



UDC 332

THE EFFECT OF INSTITUTIONAL OWNERSHIP, PROFITABILITY AND COMPANY SIZE ON FIRM VALUE WITH CAPITAL STRUCTURE AS A MEDIATING VARIABLE

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ABSTRACT

The aim of establishing a company is to obtain the highest profits and increase the value of the company. Company value has a significant meaning and role for a company, the higher the company value, the higher the prosperity of shareholders. Various factors, including institutional ownership, profitability, company size, and capital structure influence company value. This research aims to determine the effect of institutional ownership, profitability, and company size on company value with capital structure as a mediating variable in companies included in the Kompas 100 index on the BEI for the 2019-2021 period. The sampling technique used is engineering purposive sampling and obtained a sample of 66 companies and 198 observation data. The data analysis technique uses path analysis. The research results found that institutional ownership and company size had a positive effect on capital structure, and profitability harmed capital structure. Institutional ownership, profitability, company size, and capital structure have a positive effect on company value. Capital structure can mediate the influence of institutional ownership and company size, but cannot mediate the influence of profitability on company value.

KEY WORDS

Institutional ownership, profitability, company size, capital structure and company value.

Every company has goals to achieve, these goals can be divided into short-term goals, namely obtaining the highest possible profit, and long-term goals to increase company value. Company value can be interpreted as the selling value of a company based on its performance and can be seen from the share price formed through market demand and supply (Thamrin, 2018). Company value has a very important meaning and role for a company because company value describes the prosperity of shareholders. Shareholder prosperity can be reflected in the increase in the stock market price, the higher the share price, the higher the shareholder prosperity. Research on firm value is carried out because it can be used as a basis for making investment decisions by investors.

Brigham and Daves (2018: 614) state that a high stock price will be directly proportional to the high value of the company. Investors believe that a successful company in demand by other investors is related to its increasing share price so that it can increase shareholder prosperity and increase company value. Firm value can be measured by Price to Book Value (PBV), Price Earning Ratio (PER), and Tobin's Q. Firm value in this study is proxied by Price Book Value (PBV) which can be seen from the ratio of stock price to book value per share (Kadriya, 2018). PBV is used as a proxy for firm value in this study because it can be used in all types of companies and is a rational measure in measuring firm value (Monoarfa, 2018).

Increasing company value means increasing shareholder prosperity. Obradovich et. al. (2012) state that overall increasing shareholder prosperity is the company's goal and objective. Companies listed on the Indonesia Stock Exchange (IDX) are companies that have gone public so to achieve the company's goals and objectives, company owners must pay attention to the quality and performance of company management because it will affect the share price. This research was conducted on the IDX, especially for stocks listed on the Kompas100 index for the period 2019 to 2021. The reason for choosing the object of research is because the stocks contained in the Kompas 100 index are shares of companies that have a good liquidity category, high market capitalisation, strong fundamentals, and good company performance so many investors are interested in investing.



The Kompas 100 index is an index of 100 shares of public companies traded on the IDX and was officially published by the IDX in collaboration with the Kompas newspaper company on 10 August 2007. Another reason for this research object is the phenomenon of a decrease in company value in the data based on the PBV ratio of companies listed in a row for the 2019-2021 period. The decline in company value is presented in Figure 1 as follows:

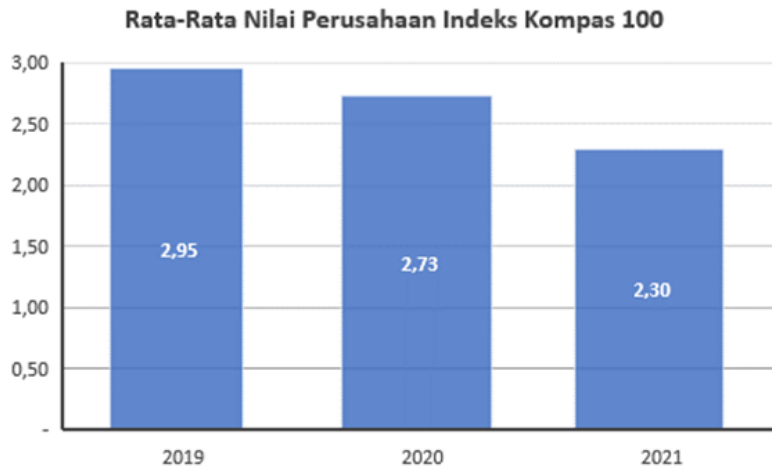


Figure 1 – Graph of Average Company Value listed in the Kompas100 Index consecutively appearing for the period 2019-2021 (Source: Data processed, 2024)

The graph of the average value of companies listed in the Kompas 100 Index in a row appearing in the 2019-2021 period continues to decline. In 2019 the average value of companies listed in the compass 100 index was 2.95% and decreased in 2020 by 0.22% to 2.73%. In 2020, the average company value listed on the compass 100 index was 2.73%, which again decreased in 2021 by 0.44% to 2.30%. The decline in average company value is thought to be due to the company's performance in 2019 to 2021 experiencing a decline, the average profit gain and the COVID-19 pandemic that occurred throughout the world so that stock prices decreased and so did the company's value.

One of the efforts that can be made by company owners or shareholders in increasing company value in this situation is by recruiting professional people to carry out company operations and making the right strategic decisions regarding company funding, to increase company value. Jensen and Meckling (1976) explain that agency theory is related to the relationship between the party who gives the mandate (shareholders) and the party who receives the mandate (managers) to carry out company operations and perform several services on behalf of shareholders. Managers are parties who are given a mandate by shareholders who are obliged to provide information through financial reports that can signal the state of the company as a form of responsibility for managing the company (Wulaningsih and Agustin, 2020).

Information submitted by managers to shareholders is sometimes received not by the actual condition of the company, so this triggers a conflict between shareholders and managers called agency conflict. Conflicts between shareholders and managers can be detrimental to shareholders, because company information known by managers has been manipulated for their interests, causing the company not to develop as expected which has an impact on decreasing share prices and decreasing company value, therefore increasing company value and optimise company performance and minimise inappropriate information regarding company conditions, one of which can be done by increasing supervision of managers through increasing the share ownership structure.

Share ownership structure is a variety of patterns and forms of ownership of a company or the percentage of share ownership owned by internal shareholders and external shareholders. The ownership structure of the company is one of the most important things in



determining how to protect the interests of shareholders from potential management exploitation. The share ownership structure can be divided into internal and external share ownership structures. This study uses one of the share ownership structures, namely the company's external ownership or institutional ownership structure. Lawal et. al. (2018) defines institutional ownership structure as the fraction of ownership or company shares owned by financial organizations.

The institutional ownership structure is an external shareholding of the company that can affect company performance. Buchanan et. al. (2018) institutional ownership structure can have an effect through a monitoring role in increasing firm value because institutional share ownership is more independent than the managerial or internal ownership structure of the company. Institutional ownership has a significant influence on management supervision because it will encourage the creation of optimal control over managers to optimize company performance and minimize inappropriate information regarding company conditions so that the company's goal of increasing company value can be achieved.

The results of research conducted by Sari (2018) show that institutional ownership structure has a significant effect on firm value, these results are supported by research conducted by Ngatemin et. al. (2018), Barokal et. al. (2023), and Arifin & Sudiyanto, (2023) which show that institutional ownership structure has a significant positive effect on firm value. Different research results were obtained by Isnawati (2019), Siddik (2017), and Kalsum et. al. (2023) which showed that institutional ownership has no significant effect on firm value.

Information related to the condition of the company conveyed by management greatly affects the value of the company; therefore important company information provided by managers to shareholders must be by the condition of the company. The existence of institutions that can supervise managers will affect the truth of important company information. Important information such as company profits shows the quality of good company management, thus fostering trust in investors (Zuhroh, 2019). The ratio used to assess the company's ability to earn profits is Profitability. The profitability ratio also provides a measure of the effectiveness of a company's management. The use of profitability ratios can be done using comparisons between various components in the financial statements, especially the balance sheet and income statement.

Profitability is the ability to generate profits during a certain period using assets or capital, both overall capital and own capital (Hanafi and Dewi, 2018). Company profitability can be proxied using Return on Assets (ROA), and Return on Equity (ROE). In this study, the profitability of a company is proxied using ROA. ROA is a profitability ratio that shows the return on the total assets used by the company. ROA is also referred to as economic profitability which is a measure of the company's ability to generate profits with all the activities the company has. The greater the ROA means that the more efficient the use of assets in a company.

Profitability for an investor is very important because it can provide insight into how effectively management controls expenses, the amount of income, interest payments, and taxes (Al-Nasser, 2014). Companies with high profitability show the prospect of company performance so that it can increase company value (Sari, 2020). The greater the profitability of the company, the more profit is generated so the higher the company value (Chen and Chen, 2011).

Research conducted by Obradovich et. al. (2012) profitability through the ROA proxy has a positive effect on firm value; these results are supported by research from Ngatemin et. al. (2018), Masidonda et. al. (2018), Almahadin & Oroud (2019), and Ebenezer et. al. (2019) that profitability has a positive and significant effect on firm value. Different results obtained from research by Hirdinis (2019) show that profitability does not affect firm value, the results of this study are supported by Dang et. al. (2019) which shows that profitability through the ROA proxy has a negative effect on firm value. Increased company profitability can cause the company to grow; potential investors will be interested in seeing the growth of a company because it will provide a good signal for potential investors to make decisions in investing.



One of the company's growth can be seen from the size of the company, a large company size indicates that the company is experiencing good growth. Nurhayati, (2013) in her research found that companies with large growth will find it easy to enter the capital market because investors capture positive signals to companies that have large growth so that a positive response reflects the increasing value of the company. Company size in this study is measured by the natural logarithm (Ln) of total assets. Total assets are Ln because generally total assets amount to billions or even trillions of rupiah, while other variables are in percentage units, so total assets must be Ln to interpret (Masakure, 2016).

Research conducted by Obradovich et. al. (2012) states that company size has a positive effect on firm value, the results of this study are supported by Husna and Satria (2019), Bandanuji & Khoiruddin (2020), Hutabarat (2022), Ibrahim and Sudirgo (2023) state that company size has a positive impact on firm value. Different research results obtained from Setiadharna and Machali's research (2017) state that company size has no effect on firm value. Other research conducted by Suwardika & Mustanda (2017) states that company size has no significant effect on firm value, and Marhaeningtyas (2020) shows that company size does not affect firm value.

Managers in their efforts to increase profitability and increase company size, the ultimate goal of which is to increase company value, require appropriate and efficient decisions in company operations. Decisions in the use of sources of funds are important decisions to strengthen the company's capital structure. The capital structure is the proportion of the company's financing with debt, where the capital structure is the key to increasing productivity and company performance (Hirdinis, 2019). Good or bad things related to the capital structure of a company will have an impact on the company's value (Augustina and Apriyanto, 2020).

The financial ratio that shows the ratio of the use of debt to equity in the capital structure is the Debt to Equity Ratio (DER). DER shows the company's ability to meet obligations as indicated by the use of its capital to pay debt. DER is used as a proxy in this study because it is one of the references for investors in calculating the risk of investing in a company.

Research conducted by Sandag (2015) states that capital structure has a positive and significant effect on firm value, the results of this study are supported by Noviani et. al. (2019), Chabachib et. al. (2020), and Arifin & Sudiyanto (2023) found the results of capital structure research have a positive and significant effect on firm value and research conducted by Putra and Sedana (2019) states that capital structure can mediate the effect of profitability on firm value, as well as the results of Zuhroh's research (2019) state that capital structure can mediate the effect of profitability on firm value.

Based on several previous studies regarding the influence of institutional ownership, profitability, and company size on company value, there are inconsistencies where there are studies that show positive results and also negative results. The results of previous research provide an opportunity for this research to re-examine the influence of institutional ownership, profitability and company size on company value. This research includes capital structure as a mediating variable because companies that have long or short-term debt will have the opportunity to utilize their capital to develop appropriately and provide profits for the company and investors, therefore it will have the effect of increasing the value of a company, in addition to companies that increasing its debt will give a signal that the company is confident about the company's prospects in the future. This positive signal shows that capital structure can increase company value (Suastini et. al., 2016).

Based on theoretical and empirical studies, the following hypothesis can be formulated: H1: Institutional ownership has a negative effect on capital structure. H2: Profitability has a negative effect on capital structure. H3: Company size has a positive effect on capital structure. H4: Institutional ownership has a positive effect on firm value. H5: Profitability has a positive effect on company value. H6: Company size has a positive effect on company value. H7: Capital structure has a positive effect on company value. H8: Capital structure can mediate the effect of institutional ownership on company value. H9: Capital structure can mediate the effect of profitability on company value. H10: Capital structure can mediate the effect of company size on company value.



METHODS OF RESEARCH

The data used in this research is quantitative in the form of numbers or numerical data. The data source in this research is secondary data, namely data obtained indirectly through intermediaries such as documents. This secondary data collection method uses observations where the researcher is not directly involved and is only an independent observer. The data in this research are company financial reports obtained via the website www.idx.co.id. The population that is the object of this research is all 100 compass index companies on the Indonesia Stock Exchange for the 2019-2021 period, a total of 100 companies. Based on the existing population, sample determination was carried out using a purposive sampling technique. The sample data obtained will then be analyzed based on the hypothesis formulation created. The hypothesis formulation in this research contains 3 (three) exogenous variables (institutional ownership, profitability and company size), 1 (one) endogenous variable (firm value) and 1 (one) mediating variable (capital structure). The data analysis technique in this research uses path analysis.

RESULTS AND DISCUSSION

Descriptive statistics convey information about the characteristics of the research variables consisting of the number of observations, minimum value, maximum value, mean value and standard deviation. Table 1 shows the results of descriptive statistical analysis as follows:

Table 1 – Statistics Description

	N	Minimum	Maximum	Mean	Std. Deviation
KI	198	1.54	92.50	61.0663	15.15881
ROA	198	-17.14	35.80	5.4919	7.04504
SIZE	198	848.676.035.300	1.725.611.128.000.000	134.634.927.634.804	310.184.531.314.723
DER	198	.14	16.08	1.9678	2.54890
PBV	198	.25	46.50	2.6597	5.03929
Valid N (listwise)	198				

Source: Data processed, 2024.

Based on the results of the descriptive statistical test in Table 1, shows that the number of observations (N) in this study amounted to 198 data obtained from a sample of 66 companies studied during the 3-year research period, namely 2019-2021. The lowest value of the data is indicated by the minimum value, while the highest value of the data is indicated by the maximum value in the table. The Mean value is used to measure the average value of the data, and Std. Deviation shows the standard deviation.

Table 2 – Structural Normality Test Results 1 and 2

	<i>Unstandardized Residual</i> 1 st Structural	<i>Unstandardized Residual</i> 2 nd Structural
N	198	198
<i>Asymp. Sig. (2-tailed)</i>	0,098	0,200
<i>Exact Sig. (2-tailed)</i>	0,378	0,837

Source: Data processed, 2024.

Table 2 shows that the Kolmogorov Smirnov test results on structure 1 have an Asymp. Sig. (2-tailed) of 0.098. These results indicate that the structural regression equation model 1 is normally distributed because the Asymp. Sig. (2-tailed) is greater than the alpha significance value of 0.05. Based on Table 5.2, it can be seen that the Kolmogorov Smirnov test results on structural 2 obtained an Asymp. Sig. (2-tailed) value of 0.200. These results indicate that the structural regression equation model 2 is normally distributed because the Asymp. Sig. (2-tailed) value is greater than the alpha significance value of 0.05.



Table 3 – Structural Autocorrelation Test Results 1 and 2

Structural	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.640 ^a	.410	.401	.91905	1.926
2	.631 ^a	.398	.385	.67695	2.163

Source: Data processed, 2024.

Based on Table 3, it can be seen that the Durbin Watson value in structural 1 is 1.926 with a sample size of 198 and the number of exogenous variables 3 with a dU value of 1.7982 and 4-dU = 2.074, it can be concluded that the data in structural 1 Durbin Watson value is between dU and 4-dU which indicates that there are no autocorrelation symptoms.

Table 4 – Structural Durbin-Watson Test Results 1

Lower limit (dU) = 1,7982	Durbin - Watson	Upper limit (4-dU) = 2,074
	1,926	

Source: Data processed, 2024.

The Durbin Watson value in structural 2 is 2.163 with a sample size of 198 and the number of exogenous variables 4 with a dU value of 1.8087 and 4-dU = 2.1913, it can be concluded that the data in structural 2 Durbin Watson value is between dU and 4-dU which indicates that there are no autocorrelation symptoms.

Table 5 – Structural Durbin-Watson Test Results 2

Lower limit (dU) = 1,8087	Durbin - Watson	Upper limit (4-dU) = 2,1913
	2.163	

Source: Data processed, 2024.

Table 6 – Multicollinearity Test Results

Structure Equation	Variable	Tolerance	VIF
Y1 = b1X1+b2X2+b3X3+e1	Institutional Ownership (X1)	0,909	1,100
	Profitability (X2)	0,997	1,003
	Company Size (X3)	0,908	1,102
Y2 = b4X1+b5X2+b6X3+b7Y1+e2	Institutional Ownership (X1)	0,745	1,342
	Profitability (X2)	0,806	1,241
	Company Size (X3)	0,805	1,242
	Modal structure (Y ₁)	0,590	1,694

Source: Data processed, 2024.

Based on Table 6, it can be seen that the tolerance and VIF values of the Institutional Ownership, Profitability, Company Size, and Capital Structure variables in the structure 1 and 2 regression equations show that the tolerance value for each variable is greater than 0.10 and the VIF value is less than 10, which means that there is no multicollinearity between exogenous variables.

Table 7 – Heteroscedasticity Test Results Structure 1

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	.462	.071			6.508	.000
KI	-.004	.011			-.025	.736
ROA	-.019	.024			-.056	.434
SIZE	.003	.002			.125	.095

a. Dependent Variable: ABS_RESS

Source: Data processed, 2024.

In Table 7, it can be seen that the significance value of the Institutional Ownership variable is 0.736, the significance value of the Profitability variable is 0.434 and the



significance value of the Company Size variable is 0.095. This value is greater than 0.05, which means that there is no influence between the independent variables on the absolute residual. Thus, the model made does not contain symptoms of heteroscedasticity.

Table 8 – Heteroscedasticity Test Results Structure 2

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	.445	.072			6.140	.000
KI	.002	.012	.015		.179	.858
ROA	-.032	.027	-.096		-1.206	.229
SIZE	.004	.002	.156		1.965	.051
DER	-.037	.033	-.106		-1.144	.254

a. Dependent Variable: ABS_RESS

Source: Data processed, 2024.

In Table 8, it can be seen that the significance value of the Institutional Ownership variable is 0.858, the significance value of the Profitability variable is 0.229, the significance value of the Company Size variable is 0.051, and the significance value of the Capital Structure variable is 0.254. This value is greater than 0.05, which means that there is no influence between the independent variables on the absolute residual. Thus, the model does not contain symptoms of heteroscedasticity.

Table 9 – Structural Path Analysis Test Results 1

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	-.455	.156			-2.920	.004
KI	.155	.024	.378		6.531	.000
ROA	-.355	.052	-.375		-6.782	.000
SIZE	.022	.004	.288		4.977	.000

a. Dependent Variable: DER

Source: Data processed, 2024.

Based on the results of Structural Path Analysis 1 as presented in Table 5.9, the following structural equation can be made:

$$Y_1 = b_1X_1 + b_2X_2 + b_3X_3 + e_1$$

$$Y_1 = 0,378 X_1 - 0,375 X_2 + 0,288 X_3 + e_1$$

Where: Y_1 = Modal structure; b_1, b_2, b_3 = Coef. Regression; X_1 = Institutional Ownership (KI); X_2 = Profitability (ROA); X_3 = Company Size (SIZE); e_1 = Standard Error Value (error) Structural 1.

Table 10 – Structural Path Analysis Test Results 2

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	-.487	.117			-4.152	.000
KI	.057	.019	.190		2.940	.004
ROA	.357	.043	.518		8.317	.000
SIZE	.009	.003	.173		2.786	.006
DER	.139	.053	.191		2.630	.009

a. Dependent Variable: PBV

Source: Data processed, 2024.

Based on the results of Structural Path Analysis 2 as presented in Table 5.10, the following structural equation can be made:



$$Y_2 = b_1X_1 + b_2X_2 + b_3X_3 + b_4Y_1 + e_2$$

$$Y_2 = 0,190 X_1 + 0,518 X_2 + 0,173 X_3 + 0,191 Y_1 + e_2$$

Where: Y_2 = Company Value; b_1, b_2, b_3, b_4 = Coef. Regression; X_1 = Institutional Ownership (KI); X_2 = Profitability (ROA); X_3 = Company Size (SIZE); e_1 = Standard Error Value (error) Structural 2.

Table 11 – Results of the Coefficient of Determination

Structural	Equation	R Square	Adjusted R Square
1	$Y_1 = 0,378 X_1 - 0,375 X_2 + 0,288 X_3$	0,410	0,401
2	$Y_2 = 0,190 X_1 + 0,518 X_2 + 0,173 X_3 + 0,191 Y_1$	0,398	0,385

Source: Data processed, 2024.

Table 11 shows that in structural equation 1 (path analysis 1) the influence of exogenous variables on endogenous variables shown by the determination value (Adjusted R Square) of 0.401 means that 40.1% variation of capital structure is influenced by variation of institutional ownership (X_1), profitability (X_2), and firm size (X_3) while the remaining 59.9% is explained by other factors not included in the model.

While in structural equation 2 (path analysis 2) the magnitude of the influence of exogenous variables on endogenous variables indicated by the determination value (Adjusted R Square) of 0.385 means that 38.5% of variations in firm value are influenced by variations in institutional ownership (X_1), profitability (X_2), firm size (X_3) and capital structure (Y_1), while the remaining 61.5% is explained by other factors not included in the model.

Based on the calculation of the effect of error (e_1), the result of the effect of error (e_1) is 0.7739 and the effect of error (e_2) is 0.7842. The total determination value of 0.6317 means that 63.17% of the variation in firm value is influenced by variations in institutional ownership, profitability, and capital structure, while the remaining 36.83% is explained by other factors not included in the model.

Table 12 – Simultaneous Significance Test Results in Structural 1

ANOVA ^a		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	113.703	3	37.901	44.871	.000 ^b
	Residual	163.864	194	.845		
	Total	277.567	197			

Source: Data processed, 2024.

Based on the regression results in Table 12, show a significance level (Sig. F) of 0.000 which is smaller than the value of $\alpha = 0.05$. These results indicate that all exogenous variables (Institutional Ownership, Profitability, Company Size) can predict or explain the Capital Structure phenomenon in companies included in the Kompas100 Index on the IDX for the 2019-2021 period.

Table 13 – Simultaneous Significance Test Results Structural 2

ANOVA ^a		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.374	4	14.594	31.845	.000 ^b
	Residual	88.446	193	.458		
	Total	146.820	197			

Source: Data processed, 2024.

Based on the regression results in Table 13, shows the significance level (Sig. F) of 0.000 which is smaller than the value of $\alpha = 0.05$. These results indicate that all exogenous variables (Institutional Ownership, Profitability, Company Size and Capital Structure) can



predict or explain the phenomenon of Company Value in companies included in the Kompas100 Index on the IDX for the 2019-2021 period.

Table 14 – Test Results of Structural Direct Effect 1

Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	-.455	.156			-2.920	.004
KI	.155	.024	.378		6.531	.000
ROA	-.355	.052	-.375		-6.782	.000
SIZE	.022	.004	.288		4.977	.000

Source: Data processed, 2024.

Based on the results of the analysis of the influence of Institutional Ownership on Capital Structure, a significance value of 0.000 was obtained with a positive regression coefficient value of 0.378. A significance value of $0.000 < 0.050$ indicates that institutional ownership has a positive and significant effect on the capital structure of companies included in the Kompas100 Index on the BEI in 2019-2021. The results of this research are in line with those (Cahyani & Handayani, 2017) and (Dewi & Atiningsih, 2019) which state that Institutional Ownership has a significant positive effect on Capital Structure.

Based on the results of the analysis of the influence of Profitability on Capital Structure, a significance value of 0.000 was obtained with a negative regression coefficient value of -0.375. A significance value of $0.000 < 0.05$ indicates that profitability has a negative and significant effect on the capital structure of companies included in the Kompas100 Index on the BEI in 2019-2021. The results of this research are in line with Ibrahim and Sudirgo, (2023), and Liang and Natsir, (2019), who found that profitability had a negative and significant effect on capital structure.

Based on the results of the analysis of the influence of Company Size on Capital Structure, a significance value of 0.000 was obtained with a positive regression coefficient value of 0.288. A significance value of $0.000 < 0.05$ indicates that company size has a positive and significant effect on the capital structure of companies included in the Kompas100 Index on the BEI in 2019-2021. The results of this research are in line with Ibrahim and Sudirgo, (2023) and Liang and Natsir, (2019), who found that company size has a positive and significant effect on capital structure.

Table 15 – Test Results of Structural Direct Effect 2

Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	-.487	.117			-4.152	.000
KI	.057	.019	.190		2.940	.004
ROA	.357	.043	.518		8.317	.000
SIZE	.009	.003	.173		2.786	.006
DER	.139	.053	.191		2.630	.009

Source: Data processed, 2024.

Based on the results of the analysis of the influence of Institutional Ownership on Company Value, a significance value of 0.004 was obtained with a positive regression coefficient value of 0.190. A significance value of $0.004 < 0.05$ indicates that institutional ownership has a positive and significant effect on company value in companies included in the Kompas 100 Index on the BEI in 2019 - 2021. The results of this research are in line with Siddik et al., (2017) and Arifin & Sudyanto, (2023) states that institutional ownership has a significant positive effect on company value.

Based on the results of the analysis of the influence of Profitability on Company Value, a significance value of 0.000 was obtained with a positive regression coefficient value of 0.518. A significance value of $0.000 < 0.05$ indicates that Profitability has a positive and



significant effect on Company Value in companies included in the Kompas 100 Index on the BEI in 2019 - 2021. The results of this research are in line with the research of Almahadin & Oroud (2019) and Ebenezer et. al. (2019) that profitability has a positive effect on company value.

Based on the results of the analysis of the influence of company size on company value, a significance value of 0.006 was obtained with a positive regression coefficient value of 0.173. A significance value of $0.006 < 0.05$ indicates that company size has a positive and significant effect on company value in companies included in the Kompas 100 Index on the BEI in 2019 - 2021. The results of this research are in line with research by Bandanuji & Khoiruddin (2020), and Al-Slehat (2020) show that company size has a positive influence on company value

Based on the results of the analysis of the influence of Capital Structure on Company Value, a significance value of 0.009 was obtained with a positive regression coefficient value of 0.139. The significance value of $0.009 < 0.05$ indicates that Capital Structure has a positive and significant effect on the Value of Companies included in the Kompas 100 Index on the BEI in 2019 - 2021. The results of this research are in line with Arifin & Sudiyanto (2023) (Chabachib et. al., 2020) which state that capital structure has a positive and significant effect on company value.

The calculated Z value of 3.5130 is greater than the standard absolute Z value of 1.96. So H_0 is rejected and H_1 is accepted, meaning that the Capital Structure variable (Y1) can mediate the influence of Institutional Ownership (X1) on Company Value (Y2) which is included in the Kompas100 Index on the BEI in 2019 - 2021. The results of this research are in line with Johny Budiman (2015) and Arifin & Sudiyanto (2023) who state that capital structure is able to mediate the influence of institutional ownership on company value.

The calculated Z value of -3.2237 is smaller than the standard absolute Z value of 1.96. So H_0 is rejected and H_1 is accepted, meaning that the Capital Structure variable (Y) is a variable that is able to mediate Profitability (X2) on Company Value (Y2) which is included in the Kompas100 Index on the BEI for 2019 - 2021. The results of this research are in line with (Savitri et al., 2021), (Viriany, 2022) and (Mardianto, 2022) that capital structure is unable to mediate the effect of profitability on company value. The calculated Z value of 3.5993 is greater than the standard absolute Z value of 1.96. So H_0 is rejected and H_1 is accepted, meaning that the capital structure variable (Y) is able to mediate company size (X3) on company value (Y2) which is included in the Kompas100 Index on the BEI in 2019 - 2021. The results of this research are in line with Hermuningsih (2012), and Mardianto, (2022).

CONCLUSION AND SUGGESTIONS

Based on the research results that have been obtained and the discussion described in the previous chapter, it can be concluded that institutional ownership has a positive effect on capital structure, Profitability has a negative effect on capital structure, Company size has a positive effect on capital structure, Institutional ownership has a positive effect on company value, Profitability has a positive effect on company value, Company size has a positive effect on company value, Capital structure has a positive effect on company value, Capital structure is able to mediate the effect of institutional ownership on company value, Capital structure is not able to mediate the effect of profitability on company value, Capital structure is able to mediate the effect company size to company value.

Companies listed on the Indonesia Stock Exchange (BEI), especially companies included in the Kompas 100 index, pay more attention to institutional ownership structure, profitability, company size and capital structure because they can influence company value, which can be seen from the research results, that structure Institutional ownership, profitability, company size and capital structure have a positive and significant effect on company value. For investors who want to invest in companies, they should pay attention to the condition of the company and the company's financial reports, especially financial reports related to company profits and debt because this will affect the value of a company. Future



researchers are advised to develop the results of this research based on what was found. It is recommended that further research add other variables such as Corporate Social Responsibility, Financial Performance, and Dividend Policy.

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