Abstract: This study aims to analyse Firm Growth, Managerial Ownership, Profitability and Capital Structure on Firm Value in Manufacturing Companies listed on the Indonesia Stock Exchange with Firm Size as a Moderating Variable. This type of research in this research is causal comparative. The population of this study is Manufacturing Companies listed on the Indonesia Stock Exchange in 2015-2017. The sample selection method uses a purposive sampling technique, so the number of samples used is 34 sample data. The data collection method used is documentation technique. Methods of data analysis using multiple linear regression methods, the absolute difference test with a significance value of 5%, and using SPSS software tools. The results showed that company growth had a significant positive effect on firm value, managerial ownership had no significant negative effect on firm value, profitability had a significant positive effect on firm value, capital structure had a significant negative effect on firm value, and firm size was unable to moderate firm growth, managerial ownership, profitability and capital structure on firm value.

Keywords: Firm Value, Firm Growth, Managerial Ownership, Profitability, Capital Structure and Firm Size.

1. INTRODUCTION

Business development that began to enter the era of globalization resulted in increasingly fierce company competition. The need for company funds can come from internal or external. Funds originating from own capital can be in the form of share capital, retained earnings and reserves. While funds from outside the company can be in the form of debt (debt financing).

If a company in meeting its funding needs prioritizes sources from within the company, it will greatly reduce its dependence on outsiders. If the need for funds increases due to the company’s rapid growth so that funds from internal sources are all used, the company has no choice but to use funds from outside the company both from debt (debt financing) and by issuing new shares (external equity financing) to meet funding requirements.

The number of companies in the industry, as well as the current economic conditions have created intense competition between companies. Competition in the industry makes each company increasingly improve its performance so that its objectives can still be achieved. The main goal of companies that have gone public is to increase the prosperity of owners or shareholders through increasing the value of the company (Salvatore, 2005). The prosperity of shareholders is often translated into rising stock market prices (Hanafi, 2008).
This research chooses the object of manufacturing companies because manufacturing companies are one sector that is able to attract investors, the reason is that the manufacturing industry sector is considered able to survive in the midst of difficult economic conditions in Indonesia. By knowing the factors that affect firm value, manufacturing companies are expected to be able to make decisions appropriately so as to provide an increasingly favorable prospect for investors.

The inconsistency of the results of some of the studies above provides motivation to re-examine with different time dimensions (2015 - 2017) and analyse firm size variable which is usually used as an independent variable into a moderating variable with the title Determinant Factor of Firm Value in Manufacturing Companies Registered in IDX with Firm Size as Moderating Variables.

2. LITERATURE REVIEW

2.1 Firm Growth (X1)

Growth is a change in total assets both in the form of an increase or decrease experienced by the company during one period (one year). Asset growth illustrates the growth of company assets that will affect the profitability of companies who believe that the percentage change in total assets is a better indicator of measuring firm growth.

2.2 Managerial Ownership (X2)

Managerial ownership is the ownership of shares by company management as measured by the percentage of the number of shares owned by management. Differences in interests between agents and company owners can be overcome by managerial ownership. The greater managerial ownership in a company, the manager will be more active to improve its performance because the manager has the responsibility to meet the wishes of shareholders who are none other than himself. Managers will be more careful in making decisions, because managers will share in the benefits directly from the decisions taken. In addition, managers also bear the loss if the decisions they make are wrong. The manager’s ownership (insider ownership) can cause the emergence of benefits and costs for the company, because the insider ownership then has an impact on the behavior of management.

2.3 Profitability (X3)

Profitability is a picture of a company’s ability to make a profit through all existing capabilities and sources such as sales, cash, capital, number of employees, number of branches, and so on. Companies with good profitability tend not to increase the amount of debt owned by the company because the company feels that it is sufficiently able to meet its operational needs from the amount of profits obtained by the company which also has an impact on increasing the company's retained earnings balance.

2.4 Capital Structure (X4)

Meeting the needs of funds externally separated into 2 namely debt financing (debt financing) and equity capital financing (equity financing). Debt financing is obtained through loans, while capital funding itself comes from issuance or issuance of shares. Capital structure is a balance or comparison between the amount of long-term debt with own capital. Capital structure decisions include the selection
of sources of funds both from their own capital and foreign capital in the form of debt.

2.5 Firm Value

Firm value illustrates how well or poorly management manages its wealth, this can be seen from the measurement of financial performance obtained. A company will try to maximize firm value. An increase in firm value is usually marked by rising share prices in the market. Stock prices are formed at the request and offer of investors, so that the stock price can be used as a proxy for firm value. To maximize the firm value not only the value of equity is considered, but financial sources such as debt and preferred stock.

2.6 Firm Size

Firm size is a scale in which companies can be classified according to various ways, including: total assets, log size, market value of shares, and others. Basically, firm size is only divided into categories, namely large companies, medium-size companies and small firms. Companies that have a large total assets show that the company has reached the maturity stage in which at this stage the company’s cash flow is positive and is considered to have good prospects in a relatively long period of time, while also reflecting that the company is relatively more stable and more able to generate profits compared to companies with small total assets.

2.7 Research Framework

In this study, researchers will discuss the effect of Firm Growth, Managerial Ownership, Profitability and Capital Structure on Firm Value in Manufacturing Companies Listed on the Indonesia Stock Exchange with Firm Size as a Moderating Variable. Based on the background and theoretical review described previously, the framework of this study is as follows:

2.8 Hypothesis

Based on the conceptual framework above, the research hypothesis is:

H1: Firm growth has a positive effect on Firm Value
H2: Managerial Ownership has a positive effect on Firm Value
H3: Profitability has a positive effect on Firm Value
H4: Capital Structure has a positive effect on Firm Value
H5: Firm size is able to moderate the relationship between Firm Growth, Managerial Ownership, Profitability and Capital Structure and Firm Value.

3. RESEARCH METHOD

The research design in this study is a comparative causal research that is research that shows the direction of the relationship between the independent variable with the dependent variable, in addition to measuring the strength of the relationship. This study will discuss the effect of Firm Growth, Managerial Ownership, Profitability and Capital Structure on Firm Value with Firm Size as a Moderating Variable.

3.1 Population and Sample

The population in this study is manufacturing companies listed on the Indonesia Stock Exchange in 2015-2017. The population of this research is 147 Manufacturing Companies. The sampling technique uses purposive sampling technique. The sample in this study amounted to 34 samples with a period of 3 periods so there are 102 units of analysis.

3.2 Data Analysis Methods

Data analysis methods used in this study are multiple linear regression analysis using SPSS version 25 and Microsoft Excel 2007.

4. RESULTS AND DISCUSSION

4.1 Research Results

a. Autocorrelation Test

The autocorrelation test in this study uses the Durbin-Watson test, and is presented in the table below.

<table>
<thead>
<tr>
<th>Model</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.868</td>
</tr>
</tbody>
</table>

Obtained Durbin-Watson (dW) value 1.868, Durbin Lower (dL) value 1.5969, Durbin Upper (dU) value 1.7596, and value (4-dU) 2.2404. Due to the value of dU <d <(4-dU), it can be concluded that there are no symptoms of autocorrelation.

b. Determination Coefficient Test

The coefficient of determination (R²) is a value that measures how much the ability of the independent variables used in the regression equation, in explaining the variation of the dependent variable.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.605*</td>
<td>.366</td>
<td>.333</td>
<td>.83881</td>
</tr>
</tbody>
</table>

It is known that the value of R Square is 0.366 or 36.6 percent. This shows that the Firm Value can be explained by the variables of Firm Growth, Managerial
Ownership, Profitability, Capital Structure, and Firm Size. The remaining 63.4 percent can be explained by factors other than those examined in this study.

c. Statistical F Test

The F test aims to test the effect of the independent variables together or simultaneously on the independent variables. Based on the table above, the Prob value is known. (F-statistics), that is 0.000000 <0.05, it can be concluded that all independent variables, namely that Firm Growth, Managerial Ownership, Profitability, Capital Structure and Firm Size simultaneously have a significant effect on the Firm Value variable.

d. Analysis of Multiple Linear Regression and Test of Significance of Partial Effect (t Test)

<table>
<thead>
<tr>
<th>No</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>-.636</td>
<td>.440</td>
<td></td>
<td>-1.443</td>
</tr>
<tr>
<td></td>
<td>Firm Growth</td>
<td>.144</td>
<td>.103</td>
<td>.123</td>
<td>1.393</td>
</tr>
<tr>
<td></td>
<td>Managerial ownership</td>
<td>-.050</td>
<td>.031</td>
<td>-.139</td>
<td>-1.618</td>
</tr>
<tr>
<td></td>
<td>Profitability</td>
<td>.558</td>
<td>.096</td>
<td>.518</td>
<td>5.823</td>
</tr>
<tr>
<td></td>
<td>Capital Structure</td>
<td>-1.515</td>
<td>.114</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

Obtained multiple linear regression equation as follows:

\[ Y = -0.636 + 0.144X_1 - 0.050X_2 + 0.558X_3 - 1.515X_4 + e \]

Information:

Y: Firm Value
X1: Firm Growth
X2: Managerial Ownership
X3: Profitability
X4: Capital Structure

Based on the table above, the coefficient of Firm Growth (β1) is 0.144 which is positive with T value (1.393) < T-table (1.984) and sig T (0.167) > α (0.05). it means that the firm growth has a positive and not significant effect on the firm value. Thus the firm Growth cannot affect the Firm Value because sig T (0.167) > α (0.05).

The coefficient value of Managerial Ownership (β2) is -0.050 which is negative with T value (-1.618) < T-table (1.984) and sig T (0.109) > α (0.05), meaning that Managerial Ownership has a negative and not significant effect on Firm Value. Thus Managerial Ownership cannot affect the Firm Value because sig T (0.109) > α (0.05).

The coefficient value of profitability (β3) is 0.558, which is positive with T value (5.823) > T-table (1.984) and sig T (0.000) < α (0.05), meaning that Profitability has a positive and significant effect on Firm Value. Thus Profitability can affect Firm Value because sig T (0.000) < α (0.05).
The coefficient value of the Capital Structure ($\beta_4$) is -1.515 which is negative with $T$ value (0.000) < $T$-table (1.984) and sig $T$ (1,000) > $\alpha$ (0.05), meaning that the Capital Structure has a negative and not significant effect on firm value. Thus the capital structure cannot affect firm value because sig $T$ (1,000) > $\alpha$ (0.05).

e. Absolute Difference Moderation

Based on the above table, the Sig. which is greater than $\alpha$ (0.05), this shows the size of the company is not able to moderate the firm growth, managerial ownership, profitability, and capital structure on firm value.

<table>
<thead>
<tr>
<th>Coefficientsa</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>(Constant)</td>
<td>.304</td>
<td>.238</td>
</tr>
<tr>
<td>Z Score: Firm Growth</td>
<td>.149</td>
<td>.133</td>
<td></td>
</tr>
<tr>
<td>Z Score: Managerial Ownership</td>
<td>-.133</td>
<td>.161</td>
<td></td>
</tr>
<tr>
<td>Z Score: Profitability</td>
<td>.550</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Zscore: Capital Structure</td>
<td>.022</td>
<td>.822</td>
<td></td>
</tr>
<tr>
<td>ABSZPP_ZUP</td>
<td>.061</td>
<td>.633</td>
<td></td>
</tr>
<tr>
<td>ABSZKM_ZUP</td>
<td>-.008</td>
<td>.940</td>
<td></td>
</tr>
<tr>
<td>ABSZPRO_ZUP</td>
<td>.055</td>
<td>.697</td>
<td></td>
</tr>
<tr>
<td>ABSZSM_ZUP</td>
<td>-.053</td>
<td>.684</td>
<td></td>
</tr>
</tbody>
</table>

Based on the above table, the Sig. which is greater than $\alpha$ (0.05), this shows the size of the company is not able to moderate the company's growth, managerial ownership, profitability, and capital structure to the value of the company.

4.2 Discussion

a. Effect of Company Growth on Company Value

The results of partial hypothesis testing (t test) indicate that firm growth has a positive and not significant effect on firm value. This shows that if the firm growth has increased by 1 percent, firm value will increase by 0.144 percent, and vice versa. The results of this study are in line with Nia's (2015) study which states that firm growth has a positive and not significant effect on firm value, meaning that growth has no effect on firm value.

b. Effect of Managerial Ownership on Firm Value

The results of partial hypothesis testing (t test) indicate that managerial ownership has a negative and not significant effect on firm value. This shows if Managerial Ownership owned by managers, commissioners, and directors has increased by 1 percent, then the Firm Value will decrease by 0.05 percent, and vice versa. With outstanding shares that have not changed in the three years of observing data it is seen that there are no changes in the shares invested or the issuance of new shares by Managers, Directors, or Commissioners. The absence of an increase in management shares and outstanding shares makes the decision taken by management does not affect firm value. The results of this study are in line with Eni (2016) which says that managerial ownership has a negative and not significant effect on firm value. But it is not in line with Putri's research (2017) which says that Managerial Ownership has a positive and significant effect on firm value.
c. Effect of Profitability on Firm Value

The results of partial hypothesis testing (t test) indicate that profitability (ROA) has increased by 1 percent, then firm value will increase by 0.558 percent, and vice versa. High profitability reflects the company's ability to generate high profits for shareholders. The greater the profits, the greater the company's ability to pay dividends, and this has an effect on increasing firm value. With a high profitability ratio owned by a company will attract investors to invest in the company. The results of this study are in line with research by Sri (2013) and Dewi (2013) who say that profitability has a positive and significant effect on firm value.

d. Effect of Capital Structure on Firm Value

The results of partial hypothesis testing (t test) indicate that the Capital Structure (DER) has increased 1 time, then firm value will decrease by 1.515 times, and vice versa. Based on trade-off theory in relation to the use of debt to increase firm value in this study may not be optimal. This indicates the value of capital that is greater than the debt of a company has not been able to show the company’s ability to optimize the use of debt to increase firm value, because in the Indonesian capital market the movement of stock prices and the creation of value added companies is due to market conditions. The results of this study differ from Sri (2013) which states that capital structure has a positive and significant effect on firm value.

e. Effect of Firm Size in Moderating Firm Growth, Managerial Ownership, Profitability, and Capital Structure on Firm Value

The results of partial hypothesis testing (t test) showed that the Sig. which is greater than $\alpha$ (0.05), this shows firm size is not able to moderate the firm growth, managerial ownership, profitability, and capital structure on firm value.

5. CONCLUSIONS AND SUGGESTIONS

5.1 Conclusion

Based on the results of this study, it can be concluded that:

a. Firm growth has a positive and not significant effect on firm value.
b. Managerial Ownership has a negative and not significant effect on Firm Value
c. Profitability has a positive and significant effect on Firm Value.
d. Capital Structure has a negative and not significant effect on Firm Value.
e. Firm size is not able to moderate firm growth, managerial ownership, profitability, and capital structure on firm value.

5.2 Suggestion

Based on the results of research and discussion, the authors provide the following suggestions:

a. For the company, it is expected to focus more on generating company profits, so that dividends will be given to larger shareholders. This is so that firm value is getting better in the eyes of investors because in this study it is proven that only profitability can affect firm value. This is likely that investors in general usually pay more attention to the company’s ability to generate profits each year than the amount of debt the company has, firm growth, or the addition of its ownership shares.
b. For further researchers are expected to look for other variables to study with different combinations of years so that the results obtained are more varied and useful for all other researchers.

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