

Policy Influence Debt, Ownership Managerial and *Profitability* Against Company Value in the Food and Beverages Sub-Sector Indonesian Securities in the 2019-2021 Period

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<p>Received: 20/11/2022</p> <p>Revised 25/11/2022</p> <p>Accepted: 01/12/2022</p> <p><i>Correspondence*</i></p>  <p>This work is licensed under a Creative Commons Attribution 4.0 International License.</p>	<p>Abstract The purpose of this test is to analyze the effect of debt policy, managerial ownership, and profitability on firm value. there is a decrease in the value of the company due to debt policy, managerial ownership, and unstable profitability. The population in this study was obtained by 39 companies and the sample in this study totaled 25 companies that met the criteria. the research method uses multiple linear regression analysis techniques. The results of testing the hypothesis partially debt policy has a positive effect on firm value, while for managerial ownership and profitability have no effect on firm value. and the simultaneous test results show that the variable debt policy, managerial ownership, and profitability have an influence on the value of food and beverage companies listed on the Indonesia Stock Exchange 2019-2021.</p> <p>Keywords: Debt Policy, Managerial Ownership, Profitability</p> <p style="text-align: right;"><i>This is an open-access article under the CC BY license.</i></p> 
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Introduction

The purpose of the establishment of a company is to achieve maximum profit prosper the owner company or shareholders, and also maximize the value of the company which can be seen in the price of shares.

Firm value is an act of compiling investors towards a company that is linked to the stock price. Firm value is also formed through the stock market and is influenced by investment opportunities. The factors that affect firm value are debt policy, managerial ownership, and profitability.

Debt policy is a company policy about how far a company uses funding Managerial ownership is the balance of ordinary shares owned by management. The existence of management ownership can lead to oversight of the policies that will be taken by the company's management.

Another factor that affects company value is profitability, profitability is a ratio used to be able to determine a company's ability to earn profits, or profits through its operational activities

Literature Review

Theory of Influence of Debt Policy on Firm Value

(Syafri, 2020) shows that if the company uses small debt, the company is considered unable to take advantage of additional external capital that can increase the company (Widyasari, Paminto, & Judiarni, 2018) shows the lower the debt of a company, the value of the company will increase because

the company's obligation to pay debts to creditors decreases so that the profit generated by the company increases.

Theory of Effect of Managerial Ownership on Firm Value

(Elrika v. , 2016) shows if managerial ownership can equalize the interests of managers and shareholders (Soni, 2016) Showing low managerial ownership causes the management to prioritize their own interests rather than the interests of the company

Profitability Effect Theory on Firm Value

(Hery, 2016) The higher the return on assets, the higher the amount of profit generated from each capital embedded in total assets and vice versa (Bayu, Wijaya, & Sedana, 2015) Companies that experience an increase in profits reflect that the company has good performance, giving rise to positive sentiment from investors and making the company's stock price increase

Research Hypothesis

- H1 : Debt policy has a positive and significant effect on the value of food and beverage sub-sector companies listed on the Indonesia Stock Exchange
- H2 : Managerial ownership has a positive and significant effect on the value of food and beverage sub-sector companies listed on the Indonesia Stock Exchange
- H3 : *Profitability* has a positive and significant effect on the value of food and beverage sub-sector companies listed on the Indonesia Stock Exchange
- H4 : Debt Policy, Managerial Ownership, and Profitability have a positive and significant effect on the Value of Companies in the Food and Beverage Subsector Listed on the Indonesia Stock Exchange

Method

The research approach used is quantitative descriptive research. According to,(Sugiyono, 2012) "Quantitative descriptive approach is a formulation of the problem relating to the question of the existence of independent variables, either only on one variable or more. Data collection uses data analysis, namely descriptive statistics, classical assumption test, research data analysis model, coefficient of determination, and hypothesis testing, namely t test (partial), and f test (simultaneous

Result dan Discussion

Normality test

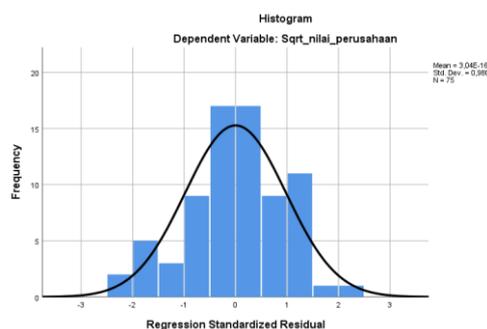


Figure 1. Normality test

Based on the picture above, it can be concluded that the results of the normality test on the histogram graph show that the data is normally distributed with a bell-shaped curve .

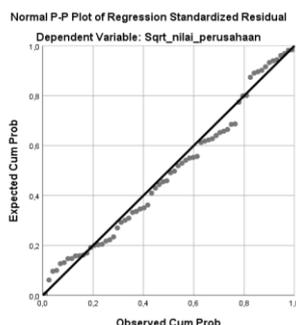


Figure 2. Normality Test

Based on the picture above, it can be concluded that the probability plot has a normal distribution pattern because the data spreads around the diagonal line and follows the diagonal line .

**Table 1. Normality Test Results
One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residuals
N		75
Normal Parameters ^{a,b}	Means	25.0746451
	std. Deviation	66.59921973
Most Extreme Differences	absolute	,103
	Positive	,103
	Negative	-.092
Test Statistics		,103
asyp. Sig. (2-tailed)		.077 ^c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

Based on the table above it can be concluded that the *Asymp. Sig. (2-tailed)* is $0.077 > 0.05$ which can be stated that the data is normally distributed.

Multicollinearity Test

**Tabel 2. Multicollinearity Test Results
Coefficients ^a**

Model		Collinearity Statistics	
		tolerance	VIF
1	(Constant)		
	Sqrt_policy_Debt	,873	1.146
	Sqrt_ownership_managerial	,988	1.012
	Sqrt_profitability	,864	1.158

a. Dependent Variable: Sqrt_company_value

Based on the table above, it can be seen that all independent variables have tolerance > 0.1 , and VIF values < 10 . So it can be stated that there is no multicollinearity problem.



Autocorrelation Test

Table 3. Autocorrelation Test Results Summary Model ^b

Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watson
1	,412 ^a	,268	,223	64.785671	1,831

a. Predictors: (Constant), Sqrt_profitability, Sqrt_managerial_ownership, Sqrt_debt_policy

b. Dependent Variable: Sqrt_company_value

Based on the output above, the *Durbin-Watson value* is 1.831. The d value is greater than the du value in the *Durbin-Watson table* where the du value is 1.709 and less or less than 4-du (4 - 1.709 = 2.291) so it can be stated that there are no problems or symptoms of autocorrelation.

Heteroscedasticity Test

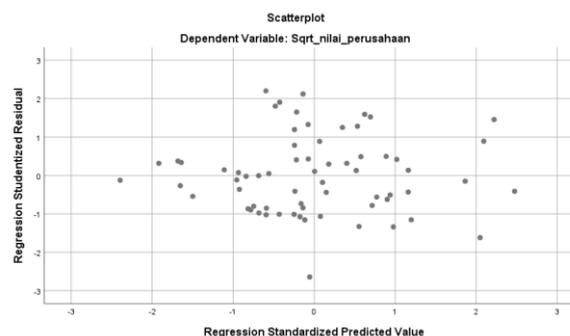
Glesjer's test

Table 4. Glesjer Test Results Coefficients ^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	131,810	42,490		3.102	,003
	sqrt_policy_debt	,178	,683	,179	1,551	,125
	sqrt_ownership_managerial	,099	,376	,119	1,027	,308
	sqrt_profitability	.049	,901	,127	1,101	,275

a. Dependent Variable: Abs_Res

Based on the table above, it can be seen that the significance value of the debt policy variable (X1) is 0.125, managerial ownership (X2) is 0.308, and profitability (X3) is 0.275 with a sig value higher than 0.05, so it can be stated that there is no heteroscedasticity problem.



Based on the picture above, it can be seen in the *scatterplot graph* that has a pattern that spreads, and also spreads above and below zero. Then it can be stated that it is not a heteroscedasticity problem

Research result

Table 5. Multiple Linear Regression Test Results Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		



1	(Constant)	95,531	45,312		2.108	.039
	Sqrt_policy_Debt	74,641	50,505	,194	2,478	.024
	Sqrt_ownership_managerial	24,636	22,312	,136	1,604	,127
	Sqrt_profitability	102,843	75,566	,180	1,361	,178

a. Dependent Variable: Sqrt_company_value

In the table above, it can be seen that the multiple linear equations in this study are as follows:
 Firm Value = 95,531 + 74,641 debt policy (X1) + 24,636 managerial ownership (X2) + 102,843 profitability (X3)

Coefficient of Determination (R²)

Table 6. Test Results for the Coefficient of Determination Summary Model^b

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	,412 ^a	,268	,223	64.785671

a. Predictors: (Constant), Sqrt_profitability, Sqrt_managerial_ownership, Sqrt_debt_policy

b. Dependent Variable: Sqrt_company_value

In the table above it can be seen the results of the test for the coefficient of determination for the R² value of 0.268 or 26.8%. This means that by 26.8% it can be said that the influence of debt policy variables, managerial ownership and profitability on firm value is 26.8% while the rest is influenced by other factors.

Simultaneous Test (F)

Table 7. Simultaneous Test Results (F) ANOVA^a

Model		Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	19102,606	3	6367,535	3,517	,019 ^b
	residual	260225,355	71	4197,183		
	Total	279327,962	74			

a. Dependent Variable: Sqrt_company_value

b. Predictors: (Constant), Sqrt_profitability, Sqrt_managerial_ownership, Sqrt_debt_policy

In the table above it can be seen that the F_{count} is 3.517 and the F_{table value} is 2.73 with a significant value of 0.019 < 0.05 so that it can be stated that the debt policy variables, managerial ownership, and profitability simultaneously have an influence and are significant on the company value of the food and beverage sector listed on the Indonesia Stock Exchange in 2019-2021.

Partial Hypothesis Test (t test)

Table 8. Partial Test Results (T) Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients Betas	t	Sig.
		B	std. Error			
1	(Constant)	95,531	45,312		2.108	.039
	Sqrt_policy_Debt	74,641	50,505	,194	2,478	.024
	Sqrt_ownership_managerial	24,636	22,312	,136	1,604	,127
	Sqrt_profitability	102,843	75,566	,180	1,361	,178

a. Dependent Variable: Sqrt_company_value

Debt policy has a $t_{count} > t_{table}$, namely $2.478 > 1.993$ and a significant value of $0.024 < 0.05$, then H_{0is} is rejected and H_a is accepted and it can be said that debt policy partially has a positive and significant effect on the value of companies in the food and beverage sector listed on Indonesia Stock Exchange (IDX) in the 2019-2021 period managerial ownership has a value of $t_{count} < t_{table}$, namely $1.604 < 1.993$ and a significant value of $0.127 > 0.05$, then H_{0is} is accepted and H_a is rejected and it can be said that managerial ownership partially has no effect and is not significant on the value of listed companies in the food and beverage sector on the Indonesia Stock Exchange (IDX) in the 2019-2021 period. profitability has a value of $t_{count} < t_{table}$, namely $1.361 < 1.993$ and a significant value of $0.178 > 0.05$, then H_{0is} is accepted and H_a is rejected and it can be said that profitability partially does not affect the company value of the food and beverage sector which is listed on the Indonesia Stock Exchange (IDX) in the 2019-2021 period

Discussion

Effect of Debt Policy on Company Value

The results of the partial debt policy analysis test (t) obtained $t_{count} > t_{table}$ $2.478 > 1.993$ with a significance value of $0.024 < 0.05$ where H_{0is} is rejected and $H_{a is}$ accepted and it can be interpreted that partially debt policy has a positive influence and significant to the value of food and beverage sector companies listed on the Indonesia Stock Exchange (IDX) in the 2019-2021 period.

The results of this study are supported by research conducted by (Dilla et al, 2020) which shows that with high debt financing that companies will get, companies will be able to use capital from debt financing to further develop their companies and if the company develops, the results for investors will also be will rise so that investors have a high interest in buying shares in the company .

The Effect of Managerial Ownership on Firm Value

The results of the partial debt policy analysis test (t) obtained $t_{count} < t_{table}$, namely $1.604 < 1.993$ with a significance value of $0.127 > 0.05$ where $H_{0 is}$ is accepted and $H_{a is}$ is rejected and it can be interpreted that partially managerial ownership has no influence positive and significant to the value of food and beverage sector companies listed on the Indonesia Stock Exchange (IDX) in the 2019-2021 period.

The results of this study are supported by research(Nurkhin, Wayudin, & Fajriah Aenul Septian, 2017) that managerial ownership has no effect on firm value. Low managerial share ownership in the company causes managers to be unable to make decisions based on their own desires(Yeniatie & Nicken, 2010)

Effect of Profitability on Firm Value

The results of the partial profitability analysis test (t) obtained $t_{count} < t_{table}$, namely $1.361 < 1.993$ with a significance value of $0.178 > 0.05$ where H_0 is accepted and H_a is rejected and it can be interpreted that partially profitability does not have a positive effect and significant to the value of food and beverage sector companies listed on the Indonesia Stock Exchange (IDX) in the 2019-2021 period.

The results of this study are supported by research(Anggraini & Siska, 2019) which states that profitability has no effect on firm value. increasing profitability will reduce the value of the company. Even though the company has increased profits, the company uses these profits for retained earnings and not distributed to shareholders.



Conclusion

Based on the research results, the following conclusions can be obtained:

1. Simultaneous test results (f) obtained $F_{count} (3.517) > F_{table} (2.73)$ and a significance value of $0.019 < 0.05$ which means that the independent variables of debt policy, managerial ownership, and profitability have a significant and significant effect on the value of companies in the food and beverage subsector listed on the Indonesia Stock Exchange 2019-2021.
2. Debt Policy (X1) on the partial test has a $t_{count} > t_{table}$, namely $2.478 > 1.993$ and a significant value of $0.024 < 0.05$, which means that debt policy has a positive and significant effect on the value of food and beverage subsector companies listed on the Indonesia Stock Exchange 2019-2021
3. Managerial Ownership (X2) in the partial test has a $t_{count} < t_{table}$, namely $1.604 < 1.993$ and a significant value of $0.127 > 0.05$ which means that managerial ownership has no effect and is significant on the value of food and beverage sub-sector companies listed on the 2019 Indonesia Stock Exchange -2021
4. Profitability (X3) in the partial test has a $t_{count} < t_{table}$, namely $1.361 < 1.993$ and a significant value of $0.178 > 0.05$ which means that profitability has no effect and is significant on the value of food and beverage sub-sector companies listed on the Indonesia Stock Exchange 2019-2021

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