al., 2021). Based on agency theory, an increase in company share ownership by management will result in managers directly experiencing the benefits of the decisions taken, and also if there are losses arising from wrong decisions, managers can feel the consequences. This affects the assessment of the existence of management for investors in appreciating the value of the company. Research findings by Koeshardjono et al., (2019) suggest that managerial ownership can moderate the effect of profitability on firm value. Based on the description above, the following hypothesis is formulated:

H4: Managerial Ownership can Moderate the Relationship of Profitability to Firm Value.

The Effect of Firm Size on Firm Value Is Moderated by Managerial Ownership

Firm size is an indicator in measuring company performance. High firm size can describe whether a company has a high level of integrity to always improve its capabilities. Therefore, the market is willing to provide more funds to obtain its shares, because it believes it can receive profit from the company (Sri et al., 2013). Based on agency theory, managerial ownership is the strongest control mechanism for solving agency problems (Widianingsih, 2018). Good managerial ownership is expected to increase the value of the company. Research by Koeshardjono et al., (2019) revealed the effect of firm size can be moderated by managerial ownership. Based on the description above, the following hypothesis is formulated:

H5: Managerial Ownership can Moderate the Relationship between Firm Size and Firm Value.

The Effect of Capital Structure on Firm Value Is Moderated by Managerial Ownership

Based on agency theory, increased share ownership will make management more vigilant in using debt, because they bear the consequences of their actions. Those who have more management power in the company cannot participate in increasing the value of the company (Ziandra et al., 2021). According to research by Kusumawati & Rosady, (2018), the effect of capital structure on firm value is moderated by managerial ownership. Based on the description above, the following hypothesis is formulated:

H6: Managerial Ownership can Moderate the Relationship between Capital Structure and Firm Value.

METHODOLOGY

The technique used in this research is a quantitative technique that examines the effect of profitability (ROA), firm size, capital structure, and managerial ownership moderation on firm value (PBV). The secondary data used in this research are financial reports and www.idx.co.id. The population in this research is basic materials sector companies on the IDX in 2019-2021. The sample selection technique in this research is purposive sampling. The criteria for selecting the sample include: (1) The company is on the IDX in 2019-2021. (2) The company reports financial statements from 2019-2021. (3) Companies that make a profit. (4) The company has the variables needed in the research. Based on predetermined sample criteria, the total sample used is 38.

Table 1. Operational Definition and Variable Measurement

Variable	Definition	Measurement
Profitability (X1)	Profitability is a scale to measure the company's skills when seeking profit (Utami & Widati, 2022).	(Limesta & Wibowo, 2021) ROA = $\frac{\text{Net Profit}}{\text{Total Assets}}$
Firm Size (X2)	Company size is the ratio used to measure the size of a company (Aliyah & Hermanto, 2020).	(Nurminda et al., 2017) FS = LN (Total Assets)
Capital Structure (X3)	Capital structure is the amount of balance between debt and own capital (Kusumawati & Rosady, 2018).	(Primary & Wirawati, 2016) DER = $\frac{\text{Total Debt}}{\text{Total Equity}}$
Firm Value (Y)	The value of the company is the ability and success of the company as shown by the parameters of the stock price in the market (Kusumawati & Rosady, 2018).	(Limesta & Wibowo, 2021) PBV = $\frac{\text{Market Price per Share}}{\text{Book Value per Share}}$
Managerial Ownership (Z)	Managerial ownership is when the principals (Directors and Commissioners) are actively involved when selecting company decisions (Aliyah & Hermanto, 2020).	(RP Astuti et al., 2018) MO = $\frac{\text{Total shares owned by management}}{\text{Total outstanding shares}}$

Data Analysis Technique

This study uses analytical techniques such as descriptive statistics, classical assumption tests (normality test, multicollinearity test, autocorrelation test, heteroscedasticity test), and multiple linear regression analysis with

Moderating Regression Analysis (MRA), coefficient of determination test, simultaneous test (F test), and T-test.

RESULTS

Descriptive Statistical Analysis

Descriptive analysis is used to explain known data from the mean, standard deviation, maximum value, and minimum value (Ghazali, 2018). There are many types of deviation dimensions, but the standard deviation of the average, median, and quartiles that is often used is the standard deviation. The standard deviation is useful if it is related to the mean. The higher the standard deviation than the mean, the more spread out or heterogeneous the data obtained and vice versa. The smaller the standard deviation can indicate that the mean value is getting closer to the reality of some of the data being measured. In other words, the data can describe the state of the population and most likely the distribution will be closer to normal (Partini, 2015).

Table 2. Descriptive Statistical Test Results

	N	Min	Max	Means	std. Deviation
P	38	0.642	15.432	4.666	3.788
FS	38	13.736	30.017	24.319	5.253
CS	38	0.070	1.947	0.727	0.563
FV	38	20.760	56.456	7.833	16.935
MO	38	0.000	0.510	0.136	0.175
Valid N (listwise)	38				

Based on table 2, proves that profitability has an average value of 4.666 > std. deviation of 3.788 means that the data is close to normal, and firm size has an average value of 24.319 > std. deviation of 5.253 means that the data is close to normal, and the capital structure has an average value of 0.727 > the std. deviation of 0.563 means that the data is close to normal, and the company's value has an average value of 7.833 < std. deviation of 16.935 means it's not close to normal. While managerial ownership has an average of 0.136 <std. deviation of 0.175 means not close to normal.

Classic Assumption Test

Based on the classic assumption test consisting of a normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test showed that the 38 samples obtained by the researcher did not have symptoms of multicollinearity, autocorrelation, heteroscedasticity, and had normal data with Asymp. Sig. (2-tailed) of 0.200c.d.

Model Feasibility Test

a. Multiple Linear Regression Analysis

This analysis is used to understand the interaction between the dependent variable and two or more independent variables (Ghazali, 2018). Regression analysis is a statistical technique using equations to describe the form of interaction between two or more variables. The analysis in this research is used to prove the effect of profitability, firm size, and capital structure on firm value with managerial ownership as a moderating variable. The regression equation model, namely:

$$\text{Firm Value} = \alpha + \beta_1 P + \beta_2 FS + \beta_3 CS + e \ \ldots\ldots\ldots \ (1)$$

Table 3. Multiple Regression Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	
		B	std. Error	Betas	Sig.
1	(Constant)	79497562.271	7193090.681		0.000
	P	-527717.202	385314.959	-0.118	0.180
	FS	-2750906.343	257349.896	-0.853	0.000
	CS	978932.861	2769326.503	0.033	0.726
	MO	-22107454.597	8251088.700	-0.229	0.011

Firm Value = 79497562.271 - 527717.202 P - 2750906.343 FS + 978932.861 CS + e

b. Moderated Regression Analysis (MRA) Test

This test is carried out using Moderated Regression Analysis (MRA). Moderated Regression Analysis (MRA) is a special application of multiple linear regression where the equation contains an element of interaction (Ghazali, 2018). The similarities are:

$$\text{Firm Value} = \alpha + \beta_1 P + \beta_2 FS + \beta_3 CS + Z_1 P*MO + Z_2 FS*MO + Z_3 CS*MO + e \ \ldots\ldots\ldots\ldots \ (2)$$

Notes:

α = Constant
β_{1-3} = Regression Coefficient
Z_{1-3} = Moderation
P = Profitability
FS = Firm Size
CS = Capital Structure
MO = Managerial Ownership

Table 4. Moderated Regression Analysis (MRA) Test Results

Model		Unstandardized Coefficients B	std. Error	Standardized Coefficients Betas	Sig.
1	(Constant)	73.717	2.703		0.000
	P	0.147	0.317	0.024	0.646
	FS	-20.510	0.840	-0.944	0.000
	CS	0.628	0.241	0.121	0.014
	P*MO	1.113	0.511	0.186	0.037
	FS*MO	-0.277	0.117	-0.221	0.024
	CS*MO	-2.324	4.566	-0.036	0.614

Firm Value = 73.717 + 0.147 P - 20.510 FS + 0.628 CS + 1.113 P*MO - 0.277 FS*MO - 2.324 CS*MO + e

c. Hypothesis Testing (T-Test)

The t-test is designed to understand how far the influence of one independent variable explains changes in the dependent variable (Ghazali, 2018).

Table 5. Hypothesis Testing Results

Description	**Hypothesis Prediction**	**B**	**t**	**Sig.**	**Decision**
(Constant)		73.717	27.274	0.000	
P	H1 (+)	0.147	0.463	0.646	Rejected
FS	H2 (+)	-20.510	-24.410	0.000	Rejected
CS	H3 (+)	0.628	2.602	0.014	Accepted
P*MO	Moderate	1.113	2.177	0.037	Accepted
FS*MO	Moderate	-0.277	-2.375	0.024	Accepted
CS*MO	Moderate	-2.324	-0.509	0.614	Rejected
R2	0.956	It can be interpreted that by using the MRA test it can be seen that R Square is worth 0.956 or 95%. This condition proves that the percentage of independent variables influences the dependent variable, namely 95%, and the remaining 5% is influenced by variables other than the variables in this research.			
F_{count}	112.416				
Sig.	0.000				
N	38				

1. **Hypothesis 1:** The statistical results show a significant value of profitability, namely 0.646 > 0.05 or t-count < t-table, namely 0.463 < 2.03452. It can be concluded that profitability does not affect firm value.
2. **Hypothesis 2:** The statistical results show that the significance value of firm size is 0.000 < 0.05 or t-count < t-table, namely -24.41 < 2.03452. It can be concluded that firm size hurts negative firm value.
3. **Hypothesis 3:** The statistical results show that the significant value of the capital structure is 0.014 < 0.05 or t-count > t-table 2.602 > 2.03452. It can be concluded that capital structure has a positive effect on firm value.
4. **Hypothesis 4:** The statistical results show that the significance value of managerial ownership moderate profitability, namely 0.037 < 0.05 or t-count > t-table, namely 2.177 > 2.03452. It can be concluded that in a positive direction, managerial ownership can moderate the effect of profitability on firm value.
5. **Hypothesis 5:** The statistical results show that the significance value of managerial ownership moderates company size, namely 0.024 < 0.05 or t-count < t-table, namely -2.375 < 2.016. It can be concluded that in a negative direction, managerial ownership can moderate the effect of firm size on firm value.
6. **Hypothesis 6:** The statistical results show that the significance value of managerial ownership moderates capital structure, namely 0.614 > 0.05 or t-count < t-table, namely -0.509 < 2.016. It can be concluded that managerial ownership is not able to moderate the effect of capital structure on firm value.

DISCUSSIONS

Effect of Profitability on Firm Value

The t-test results show a regression coefficient value of 0.147 with a positive direction which has a sig value. 0.646 > 0.05, proving that the profitability variable does not affect firm value. The results of this research are following the research from Utami & Widati, (2022), Bagaskara et al., (2021), Koeshardjono et al., (2019), and Permatasari & Anwar, (2022) profitability does not affect firm value. This research is not supported by research Astuti et al., (2018), Nugroho et al., (2019), Krisnando, (2019), and Denziana & Monica, (2016) profitability has a positive effect on firm value.

The results of this study can be proven by research data for 2019 which has a profitability of 1.1996 and a company value of 92.1534. In 2020 it has a profitability value of 2.4186 and a company value of 95.5033. Whereas in 2021 it has a profitability value of 5.5602 and a company value of 168.5935. So this research is supported by signal theory where high profitability will increase the company's ability to provide positive signals to investors so that it can improve the company. Companies that can increase profitability during the Covid-19 pandemic will have power for investors and potential investors. Investors will trust companies that generate high profits because investors will get high returns too.

The Effect of Firm Size on Firm Value

The t-test results show a regression coefficient of -20.51 with a negative direction having a sig value. 0.000 < 0.05, indicating that the variable firm size affects firm value. The results of this research are following the research by Ramdhonah et al., (2019), Mislinawati et al., (2021), and Pantow et al., (2015) Firm size hurts negative firm value. This research is not supported by research Astuti et al., (2018), Nugroho et al., (2019), and Denziana & Monica, (2016) Firm size has a positive effect on firm value.

This research can be proven by research data in 2019 which has a company size of 28.1590 and a company value of 92.1534. In 2020 it has a company size of 28.1454 and a company value of 95.5033. Whereas in 2021 the firm size is 28.2791 and the company value is 168.5935. This research is not supported by the signal theory that seen from high assets will give a positive signal to investors, because company size hurts negative firm value, which may be caused by investors that companies with larger amounts of assets tend to implement higher retained earnings than dividends given to the principal. This means that with the presence of Covid-19, firm size hurts negative firm value.

Effect of Capital Structure on Firm Value

The t-test results show a regression coefficient value of 0.628 with a positive direction having a significant value of 0.014 < 0.05, proving that the capital structure variable affects firm value. The results of this research are in line with the research Kusumawati & of Rosady, (2018), Zulfi & Widyawati, (2021), Phitaloka & Kartika, (2018), and Oktaviarni et al., (2019) said the capital structure has a positive effect on firm value. This research is not supported by research Astuti et al., (2018), and Kusumastuti et al., (2017) capital structure does not affect firm value.

This research can be proven by research data in 2019 which has a capital structure of 1.5112 and a company value of 92.1534. In 2020 it has a capital structure of 1.2806 and a company value of 95.5033. Whereas in 2021 it has a capital structure of 1.3457 and a company value of 168.5935. If the capital structure increases, the company value increases. This research is according to the signal theory namely large debt owned by the company is a signal from managers to investors that the company has reliable performance and can bear the risk of bankruptcy. Companies that have debt, get a lot of tax savings from deposited interest, so the value of the company increases. Assuming that large companies are considered to be able to bear the risk of bankruptcy when the company's debt is high. Investors see positive signs for companies that are in debt, so the company is considered confident about the company's growth in the future. This means that with the presence of Covid-19 the capital structure influences company value.

The Effect of Managerial Ownership as a Moderator of Profitability on Firm Value

The results of the t-test prove the value of the regression coefficient of 1.113 with a positive direction having a significant value of 0.037 < 0.05, determining that managerial ownership can moderate the effect of profitability on firm value. This research is supported byPermatasari & Anwar, (2022), Koeshardjono et al., (2019), and Santoso & Ariefiantoro, (2019) managerial ownership can strengthen the profitability of a firm value. This research is not supported by research Astuti et al., (2018), Nugroho et al., (2019), and Sari & Khafid, (2020) managerial ownership is not able to moderate the effect of profitability on firm value.

The results of this study are supported by agency theory, namely an increase in company share ownership by management, which will result in managers experiencing the benefits directly from the decisions taken, and also if there are losses arising from wrong decisions, managers can feel the consequences. This affects the assessment of the existence of management for investors in appreciating the value of the company. This means that with the presence of Covid-19 the role of managerial ownership as a moderator influences increasing profit to maximize company value.

The Effect of Managerial Ownership as a Moderator of Firm Size on Firm Value

The results of the t-test show that the regression coefficient is -0.227 with a negative direction having a significant value of 0.024 < 0.05, indicating that managerial ownership can moderate the effect of firm size on firm value. This research is in line with the research by Astuti & Juli, (2022), Koeshardjono et al., (2019), and Ziandra et al., (2021) Managerial ownership can moderate the effect of firm size on firm value. This research is not supported by research Astuti et al., (2018), Nugroho et al., (2019), and Sari & Khafid, (2020) managerial ownership is not able to moderate the effect of firm size on firm value.

This theory is not supported by agency theory, management share ownership cannot increase the firm size to firm value, because share ownership is a component of the expansion of ownership and is not accompanied by an increase in the value of company assets. This means that the presence of Covid-19 does not affect company size in increasing company value.

The Effect of Managerial Ownership as a Moderator of Capital Structure on Firm Value

The results of the t-test prove the value of the regression coefficient -2.324 in a negative direction, has a significant value of 0.614 > 0.05, indicating managerial ownership is not able to moderate capital structure on firm value. This research is following the research of Astuti et al., (2018), Nugroho et al., (2019), and Kusumastuti et al., (2017) managerial ownership is not able to moderate the effect of capital structure on firm value. This research is not supported by research Phitaloka & Kartika, (2018), Kusumawati & Rosady, (2018), and Ziandra et al., (2021) on managerial ownership can moderate the effect of capital structure on firm value.

This research is not supported by agency theory, namely the increasing share ownership by management, it will cause management to be more careful in using debt because they share the risks arising from these actions. This kind of role can affect the performance of managers at work and can trigger the desire to maintain a position in a company. Where more and more managerial ownership, the company will not be able to contribute to efforts to increase the value of a company. This means that the presence of Covid-19, it does not influence on increasing the value of the company.

CONCLUSION AND RECOMMENDATIONS

From the test results and discussion above, it can be concluded that profitability does not affect firm value, firm size hurts negative firm value, capital structure has a positive effect on firm value, managerial ownership can moderate the profitability variable, and firm size variable on firm value, as well as managerial ownership unable to moderate the effect of capital structure on firm value.

FURTHER STUDY

The limitations of this research are: (1) The study only used 38 samples that met the criteria. (2) The scope used in this research only covers one sector, namely the basic materials on the IDX. While the suggestions that can be given are: (1) The next research is expected to be able to increase the variables other than those used in this study. (2) The next researcher is expected to expand the population so that they can add samples to be used during research.

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