SIMBA

7th SEMINAR INOVASI MANAJEMEN BISNIS DAN AKUNTANSI

INFLUENCE THE EFFECT OF INSTITUTIONAL OWNERSHIP ON FIRM VALUE WITH DEBT POLICY AS A MODERATING VARIABLE

Priasmita Putri Wardanti[1]), Abd. Rohman Taufiq[2]), Muhamad Agus Sudrajat[3])
[1]Faculty of Economics and Business, Universitas PGRI Madiun
e-mail:putrimitaa50@gmail.com
[2]Faculty of Economics and Business, Universitas PGRI Madiun
e-mail:abdrohman.taufiq@gmail.com
[3] Faculty of Economics and Business, Universitas PGRI Madiun
email :agus.sudrajat@unipma.ac.id

Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh kepemilikan institusional terhadap nilai perusahaan dan peran kebijakan utang sebagai variabel moderator pada perusahaan manufaktur makanan dan minuman yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2020–2023. Penelitian ini menggunakan pendekatan kuantitatif dengan metode regresi linier berganda dan Analisis Regresi Moderat (MRA). Sampel penelitian terdiri dari 55 perusahaan yang dipilih menggunakan sampling purposif berdasarkan kriteria tertentu. Hasil penelitian menunjukkan bahwa kepemilikan institusional memiliki pengaruh positif dan signifikan terhadap nilai perusahaan. Namun, kebijakan utang tidak mampu secara signifikan memoderasi hubungan antara kepemilikan institusional dan nilai perusahaan. Temuan ini menunjukkan bahwa pengaruh positif kepemilikan institusional terhadap nilai perusahaan tetap konsisten terlepas dari tingkat kebijakan utang perusahaan. Penelitian ini berkontribusi pada literatur tata kelola korporasi dan pengambilan keputusan pembiayaan korporasi.
Kata kunci: Kepemilikan Institusional, Nilai Perusahaan, Kebijakan Utang, Analisis Regresi Dimoderasi (MRA)

Abstract

This study aims to examine the effect of institutional ownership on firm value and to determine the moderating role of debt policy in food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2020–2023 period. A quantitative approach was employed using multiple linear regression and Moderated Regression Analysis (MRA). The sample consists of 55 companies selected through purposive sampling based on specific criteria. The results indicate that institutional ownership has a positive and significant effect on firm value. However, debt policy does not significantly moderate the relationship between institutional ownership and firm value. This finding suggests that the positive effect of institutional ownership on firm value remains consistent regardless of the company's debt policy level. This research contributes to the corporate governance and corporate financing decision literature.
Keywords: Institutional Ownership, Firm Value, Debt Policy, Moderated Regression Analysis (MRA)

A. INTRODUCTION

A phenomenon observed by researchers using data from the Central Statistics Agency (BPS) shows that in 2020, economic growth experienced a recession of 2.07% (BPS, 2020). This was due to the impact of the COVID-19 pandemic that hit the entire world, including Indonesia, which had a negative effect on the economy (BPS, 2020). The Indonesian economy began to recover in 2020, and in 2022 recorded growth of 5.31% after being impacted by the pandemic (BPS, 2021; 2022). The financial sector also strengthened growth through international trade and progress in the real sector. PT Indofood CBP Sukses Makmur Tbk demonstrated solid financial performance until September 30, 2024, with consolidated net sales increasing 8% to IDR 55.49 trillion. Operating profit increased 10% to IDR 12 trillion, and operating profit margin improved to 21.6%. Core profit increased 15% to IDR 8.03 trillion. Indofood CBP CEO, Anthoni Salim, stated that the company remains resilient and will continue to adapt dynamically while maintaining prudence for sustainable growth. Indofood CBP is a leading branded consumer product manufacturer in Indonesia, with more than 30 brands in categories such as instant noodles, dairy, snacks, seasonings, nutrition, and beverages.

Agency Theory

Agency theory was first introduced by Jensen et al. in 1976. This theory explains the separation between owners (principals) and managers (agents) in the management of economic resources. Based on the assumption that agents have personal interests that often differ from the interests of the principal, issues known as agency problems arise. These differences in interests have the potential to give rise to moral hazard and adverse selection problems, especially because agents tend to have access to more information than principals, known as information asymmetry. In the financial context, this theory is widely used to analyze how fund management can lead to conflicts of interest that impact the transparency and accountability of financial reports.(Hermanto et al., 2023).

Institutional Ownership

Institutional ownership refers to shares held by a company owned by an institution or agency, such as a government agency, bank, insurance company, investment firm, or other entity (Andini et al., 2021). Institutional ownership can mitigate the opportunistic behavior of managers, so institutional ownership of 5% or more increases firm value. Institutional ownership plays a crucial role in managing management. Institutional ownership can encourage individuals to maximize existing oversight.(Desrina Refi et al., 2022).

Debt Policy

Debt policy, according to Aryawati et al. (2022), refers to decisions made by management to obtain financing sources for the company. The use of these funds is intended to support the company's operational activities. Furthermore, debt policy also serves as a monitoring tool for managers' actions in managing the company. Companies that achieve high profitability from assets generally demonstrate excellent operational efficiency (Auliyah & Saleh, 2024). When ROA increases, this indicates that the company has successfully utilized its assets more effectively.

Company Values

Company value is the main objective in managementNormative financial performance. This value reflects investors' perceptions of a company's success, which is closely linked to its share price (Sujoko and Soebiantoro). Increasing a company's value is considered a highly anticipated achievement by owners, as it has the potential to improve their well-being. One way to measure a company's value is through its share price.(Riyanti & Suwaidi, 2023)For investors, corporate value is a crucial concept because it serves as an indicator of how the market values the company as a whole. High corporate value is a primary expectation for owners, as it reflects a high level of shareholder welfare (Tumanan and Ratnawati, 2021).

B. METHOD

The population and sample in this study were 92 food and beverage companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2023 period. The sampling technique used was purposive sampling. The selected samples met predetermined criteria, making them relevant to the research data. The sample criteria in this study were:

Table 1. Sample of Food and Beverage Companies

No	Criteria	Amount
1.	Food and beverage companies listed on the Indonesia Stock Exchange during research year 2020-2023	92
2.	Food and beverage companies that did not present complete financial reports during the 2020-2021 research year 2023	37
	Total Research Sample	**55**
	Total Observations in 2020-2023 (55x4)	**220**

C. RESULTS AND DISCUSSION

Descriptive Statistics

By using the SPSS data processing program, the results of the descriptive statistical tests are presented in the following table:

Table 2. Results of Descriptive Statistical Tests

Descriptive Statistics					
	N	Minimum	Maximum	Average	Standard Deviation
Institutional Ownership	220	26.06	368.13	81.0949	43.58942
Company Values	220	-.02	17.99	1.8232	2.67911

Debt Policy	220	.00	27.04	1.2332	2.02027
Valid N (listwise)	220				

Source: Data processed by IBM Statistics 24

a. The Institutional Ownership variable has a sample size of 220 data with a minimum value of 26.06, a maximum value of 368.13, an average value (mean) of 81.0949, and a standard deviation of 43.58942.
b. The Company Value in 220 samples shows a minimum value of -0.02, a maximum value of 17.99, an average value of 1.8232, and a standard deviation of 2.67911.
c. Debt policy has a total of 220 data with a minimum value of 0.00, a maximum value of 27.04, an average value of 1.2332, and a standard deviation of 2.02027.

Classical Assumption Test Results

Table 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Non-standard residue
N		182
Normal Parametersa,b	Average	-.0600393
	Standard Deviation	.89177355
The most extreme difference	Absolute	.064
	Positive	.064
	Negative	-.055
Statistical Test		.064
Asymp. Sig. (2-tailed)		. 064c

Source: Data processed by IBM Statistics 24

Based on the output obtained, the significance value (Asymp. Sig. 2-tailed) is 0.064, which means it is greater than the significance level of 0.05. This indicates that there is

insufficient evidence to reject the null hypothesis (H_0) which states that the residual data is normally distributed.

Table 4. Multicollinearity Test Results

Coefficient								
		Unstandardized coefficients		Standard Coefficient			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	tolerance	VIF
1	(Constant)	-.076	-.076		-1.164	.246		
	Institutional Ownership	.210	.210	.220	3,005	.003	.957	1,045
	Debt Policy	-.156	-.156	-.139	-1,902	.059	.957	1,045
Dependent Variable: Company Value								

Source: Data processed by IBM Statistics 24

Based on the output of the Coefficients table, it can be seen that the Tolerance value for the Institutional Ownership and Debt Policy variables is 0.957 each, and the VIF value for both is 1.045. These values indicate that there is no multicollinearity between the independent variables in the regression model, as they meet the general criteria of Tolerance > 0.10 and VIF < 10.

Table 5. Autocorrelation Test Results

Model Summary					
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Waston
1	.728a	.530	.373	.24931	2,755
a. Predictors: (Constant), Debt Policy, Institutional Ownership					
b. Dependent Variable: Firm Value					

Source: Data processed by IBM Statistics 24

Based on the Model Summary output, the Durbin-Watson value obtained was 2.755. This value is above 2.5, indicating a tendency for negative autocorrelation in the regression model. Negative autocorrelation means that an error in one observation tends to be followed by an error in the opposite direction in the next observation.

Table 6. Heteroscedasticity Test Results

		Unstandardized coefficients		Standard Coefficient		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1,314	.374		3,517	.003
	Institutional Ownership	.392	.273	.369	1,438	.169
	Debt Policy	.021	.067	.080	.310	.760
a. Dependent Variable: ABS_RES						

Source: Data processed by IBM Statistics 24

Based on the output of the Coefficients table above, the heteroscedasticity test was conducted using the Glejser regression method, where the absolute value of the residual (ABS_RES) was used as the dependent variable and tested against the independent variables of Institutional Ownership and Debt Policy. The test results show that the significance value (Sig.) for the Institutional Ownership variable is 0.169, and for the Debt Policy variable is 0.760.

Multiple Linear Regression Analysis Test Results

Table 7. Results of Multiple Linear Regression Analysis Test

Coefficient								
		Unstandardized coefficients		Standard Coefficient			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	tolerance	VIF
1	(Constant)	-.076	-.066		-1.164	.246		
	Institutional Ownership	.210	.070	.220	3,005	.003	.957	1,045
	Debt Policy	-.156	.082	-.139	-1,902	.059	.957	1,045
Dependent Variable: Company Value								

Source: Data processed by IBM Statistics 24

The regression results show that the Institutional Ownership variable has a coefficient of 0.210 with a significance value of 0.003. Because this significance value is smaller than 0.05, it can be concluded that Institutional Ownership has a significant effect on Firm Value. Meanwhile, the Debt Policy variable has a regression coefficient of -0.156 with a significance value of 0.059. Although the value is close to 0.05, it is still considered statistically insignificant at the 95% confidence level.

Table 8. Results of the Determination Coefficient Test²

Model Summary				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.728a	.530	.373	.24931
a. Predictors: (Constant), Debt Policy, Institutional Ownership				
b. Dependent variable: Company value				

Source: Data processed by IBM Statistics 24

Based on the Model Summary table output, the R Square value is 0.530. This means that the independent variables, namely Debt Policy and Institutional Ownership, together are able to explain the variability of Company Value by 53%. In other words, the contribution of these two variables in explaining changes in Company Value is quite large, namely 53%, while the remaining 47% is explained by other factors outside this model. In addition, the Adjusted R Square value of 0.373 indicates that after adjusting for the number of variables and samples in the model, the model's predictive ability has been adjusted to 37.3%. This decrease indicates that although the relationship between the variables is quite strong (R = 0.728), there is a possibility that the model could be better if other, more relevant variables were added.

Table 9. T-Test Results

Coefficient								
		Unstandardized coefficients		Standard Coefficient			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	tolerance	VIF
1	(Constant)	-.076	-.066		-1.164	.246		
	Institutional Ownership	.210	.070	.220	3,005	.003	.957	1,045
	Debt Policy	-.156	.082	-.139	-1,902	.059	.957	1,045
Dependent Variable: Company Value								

Source: Data processed by IBM Statistics 24

D. CONCLUSION

Based on the research results, it can be concluded that institutional ownership has a positive and significant effect on firm value, although the dominance of large institutions does not always have a completely positive impact. Meanwhile, debt policy is unable to moderate the relationship between institutional ownership and firm value. This suggests

that suboptimal debt use, particularly if it carries financial risks such as high interest rates and potential bankruptcy, can actually weaken the effect of institutional ownership on firm value.

E. Suggestion

Suggestions for further research include expanding the industry scope and research period to make the results more representative, adding variables such as profitability, liquidity, company size, and good corporate governance to improve model accuracy, and considering a qualitative or mixed methods approach to gain a deeper understanding of managerial aspects. Furthermore, a more detailed analysis of debt policy based on time period should be conducted to obtain a more accurate picture of moderation.

BIBLIOGRAPHY

Desrina Refi, Ulfi Maryati, & Afridian Wirahadi Ahmad. (2022). The Effect of Company Size, Institutional Ownership, Loan Funds, and the Educational Background of the President Director on Profit Management in Coal Mining Companies Listed on the Indonesia Stock Exchange for the 2018-2020 Period. Indonesian Journal of Accounting, Business, and Economics (JABEI), 1(2), 1–8. https://doi.org/10.30630/jabei.v1i2.22

Hermanto, K., Ruskartina, E., Adiasa, I., Hudaningsih, N., P, GR, & Harizahayu, H. (2023). Evaluation of the Queue System of a Driving License Application at the Sumbawa Besar Police. BAREKENG: Journal of Mathematics and Applied Sciences, 17(1), 0383–0390. https://doi.org/10.30598/barekengvol17iss1pp0383-0390

Riyanti, ZD, & Suwaidi, RA (2023). Analysis of Retail Company Value on the Indonesia Stock Exchange. Al-Kharaj: Journal of Islamic Economics, Finance & Business, 5(6), 2789–2803. https://doi.org/10.47467/alkharaj.v5i6.3648