THE EFFECT OF PROFITABILITY AND COMPANY SIZE ON COMPANY VALUE WITH MANAGERIAL OWNERSHIP AS MODERATING VARIABLES IN MANUFACTURING COMPANIES 2016-2019

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ABSTRACT

This study aims to examine the effect of profitability and firm size on firm value with managerial ownership as a moderating variable in manufacturing companies. The population used in this study are manufacturing companies listed on the Indonesia Stock Exchange in 2016-2019. This type of research is quantitative causality and the number of samples used is 252 companies using purposive sampling method. This study uses secondary data, namely data obtained from the Indonesia Stock Exchange through the Indonesia Stock Exchange (IDX) website and the company's website. Data analysis was performed using the SPSS 22 test by testing descriptie statistic, normality test, multicolinerity heteroscedasticity test, autocorelation test, F test, R^2 test, t test, and Moderated Regression Analysis (MRA). The results of this study indicate that profitability has no effect on firm value, firm size affects firm value, managerial ownership is able to moderate the effect of profitability on firm value, managerial ownership is able to moderate firm size on firm value.

Keywords*: Firm Value, Profitability, Firm Size, Managerial Ownership*

INTRODUCTION

The main purpose of establishing a company is to maximize the value of the company. By maximizing the value of the company, it will attract investors to invest in the company. According to Hery (2017: 5) Company value is a certain condition that has been achieved by a company as an illustration of the public's trust in the company after going through a process of activities for several years, starting from the company's establishment until now.

Quoted from idx.co.id on September 11, 2019, the Jakarta Composite Index (JCI) rose 45.28 points or 0.71% at the close of stock trading on the Indonesia Stock Exchange. The JCI strengthening was mainly driven by the positive performance of stocks from the manufacturing sector with a 0.46% increase, agriculture 0.44%, various industries up 3.09%, trading 0.49%, the mining sector 1.21%, and the industrial sector. base rose 0.26%. The stocks of various industries that most significantly pushed the JCI rate were PT. Astra International Tbk (ASII) rose 3.74%, PT. Selamat Sempurna Tbk (SMSM) rose 4.04%, and PT. Sky Energi Indonesia Tbk (JSKY) soared 14.96%. This shows that the manufacturing sector is the main attraction for investors to invest their capital seen from the phenomenon of the strengthening of the JCI supported by the manufacturing sector. The stock price will have an impact on the value of the company, if the stock price increases then the value of the company will also increase. Because the value of the company is reflected in its share price.

One of the measures used to measure firm value is Price to Book Value. Price to Book Value (PBV) is a comparison of the price of a stock with its book value. If a company has a Price Book Value > 1, then the company's stock price is valued higher than its book value, which illustrates that the company's performance is getting better in the eyes of investors. The higher the PBV value, the firm value will also increase.

Manufacturing companies listed on the Indonesia Stock Exchange consist of several sectors, namely the basic & chemical industry sector, various industries, and the consumer goods industry. Based on data from www.idx.co.id in 2016 the PBV value for the basic & chemical industry sector was 5.83, the miscellaneous industry sector was 1.24, and the consumer goods industry sector was 5.58. In 2017 the PBV value was the same as in 2016 or did not change. In 2018 the PBV of the basic & chemical industry sector decreased to 1.87. Meanwhile, the miscellaneous industry sector increased to 1.30, the consumer goods industry sector also rose to 5.65. Then in 2019 the basic & chemical industry sector experienced a decrease in the PBV value to 1.54. In addition, the consumer goods industry sector also decreased to 4, 17, while the various industrial sectors actually increased to 2.80. The value of the Price to Book Ratio changes every year due to factors that affect the value of the company, including profitability and company size at the company.

THEORETICAL BASIS

Signal Theory

Brigham & Houston (2017: 500), signaling theory is an action taken by company management that provides instructions to investors about how management views the company's prospects.

Signal theory states that internal company parties who have better information about their company will be encouraged to disclose this information to potential investors where the company can increase the value of the company through its annual report. The company's urge to disclose information is due to the information asymmetry between the company and external parties such as investors and creditors. Lack of information obtained by outsiders causes a decrease in the value of the company because they will provide a low price for the company. Firms can increase firm value by reducing information asymmetry. One way to reduce information asymmetry is to give signals to outsiders.

Signal theory explains that by reducing the company's leverage level, it will provide a positive signal for investors so that it shows good prospects and the value of the company will increase. The larger the size of the company, the company is considered successful in carrying out its business operations so that the profits generated will increase. Increasing company profits can provide a good signal for investors so that the value of the company will increase.

The value of the company

Loh and Melliana (2018) state that Firm Value shows how high the level of success of a company is, so that it can be a picture of investors to invest. Firm value is one of the descriptions of the state of the company (Asna & Rita, 2018). The company has short term and long term goals. The short-term goal of the company is to make a profit, while the long-term goal is to increase the value of the company. Increasing the value of the company will maximize shareholder wealth.

Profitability

According to Kasmir (2015:114) Profitability is a ratio to assess the company's ability to seek profit or profit within a certain period. This ratio also provides a measure of the level of effectiveness of a company's management as indicated by the profit generated from sales or from investment income. If a company can utilize its assets effectively, then the value of profitability also increases, so the company can earn a lot of profit. This can send a positive signal, and can describe in the future the company based on the level of profitability generated by the concept of signal theory, in addition to increasing the value of the company is marked by rising stock prices. Profitability is a tool to measure the ability and success of a company in generating profits through sales and investment. During a certain period by using the resources owned by the company.

Company Size

Company size is the size of a company that can be measured using total assets, sales, and market capitalization. Company size is a scale where the size of the company can be classified as measured by total assets, log size, sales, and stock market prices (Muhammad, 2018).

The size of the assets of the company is a measure of the size of a company. The larger the size of the company, the greater the tendency of investors to own shares of the company. This is in accordance with the signaling theory that companies that have high total assets will give a positive signal that the company has good developments for the future so that investors are interested in buying these shares. The increasing demand for shares will make the stock price increase so that the value of the company will also increase. Because the total assets of the company are large, this can be simplified by transforming into the natural logarithm (Ln).

Managerial ownership

According to Sudana (2015:4) managerial ownership is the shareholder of the management who actively participates in decision-making within the company. If the managerial ownership ratio in a large company, management tends to increase the value of the company more actively to benefit the shareholders themselves. With this motivation, managers will try their best to maximize the value of the company.

In the management of share ownership, managers are expected to act in accordance with the wishes of the principal, because managers will be motivated to improve performance. This can give a positive signal to investors so that the stock will be more in demand which will then increase the value of the company.

HYPOTHESES

A hypothesis is a provisional guess that may or may not be true. The hypothesis is rejected if the facts deny and accepted if the facts justify. So, a hypothesis is a provisional assumption that needs to be proven true. The relationship between the variables of this study has the following hypothesis:

H1 : There is an effect of profitability on firm value

H2 : There is an effect of company size on company value

H3: The influence of managerial ownership moderates the relationship between profitability and firm value

H4: The influence of managerial ownership moderates the relationship between firm size and firm value

METHOD

The data used in this study is secondary data, namely data that was available before this research, obtained from the Indonesia Stock Exchange (www.idx.co.id). Documentation data collection technique is the retrieval of data obtained through documents by searching and collecting data by retrieving data that has been published by the government, industry or individual sources. Where the data is collected from the Indonesia Stock Exchange (IDX) which can be accessed through www.idx.co.id. This data is taken or partially used and which has been recorded or reported.

The data analysis technique used in this research is quantitative data analysis technique which is processed by statistical techniques using SPSS 22 software through the following stages:

1. Descriptive statistical analysis
2. Classical assumption test consisting of normality test, multicollinearity test, and autocorrelation test
3. Multiple linear regression analysis consisting of model test (F),

determination (R2), and statistical test (t)
4. Moderation Regression Analysis

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Descriptive statistical analysis is carried out to provide an explanation of a data seen from the average value (mean), standard deviation, variance, maximum, minimum, sum, range, kurtosis and skewness (distribution inequality) (Imam Ghozali, 2016: 19). The dependent variable used in this study is firm value which is measured using Price to Book Value (PBV). The independent variable used is profitability which is measured using Return on Assets (ROA). Company size is measured using Log (total assets). The moderating variable used is managerial ownership measured by the percentage of share ownership owned by directors and commissioners of the company. Descriptive analysis in this study using SPSS test equipment with the results obtained as follows

TABLE 1 DESCRIPTIVE STATISTICS

TABLE 1

DESCRIPTIVE STATISTICS

Descriptive Statistics					
	N	Minimum	Maximum	mean	Std. Deviation
ROA	252	.0005258	2.2421731	.083966518	.2044868797
LOG	252	9.2499211	14.5464908	12.297267474	.7081225431
PBV	252	.0854853	9.3829259	1.881825672	1.6723004442
MOWN	252	. 000000000611	.7391378	.095403747	.1428979970

The value of the company

Based on the results of the descriptive analysis in table 1, it is known that in this study using a sample of 252 companies after experiencing outliers. The average value (mean) of 1.881825672 and the standard deviation of 1.6723004442. The average value (mean) is greater than the standard deviation value (1.881825672 > 1.6723004442), this shows that the data is homogeneous, which means the data shows no variation. The maximum PBV value in 2018 is 9,3829259 owned by the company Unilever Indonesia Tbk. This shows that the company's market price is high so that the company's value is also high. The maximum value is the result of calculating the share price of Rp 9,080 divided by the book value of Rp 967.72 so as to produce a value of 9.3829259. The minimum value of the company value is 0.0854853 in 2018 which is owned by the company Indal Aluminum Industry Tbk. This shows that in 2018 the company's shares were less attractive to investors. The minimum value is the result of the calculation of the 2018 share price of Rp. 41 divided by the book value of Rp. 479.61 so as to produce a value of 0.0854853.

Profitability

Based on the results of the descriptive analysis in table 1, it is known that in this study, using a sample of 252 companies after experiencing outliers. The average value (mean) is 0.083966518 and the standard deviation is 0.2044868797. The results of descriptive statistical tests on the profitability variable standard deviation value is greater than the mean (0.2044868797 > 0.083966518). It can be concluded that the data is heterogeneous, which means that the data varies. The minimum profitability (ROA) value for the lowest value is 0.0005258 which is owned by PT Sekar Bumi Tbk in 2019, this shows that the company has the lowest ability to generate profits from total assets owned compared to other companies. The minimum value is the result of a net profit of Rp. 957,169,058 divided by total assets of Rp. 1,820,383. 352.811 resulting in a value of 0.0005258. The low value of profitability indicates that the company will earn low profits in the future. Investors will also consider related to the company in obtaining low profits. The maximum value of profitability (ROA) for the highest value is 2.2421731 which is owned by PT Indofood Tbk in 2017. This shows that in that year the company had the best ability to generate profits from total assets owned compared to other companies. The maximum value is the result of a net profit of Rp. 5,145,063,000,000 divided by total assets of Rp. 2,294,677,000,000 resulting in a value of 2,2421731. The maximum value indicates that the company generates a profit of 224 percent of the total assets owned. A company that has high profitability means that the company has good prospects in the future in developing its business, so that investors can consider it in making investment decisions.

Company Size

Based on the results of the descriptive analysis in table 1, it is known that in this study, using a sample of 252 companies after experiencing outliers. The average value (mean) is 12.297267474 and the standard deviation is 0.7081225431. The results of descriptive statistical tests on firm size variables show the mean value is greater than the standard deviation. It can be concluded that the data is homogeneous or the distribution of the data does not vary. The lowest minimum company size (SIZE) is 9,2499211 owned by PT Nipress Tbk in 2016, this shows that the company during the study period had a small total asset value, so the company was less flexible in using these assets. Companies with small sizes have uncertainty about the company's prospects in the future. The lower the total asset value of a company, the less informative the information presented to the public will make it difficult for investors to analyze the company's performance and make investment decisions. The maximum value of company size (SIZE) for the highest value is 14,5464908 owned by PT Astra International Tbk in 2019. This shows that the company is the largest company among the other sample companies. Companies that have a larger size have good prospects and are expected to gain profits in the future. A large company size allows the company to generate large profits because the assets owned are expected to be able to manage and develop the company.

Managerial ownership

Based on the results of the descriptive analysis in table 1, it is known that in this study, using a sample of 252 companies after experiencing outliers. The average value (mean) is 0.095403747 and standard deviation of 0.1428979970. The comparison of the mean and standard deviation values is used to show the range or distance between one data and another. The results of descriptive statistical tests on managerial ownership variables have a standard deviation value greater than the mean (0.095403747> 0.1428979970). The mean value which is smaller than the standard deviation indicates that the data is heterogeneous, which means that the data shows variation. The minimum value of managerial ownership is 0.0000000006 which is owned by PT. Central Proteina Prima Tbk in 2018. The minimum value owned by several companies shows that the management of these companies has a low proportion of managerial ownership in investing their capital in the company, this is reflected in how small the composition of managerial ownership value in that year. The maximum value of the managerial ownership variable for the highest value is 0.7391378 which is owned by PT Saranacentral Bajatama Tbk in 2016 and 2019. The maximum value is the result of calculating the total managerial share ownership of Rp. 1,330,448. 000 divided by the outstanding shares of Rp. 1,800,000,000, resulting in a value of 0.7391378. This shows that the company has a number of shares owned by managers of 73.91% and the proportion of management ownership in that year was very large, many company management decided to invest in the company where they worked. The greater the percentage of managerial ownership means that management also puts itself in the position of shareholders, so that management will be more careful in making decisions so as not to harm the company. many company management who decide to invest in the company where they work. The greater the percentage of managerial ownership means that management also puts itself in the position of shareholders, so that management will be more careful in making decisions so as not to harm the company. many company management who decide to invest in the company where they work. The greater the percentage of managerial ownership means that management also puts itself in the position of shareholders, so that management will be more careful in making decisions so as not to harm the company.

Classic assumption test

1. Normality test

The normality test aims to test whether the regression model, the dependent variable and the variable have a normal distribution or not (Ghozali, 2016:163).

2. Multicollinearity Test

The multicollinearity test aims to test whether there is a correlation between independent variables in the regression model (Ghozali, 2016: 103).

3. Heteroscedasticity Test

Heteroscedasticity test was carried out to find out whether there was an inequality of variance from the residuals of one observation to another in the regression model (Ghozali, 2016:134).

4. Autocorrelation Test

The autocorrelation test was conducted to determine whether the regression model had a correlation between the confounding error in the year period and the confounding error in the previous year period (Ghozali, 2016:107).

Multiple Linear Regression Analysis

Hypothesis test analysis was performed by multiple linear regression analysis. This analysis is used to test the effect of the independent variables on the dependent variable, while the results of processing multiple linear regression data using the SPSS 22 program are made into tabular form as follows:

Table 2 Multiple Linear Regression Test Results

Model	*Unstandardized Coefficients*		Sig.
	B	Std. Error	
(Constant)	-4,927	1,781	0.006
ROA	0.884	0.502	0.079
LOG	0.548	0.145	0.000

Based on table 2, the equations of the multiple linear regression model in this study are as follows:

Y= -4.927 + 0.884ROA+ 0.548LOG + ε

Information:
Y = Firm Value
α= Constant
= Regression coefficient
X1 = Profitability
X2 = Company size
e = regression error

Hypothesis test

1. F Statistic Test

The F statistical test aims to determine whether all independent variables or independent variables have a simultaneous influence on the dependent variable or the dependent variable (Ghozali, 2016:174). The regression model is said to be fit if the significant value is less than 0.05. If the significant value is more than 0.05, the regression model is said to be unfit.

Table 3 Statistical Test Results F

Model	F	Sig.
Regression	9,324	0.000

Based on table 3 shows the calculated F value of 9.324 with a significant value of 0.000. The significant result is less than 0.05 (0.00 < 0.05) so it can be concluded that the regression model is fit and feasible to be used for further testing.

2. Coefficient of Determination Test

The coefficient of determination (R2) aims to measure the extent to which the ability to vary the dependent variable or the independent variable is explained by the model (Ghozali, 2016:175). This test is seen from the adjusted R2 value which ranges from 0 to 1 (0 R2 1). If the value of adjusted R2 is getting smaller, it means that the independent variables are not able to explain the variation of changes in the dependent variable. In this case if R2 = 0 will show no effect of the independent variable on the dependent variable. While the adjusted R2 = 1 (close to) means that the independent variable has a good relationship with the dependent variable.

Table 4
Determination Coefficient Result

Model	R	R Square	Adjusted R Square
1	0.264	0.070	0.062

Based on table 4 Adjusted R Square has a value of 0.062 or 6% so it can be concluded that the ability of the independent variables consisting of profitability and firm size can affect the dependent variable, namely the firm value of 6% and there are 94% of other variables outside the independent variables studied that affect the value of the company.

3. t test

The t-statistical test aims to determine the extent to which the influence of variations in the dependent variable or the dependent variable is explained by one independent variable or independent variable individually (Ghozali, 2016:180). Hypothesis testing was carried out using a significance level of 0.05 (α=5%). If the significance <0.05, the independent variable affects the dependent variable Ha is accepted and H0 is rejected, the independent variable affects the dependent variable. If the significance 0.05 then the independent variable has no effect on the dependent variable Ha is rejected and H0 is accepted, then the independent variable has no effect on the dependent variable.

Table 5 Statistical Test Results T

Coefficients		
Model	T	Sig.
(constant)	-2.766	0.006
ROA	1,762	0.079
LOG	3,781	0.000

Based on the test results the table above can be explained as follows:

a) First Hypothesis

Based on table 5, the t-count value of the profitability variable is 1.762 with a significance level of 0.079, which is greater than 0.05. It can be concluded that H0 is accepted and H1 is rejected, which means that profitability has no effect on firm value in manufacturing companies.

b) Second Hypothesis

Based on table 9, the t-value of the firm size variable is 3.781 with a significance level of 0.000, which is smaller than 0.05. It can be concluded that H0 is rejected, H2 is accepted, which means that the size of the company affects the value of the company in manufacturing companies.

4. Moderation Regression Test

Hypothesis test analysis was performed by regression analysis of moderating variables. This analysis is used to examine the effect of Profitability and Firm Size in strengthening or weakening the relationship of Managerial Ownership (MOWN) to Firm Value. The results of the data processing of the moderating variable regression using the SPSS 22 program are made into a tabular form as follows:

Table 6 Moderate Variable Regression Analysis Results

Model 1	T	Signs.	Results
(Constant)	-2.766	.006	
ROA	1,762	.079	H1 Rejected
LOG	3,781	.000	H1 Accepted
Model 2	**T**	**Signs.**	**Results**
(Constant)	13.311	.000	
ROA	2017	.045	H1 Accepted
MOWN	-.086	.931	H1 Rejected
Model 3	**T**	**Signs.**	**Results**
(Constant)	-3.027	.003	
LOG	4.037	.000	H1 Accepted
MOWN	.975	.331	H1 Rejected

Model 4	T	Signs.	Results
(Constant)	13,503	.000	
ROA	1.369	.172	H1 Rejected
MOWN	-2,600	.010	H1 Accepted
ROA*MOWN	3.889	.000	H1 Accepted
5 model	**T**	**Signs.**	**Results**
(Constant)	-1.254	.211	
LOG	2,143	.033	H1 Accepted
MOWN	-3.512	.001	H1 Accepted
LOG*MOWN	3.559	.000	H1 Accepted

Based on the table above, the regression analysis of the moderating variable is divided into several models. Model 1 does not include MOWN as an independent variable, while models 2 and 3 include MOWN as an independent variable, models 4 and 5 include MOWN as a moderating variable.

Profitability

Based on table 6, model 1 includes ROA as an independent variable, the significant value of ROA is 0.79, which is greater than 0.05, so H1 is rejected so that profitability has no significant effect. Model 2 includes ROA and MOWN variables as independent variables with a significant value of ROA is 0.045, which is smaller than 0.05, so H1 is accepted so that profitability has a significant effect. In model 4 adding MOWN as a moderating variable, the t value of the moderated profitability variable by managerial ownership is 3.889 with a significance level of 0.000 < 0.05 so it can be concluded that H0 is rejected, H1 is accepted, which means that managerial ownership is able to moderate the relationship between profitability and firm value in manufacturing companies. It also shows that managerial ownership is able to strengthen the relationship between profitability and firm value where in model 1 the profitability variable has no effect on firm value but becomes influential after being moderated by managerial ownership in model 4.

Company Size

Based on table 6, model 1 includes LOG as an independent variable, the significant value of LOG is 0.00, which is smaller than 0.05, so H1 is accepted so that the size of the company has a significant effect. In model 3, enter the variables LOG and MOWN as independent variables with a significant value of LOG is 0.00, where the value is smaller than 0.05, then H1 is accepted so that the size of the company has a significant effect. In model 5, the t-value of the firm size variable is moderated by managerial ownership, which is 3.559 with a significance level of 0.000 < 0.05 so it can be concluded that H0 is rejected. H1 is accepted, which means that managerial ownership is able to strengthen the relationship between firm size and firm value. manufacturing company.

H1: Effect of Profitability on Firm Value

The results that support profitability have no effect on firm value are contained in the t-test Table 5, a significance value of 0.079 is greater than 0.05. This result indicates that profitability has no effect on firm value. The results of this study indicate that investors do not solely use profitability or company profits as a measure in assessing company performance to predict total stock returns in the capital market, especially on the IDX so that this profitability does not guarantee an increase in the stock price given by investors or the value of the company.

H2 : Effect of Firm Size on Firm Value

The results of the study that support firm size have an effect on firm value are contained in the t-test Table 5, the significance value of 0.000 is smaller than 0.05. This result indicates that firm size has an effect on firm value. The larger the size of a company, the higher the value of the company. This is because the larger the size of a company, the greater the tendency of investors to own the shares. Large companies are considered to have good development in the future, so investors are interested in buying these shares. The increasing demand for shares will make the stock price increase so that the value of the company will also increase.

H3 : Effect of Pprofitabilityto Firm Value by Moderating Ownership Manager

Based on the regression results of the moderating variable, it shows a significance level of 0.000 < 0.05 so it can be concluded that managerial ownership is able to strengthen the relationship between profitability and firm value. This result also proves that at first the profitability variable had no effect on firm value but became influential after being moderated by managerial ownership. The test results from the research above show that managerial ownership is able to moderate the effect of profitability on firm value. According to Rahayu & Andri (2010), the ownership structure is believed to be able to influence the company's course in achieving the goals of a company, namely achieving maximum profit, prospering shareholders and maximizing company value. The higher managerial ownership in the company is expected to increase the value of the company where management will try as much as possible for the interests of shareholders. This applies because the management as shareholders will also get a large return if the company also gets a bigger profit. When the company earns a large profit, it will give a positive signal to investors and investors will be interested in owning the company which will also affect the stock price in the market. This applies because the management as shareholders will also get a large return if the company also gets a bigger profit. When the company earns a large profit, it will give a positive signal to investors and investors will be interested in owning the company which will also affect the stock price in the market. This applies because the management as shareholders will also get a large return if the company also gets a bigger profit. When the company earns a large profit, it will give a positive signal to investors and investors will be interested in owning the company which will also affect the stock price in the market.

H4 : InfluenceCompany Sizeto Firm Value by Moderating Ownership Manager

The test results from the research above show that managerial ownership is able to moderate the effect of firm size on firm value. This means that the size of the company's managerial ownership is able to affect the relationship between company size and company value. The profit of a company is used by management to increase the company's assets so that the size of the company increases. Management uses company profits to improve its operational activities and is used to increase company assets so that it can affect the size of the company to the value of the company. Large companies also have good prospects in the future, thus providing a positive signal for investors and investors will invest their capital which can affect the increase in stock prices.

CONCLUSION

Conclusion

Based on the results of previous studies and discussions, this research can be concluded as follows: profitability has no effect on the value of manufacturing companies. The results of this study indicate that investors do not solely use profitability or company profits as a measure in assessing company performance to predict total stock returns in the capital market, especially on the IDX so that this profitability does not guarantee an increase in the stock price given by investors or the value of the company.

Company size has an effect on firm value in manufacturing companies. Large companies are considered to have good development in the future, so investors are interested in buying these shares. The increasing demand for shares will make the stock price increase so that the value of the company will also increase.

Managerial ownership is able to strengthen the relationship between profitability and firm value in manufacturing companies. The ownership structure is believed to be able to influence the way the company in achieving the goals of a company, namely achieving maximum profit, prospering shareholders and maximizing company value. The higher managerial ownership in the company is expected to increase the value of the company where management will try as much as possible for the interests of shareholders.

Managerial ownership is able to strengthen the relationship between firm size and firm value in manufacturing firms. The size of the company's managerial ownership can affect the relationship between company size and company value. The profit of a company is used by management to increase the company's assets so that the size of the company increases. Management uses company profits to improve its operational activities and is used to increase company assets so that it can affect the size of the company to the value of the company.

Limitations

This study has limitations that can be taken into consideration for further research that the profitability and firm size variables occur heteroscedasticity.

Suggestion

Based on the results of the discussion, conclusions, and limitations in this study, the suggestions given for further research are that further research is expected to be able to add research samples to overcome the problem of heteroscedasticity, further research is expected to add or replace new variables outside of this research that have the potential to affect firm value because there are many other factors that can affect firm value that have not been used in this study.

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