The influence of institutional ownership, independent commissioners, dividend policy, debt policy, and firm size on firm value

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ABSTRACT
This study aims to examine the effect of institutional ownership, independent commissioner, dividend policy, debt policy, and firm size on firm value. The dependent variable used in this study is firm value, while the independent variables are the Effect of Institutional Ownership, Independent Commissioner, Dividend Policy, Debt Policy, and Firm Size. The population in this study are manufacturing companies, especially in the food and beverage sub-sector listed on the Indonesia Stock Exchange from 2012 - 2017. The sample in this study was selected using the purposive sampling method and obtained as many as 36 samples of observations. The analytical technique used in this research is multiple linear regression analysis. The results of this study indicate that the variables of institutional ownership and firm size have a negative effect on firm value, while the variables of independent commissioners, dividend policy, and debt policy have a negative effect on firm value.

Keywords: Institutional Ownership, Independent Commissioner, Dividend Policy, Debt Policy, Company Size, Company Value

1. INTRODUCTION

In the current era of corporate competition, where so many companies are emerging and developing in Indonesia, this is able to boost the Indonesian economy in achieving stability. In its competition, companies try to put themselves in a stable position and are ready to compete so that they can survive and develop.

Food and beverage companies are one of the industrial sector categories on the Indonesia Stock Exchange which have the opportunity to grow and develop and have an important role in the development of economic growth in Indonesia. Because the sector is one of a number of sectors that are prioritized by the Government in encouraging industry as a driver of the national economy.

Basically every company has a purpose. These goals can be categorized in both the short and long term. In the short term,

the company aims to maximize current profits, while in the long term it aims to increase the value of the company itself. Firm value summarizes the collective assessment of investors about how well a company is doing, both current performance and future projections. The value of the company can be seen through the company's stock price. If the stock price increases, the value of the company will also increase, and vice versa (Setiawati & Lim, 2018). Optimizing the value of the company which is the company's goal can be achieved through the implementation of the financial management function, where one financial decision taken will affect other financial decisions and have an impact on company value.

Increased company value can be achieved if there is cooperation between company management and other parties which include shareholders and stakeholders in making financial decisions with the aim of maximizing their working capital. If the actions between the manager and other parties go well, then problems between the two parties will not occur. In fact, the unification of the interests of the two parties often creates problems. The existence of a problem between managers and shareholders is

called an agency problem. The existence of the agency problem will cause the company's financial goals to not be achieved, namely increasing the value of the company by maximizing shareholder wealth. This requires a control from outside parties where the role of good monitoring and supervision will direct the objectives as they should (Sukirni, 2012).

One of the company's internal factors that can affect the value of the company is good corporate governance. The Good Corporate Governance (GCG) mechanism is used as a control for companies to stay within the proper limits (Syafitri et al., 2018). In achieving good corporate governance, it is necessary to have the role of institutional ownership and independent commissioners. Institutional ownership is felt to reduce the occurrence of agency conflicts. Shleifer & Vishny (1997) in Tambunan et al (2017) , argue that the company will be well controlled by the institution. Companies with large institutional ownership indicate their ability to monitor management. The greater the institutional ownership, the more efficient the utilization of company assets by management. Thus the proportion of institutional ownership acts as a prevention against waste by management (Melia, 2015). The independent commissioner is the best position in carrying out the duties of the monitoring or monitoring function in order to achieve good corporate governance in the company (Tambunan et al, 2017). Firm value can also be influenced by dividend policy. Dividend policy is often considered as a signal for investors in assessing the good or bad of the company, this is because dividend policy can have an influence on the company's stock price. The size of the company paying dividends to shareholders depends on the dividend policy of each company.

In addition, the value of the company can also be influenced by debt policy. Sources of funding within the company can be obtained from internal and external companies. From the internal company, it can be in the form of retained earnings and from the external company in the form of debt or the issuance of new shares. Companies that use debt have obligations for interest and principal costs. The use of debt (external financing) has a considerable risk of non-payment of debt, so the use of debt needs to pay attention to the company's ability to generate profits. Leverage can be understood as an estimator of the risks inherent in a company, meaning that the greater the leverage, the greater the investment risk (Prasetyorini, 2013). According to Sofyaningsih & Hardiningsih (2011), debt policy can be used to create company value. But the debt policy depends on the size of the company. Large companies have the advantage that it is easy to meet funds from debt on the capital market. So linking debt with firm size and firm value becomes very relevant.

Another factor that affects firm value is firm size. The relative market share shows the company's competitiveness is higher than its main competitors. Although it does not rule out bankruptcy, large companies are considered more robust in the face of shocks. According to Prasetyorini (2013) the size of the company is considered capable of influencing the value of the company because the larger the size or scale of the company, the easier it will be for companies to obtain sources of funding, both internal and external.

Pratama & Wiksuana (2016) found in their research that Firm Size, Leverage and Profitability have a significant positive effect on Firm Value. Firm size and leverage have a significant positive effect on profitability.

However, profitability is not able to mediate the effect of firm size on firm value.

Thaharah & Asyik (2016) found in their research that managerial ownership has no effect on firm value. While institutional ownership, independent commissioners, audit committees have an effect on firm value.

Berliani & Riduwan (2017) found in their research that managerial ownership, institutional ownership, independent commissioners, ROA, ROE affect firm value, while firm size has no effect on firm value.

Hasan & Mildawati (2020) found in his research that Good Corporate Governance represented by institutional ownership proxies has a significant positive direct effect on firm value. Good Corporate Governance represented by institutional ownership proxy has a significant indirect effect on firm value by using financial performance as an intervening variable.
With the differences in the results of previous studies, researchers will re-examine related to corporate governance, dividend policy, debt policy and company size in relation to firm value.

2. LITERATURE REVIEW

A. Agency Theory
Regarding agency theory, related to this research, agency theory is related to Good Corporate Governance (GCG) because it highlights the direct relationship between principal and agent (Lestari & Priyadi, 2017). The agency relationship perspective is the basis used to understand corporate governance. Agency theory results in an asymmetric relationship between owners and managers, to avoid this asymmetrical relationship a concept is needed, namely the concept of Good Corporate Governance which aims to make the company healthier (Windasari & Riharjo, 2017).

B. Signaling Theory
According to Brigham & Houston (2006) a signal is an action taken by the company to provide instructions for investors about how management views the company's prospects. This signal is in the form of information that presents information, notes or descriptions for past, present and future conditions for the survival of a company. Signal theory explains how the signals of management's success or failure are conveyed to owners. In the agency relationship, managers have asymmetric information about the company's external parties, including investors and creditors. Asymmetry occurs when managers have more internal company information and information faster than external parties. In order to reduce information asymmetry, companies must disclose their information, both financial and non-financial information (Yusuf, 2020).

C. Value Of Company
According to Yusuf (2020) company value is a company's performance in the past and future prospects which have the aim of being able to generate large profits in order to provide maximum luxury to shareholders if the share value of a company increases.

The higher the share price of the company, the higher the prosperity for shareholders.

In this study, Tobin's Q ratio is used to measure firm value. The Tobin's Q ratio is considered to be able to provide the best information, because in Tobin's Q it includes all elements of the company's debt and share capital (Agustina et al., 2015). Tobin's Q model defines firm value as a combination of tangible and intangible assets. Tobin's q is the ratio of the market value of the company's assets as measured by the market value of the number of outstanding shares and debt (enterprise value) to the replacement cost of company assets. Yusuf (2020) the calculation of the Tobin's Q ratio is more rational considering that the elements of liability are also included as the basis for the calculation. The Tobin's Q ratio provides an overview not only of the fundamental aspects, but also the extent to which the market values the company from various aspects that are seen by the wider party including investors. The measurement of the Tobin's Q ratio as an indicator of the company's performance will have more meaning when viewed from the ratio value every year. With the comparison, it will be known that the company's financial performance increases every year, so that investors' expectations for investment growth will be higher.

$$Tobin's\ Q = \frac{(MVE+Debt)}{(EBV+Debt)}$$

Where:
Tobin's Q   = Firm Value
MVE   = Market Value of the number of shares outstanding (number of shares outstanding x closing price)
Debt   = Total liabilities of the company
EBV   = Book value of total assets.

D. Institutional Ownership

Institutional Ownership is ownership of company shares owned by institutions or institutions such as insurance companies, banks, investment companies and ownership of other institutions (Thaharah & Asyik, 2016). Institutional ownership is one of the main GCG mechanisms that help agency problems in Jensen and Meckling (Yusuf, 2020). According to Jensen and Meckling on Yusuf (2020) institutional ownership has a very important role in minimizing agency conflicts that occur between managers and shareholders. The existence of institutional investors is considered capable of being an effective monitoring mechanism in every decision made by managers. This is because institutional investors are involved in strategic decisions so they do not easily believe in earnings manipulation (Berliani & Riduwan, 2017).

Institutional ownership is expressed as a percentage (%) which is measured by comparing the number of shares owned by institutional investors divided by the total number of shares outstanding (Santoso, 2017).

$$IO = \frac{(Number\ of\ institutional\ shares)}{(Number\ of\ shares\ outstanding)} \times 100\%$$

E. Independent Commissioner

Independent Commissioners are commissioners who are not affiliated with or related to the controlling shareholder, the independent board of commissioners plays a very important role in the company, especially in implementing the mechanism for implementing corporate governance (Syafitri et al, 2018). Independent Commissioners are in the best position in carrying out their functions in order to achieve and realize a company that has good corporate governance.

$$IC = \frac{(\Sigma\ Independent\ Commissioner)}{(\Sigma\ Member\ of\ the\ board\ of\ commissioners)} \times 100\%$$

F. Dividend Policy

According to Ouma (2012) dividend policy is one of the most important decisions. That is, the dividend policy can increase the value of the company through the company's ability to pay dividends. According to Yusuf & Suherman (2021) dividend policy is a policy that is associated with determining whether the profits earned by the company will be distributed to shareholders or will be retained in the form of retained earnings. The policy on dividend payments is a very important decision in a company. This policy will involve two parties with different interests, namely the first party the shareholders, and the second party the company itself. The amount of dividend distribution by the company to shareholders will make investors interested in investing in the company. The greater the value of shares distributed to shareholders, the more investors will invest.

$$Deviden\ Payout\ Rasio = \frac{(Dividend\ per\ share)}{(Earnings\ per\ share)} \times 100\%$$

F. Debt Policy

According to Rahmawati & Haryanto (2012), debt policy is a very important decision for every company because this policy is taken by the company's management in order to obtain sources of financing for the company to finance the company's operational activities (Rahmawati & Haryanto, 2012). The concept of leverage is important for investors in making stock valuation considerations. Investors generally tend to avoid risk. The risk that arises in the use of financial leverage is called financial risk, namely the additional risk that is charged to shareholders as a result of using debt by the company. The higher the leverage, the greater the financial risk and vice versa (Horne & Wachowicz, 2012).

According to Weston and Copeland in Sukirni (2012), debt policy is a policy that determines how much the company's funding needs are financed by debt. Debt policy includes the company's funding policy from external sources. If investors see a company with high assets but also high leverage risk, they will think twice about investing in that company. Debt policy determination is proxied by Debt to Equity Ratio.

$$Debt\ to\ Equity\ Ratio = \frac{(Total\ Debt)}{(Total\ Own\ Capital)} \times 100\%$$

G. Company Size

The size of the company is one indicator to observe the large political costs that must be borne. Company size can be measured by looking at the total assets owned by a company (Yusuf & Suherman, 2021). Company size is an indicator that shows the company's financial strength.

According to Ghofir & Yusuf (2020) , firm size has a different effect on the firm value of a firm. In terms of company size, it can be seen from the total assets owned by the company, which can be used for company operations. If the company has large total assets, the management is more flexible in using the assets in the company.

Firm size is stated to be a determinant of financial structure in almost every study and for a number of different reasons. The size of the company can determine the level of ease of the company in obtaining funds from the capital market and determine the bargaining power (bargaining power) in financial contracts. Large companies can usually choose funding from various forms of debt, including special offers that are more profitable than small companies. The greater the amount of money involved, the more likely it is to make a contract that can be designed according to the preferences of both parties, instead of using a standard debt contract (Hasnawati & Sawir, 2015).

According to Moh'd, Perry Rimbey in Hasnawati & Sawir (2015) suggests that large companies will more easily access funding through the capital market. This convenience is good information for making investment decisions and can also reflect the value of the company in the future. Company size describes the size of a company which can be expressed by total assets or total net sales. The greater the total assets and sales, the greater the size of a company.

$$SIZE = Ln\ (Total\ Asset)$$

3. METHODOLOGY

In this study, the type of research used is causal research, which is to explain the effect of an independent variable on the dependent variable. The independent variables in this study include institutional ownership, independent commissioners, dividend policy, debt policy, and firm size, while the dependent variable is firm value.

The population of this study is the food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange for the period 2012-2017. Sampling in this study was carried out using the purposive sampling technique. The criteria used for sampling in this study include the following:
1. Manufacturing companies, especially in the food and beverage sub-sector, are consistently listed on the Indonesia Stock Exchange from 2012 – 2017.
2. Food and beverage companies that distribute dividends in the period 2012 - 2017.

In testing the hypothesis proposed in this study. The researcher uses multiple linear regression analysis method because it concerns the relationship of two or more independent variables

where the classical assumption was previously made in the first stage.
1. Descriptive Statistical Analysis. Descriptive statistics provide an overview or description of a data seen from the average value (mean), standard deviation, variance, maximum, minimum and number of samples of each research variable.
2. Classical Assumption Test. This analysis can also be referred to as a prerequisite test of the multiple linear regression model to be tested. A good regression model must produce the best unbiased linear estimator (BLUE). This condition will occur if several assumptions are fulfilled which are called classical assumptions, including normality test, multicollinearity test, heteroscedasticity test, autocorrelation test.

The regression model in this study is stated as follows:

Tobins q = α + β1IO + β2 IC + β3 DPR + β4 DER+ β5 SIZE+ e

Information
Tobins q	= Measurement for firm value
α	= Constant of Regression Equation
β	= Regression Coefficient
IO	= Total Institutional Ownership
IC	= Proportion of Independent Commissioners
DPR	= Dividend Policy Measurement
DER	= Debt Policy Measurement
Size	= Company Size
e	= Standard Error

4. RESULTS

A. Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
TOBINS	36	.24669	5.93414	1.9083144	1.35235257
KI	36	.32958	.96091	.6954299	.19050295
KOM_IND	36	.25000	.60000	.3958333	.07323316
DPR	35	.01010	.88482	.3753703	.21131914
DER	36	.17100	1.70629	.8795012	.40934746
SIZE	36	26.24371	32.15098	29.2834867	1.89461832

Source: Data processed (2020)

The following is a description of table 1:
1. The variable value of the company has a minimum value of 24.669% generated by PT Indofood CBP Sukses Makmur Tbk in 2012, this means that the value of the stock market price has a value of 24.669% compared to the book value of its equity and a maximum value of 593.414% generated by PT Delta Jakarta Tbk in 2013, this means that the market value of the stock has a value of 593.414% compared to the book value of its equity. Firm value proxied by Tobins_Q has an average value or mean of 1.9083144 and has a standard deviation of 1.35235257. This shows that the value of the company has a

good average or mean value because the mean value is greater than the standard deviation value. The standard deviation reflects the deviation, so that the spread of the data shows normal results and does not cause bias. The higher Tobin's Q will attract investors to buy shares because it shows that the company has good growth prospects.

2. The percentage of institutional ownership is measured by comparing the number of shares owned by institutional investors divided by the total number of shares outstanding (Santoso, 2017). In the descriptive statistical test the minimum value for the variable institutional ownership is 32.958% at PT.Mayora Indah Tbk in 2012, this means that the institutional share ownership of PT.Mayora Indah Tbk in 2012 is 32.958% of the total outstanding shares. The maximum value for the institutional ownership variable is 96.091% at PT. Sekar Bumi Tbk in 2012-2015, this means that the institutional share ownership of PT. Sekar Bumi Tbk in 2012-2015 amounted to 96.091% of the total outstanding shares. The average (mean) is 69.543%.

3. Proportion of Independent Commissioners. According to the Limited Liability Company Law Number 40 of 2007, article 108 paragraph (5) explains that a company in the form of a limited liability company must have at least 2 (two) members of the Board of Commissioners. The table above shows that the average (mean) is 39.58%, which means that the proportion of independent commissioners has met the provisions of the OJK at least 30%. The maximum value of 60% is owned by PT Indofood Sukses Makmur Tbk in 2012. The minimum value of 25% is owned by PT Indofood Sukses Makmur Tbk in 2017.

4. Dividend payout ratio (DPR) relates to the use of profits that are the rights of shareholders and these profits can be divided into dividends or retained earnings to be reinvested. In the descriptive statistical test, the minimum value for the dividend payout ratio variable is 1.01% at PT. Delta Jakarta Tbk in 2015, this means that the dividend per share given to investors is 1.01% of the earnings per share. The maximum value for the dividend payout ratio variable is 88.48% at PT. Delta Jakarta Tbk in 2012, this means that the dividend per share given to investors is 88.48% of the earnings per share. The average (mean) is 37.537%.

5. Debt to Equity Ratio (DER) is a ratio used to measure the level of use of debt to the total shareholder's equity owned by the company. DER is also a tool to measure how much the company depends on creditors in financing the company's assets (Hari & Andri, 2011). In the descriptive statistical test, the minimum value for the debt to equity ratio variable is 17.1% at PT. Delta Jakarta Tbk in 2017, this means that the total debt of PT. Delta Jakarta Tbk in 2017 amounted to 17.1% of the total equity capital. The maximum value for the variable debt to equity ratio is 170.63% at PT.Mayora Indah Tbk in 2012, meaning the total debt of PT.Mayora Indah Tbk in 2012 is 170.63% of the total equity. The average (mean) is 87.95%.

6. In the descriptive statistical test, the minimum value for the size variable is 26.2437 at PT Sekar Laut Tbk in 2012, this means that the asset value of PT Sekar Laut Tbk in 2012 is Rp. 249.746.467.756, the maximum value for the size variable is 32. ,15097 at PT Indofood Sukses Makmur Tbk in 2015, this means that the asset value of PT Indofood Sukses Makmur Tbk in 2015 was Rp. 91,831,526,000,000, the average (mean) was 29,2834.

B. Classic assumption test
1. Normality Test

Table 2. Normality Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		36
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	.95754534
Most Extreme Differences	Absolute	.066
	Positive	.066
	Negative	-.056
Kolmogorov-Smirnov Z		.399
Asymp. Sig. (2-tailed)		.997

a. Test distribution is Normal.
b. Calculated from data.

Based on table 2 shows that Asymp.Sig. (2-tailed) of 0.997 which means the value is greater than 0.05 or 0.997 > 0.05. So it can be concluded that the data in this study are normally distributed. The data in this study have met the assumption of normality and can be analyzed further using regression analysis.

2. Multicollinearity Test

Table 3. Multicollinearity Test
Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
	B	Std. Error	Beta	Tolerance	VIF
(Constant)	16.703	4.837			
KI	-3.429	1.485	-.483	.382	2.619
KOM_IND	3.634	2.922	.197	.668	1.498
1 DPR	-.371	.802	-.070	.735	1.361
DER	-2.472	.598	-.748	.510	1.961
SIZE	-.394	.147	-.551	.394	2.537

a. Dependent Variable: TOBINSQ

Based on the results of the analysis using the multicollinearity test in table 3 shows that the value of the variance inflation factor (VIF) of the five variables is smaller than 10, and the tolerance value is above 0.10, so it can be assumed that there is no multicollinearity between independent variables.

3. Autocorrelation Test
Table 4. Autocorrelation Test
Runs Test

	Unstandardized Residual
Test Valuea	-.05233
Cases < Test Value	18
Cases >= Test Value	18
Total Cases	36
Number of Runs	22
Z	.845
Asymp. Sig. (2-tailed)	.398

a. Median

Based on Table 4, the value of Asymp.Sig is obtained. (2-tailed) of 0.398 which means the value is greater than 0.05 or 0.398 > 0.05. Asymp.sig value of more than 5% indicates the data does not contain autocorrelation problems.
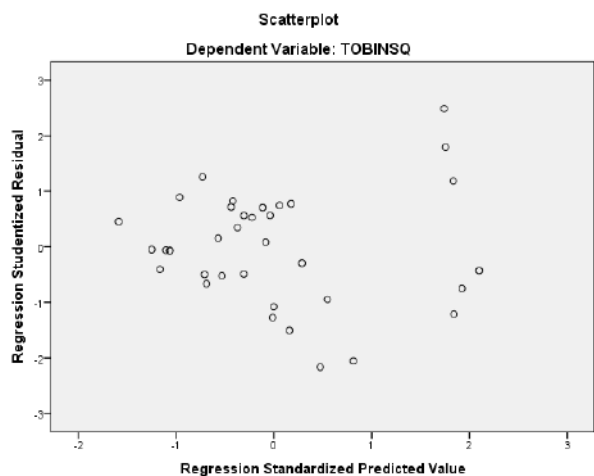
4. Heteroscedasticity Test

Figure 1.
Heteroscedasticity Test

Based on Figure 1 above, it can be seen that there is no clear pattern, as well as the points that spread above and below the number 0 on the Y axis, it can be said that the regression model used is feasible to study because there is no heteroscedasticity in this regression model.

C. Model Feasibility Test Results
1. Coefficient of Determination (R^2)
The coefficient of determination (R^2) essentially measures how far the model's ability to explain the ability of the dependent variable to vary. The value of the coefficient of determination is between zero and one (Ghozali, 2016). In this study, the value of Adjusted R^2 is used to measure the magnitude of the coefficient of determination. The small value of R^2 means that the ability of the independent variables in explaining the variation of the dependent variable is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the dependent variable (Ghozali, 2016).

Table 5. Coefficient of Determination Test
Model Summaryᵇ

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.706a	.499	.415	1.03426718	2.037

a. Predictors: (Constant), SIZE, DER, DPR, KOM_IND, KI
b. Dependent Variable: TOBINSQ

Table 5 shows that the coefficient of determination which shows the R-square value is 0.499. This means that 49.90% of firm value can be explained significantly by institutional ownership, independent commissioners, dividend policy, debt policy, and

Meanwhile (100% - 49.90%) = 50.10% firm value can be explained by other variables.

2. Simultaneous Significant Test
The F test or ANOVA test aims to test all independent or independent variables simultaneously affecting the dependent or dependent variable. In this test, the size is used independently with a significance of 0.05.

1. If the probability value is <0.05, it can be said that there is a jointly significant influence between the independent variables on the dependent variable.
2. If the significance value is > 0.05 then there is no significant effect jointly between the independent variables on the dependent variable.

Table 6. Simultaneous Significant Test
ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.919	5	6.384	5.968	.001b
	Residual	32.091	30	1.070		
	Total	64.010	35			

a. Dependent Variable: TOBINSQ
b. Predictors: (Constant), SIZE, DER, DPR, KOM_IND, KI

Based on table 6, it can be concluded that the variables of institutional ownership, independent commissioners, dividend policy, debt policy, and firm size have a joint effect on firm value, which means that the model is suitable for research, which is seen with a sig value of 0.001 < 0.05.

3. Individual Parameter Significant Test
The t-statistical test shows how far the influence of one explanatory or independent variable individually in explaining the variation of the dependent variable. Decision making basis
1. Probability > 0.05 then H0 is accepted
2. Probability < 0.05 then H0 is rejected

Table 7. t test results
Coefficientsᵃ

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	16.703	4.837		3.453	.002
KI	-3.429	1.485	-.483	-2.309	.028
KOM_IND	3.634	2.922	.197	1.244	.223
DPR	-.371	.802	-.070	-.462	.648
DER	-2.472	.598	-.748	-4.134	.000
SIZE	-.394	.147	-.551	-2.678	.012

a. Dependent Variable: TOBINSQ

The results of the t-statistical test of each independent variable on the dependent variable can be explained as follows:

1. The institutional ownership variable has a t-count value of -2.309 and a sig value of 0.028 <0.05. This shows that the variable of institutional ownership has a negative effect on firm value. In taking the hypothesis, then H1 is accepted, which means that institutional ownership has an effect on firm value.

2. The independent commissioner variable has a t value of 1.244 and a sig value of 0.223 > 0.05. This shows that the independent commissioner variable has no effect on firm value. In taking the hypothesis, then H2 is rejected, which means that the independent commissioner has no effect on firm value.

3. The dividend policy variable which is proxied by the dividend payout ratio has a t value of -0.462 and a sig value of 0.648 > 0.05. This shows that the dividend policy variable has no effect on firm value. In taking the hypothesis, H3 is rejected, which means that the dividend policy has no effect on firm value.

4. Debt policy variable as proxied by the debt to equity ratio has a t value of -4.134 and a sig value of 0.000 <0.05. This shows that the debt policy variable has a negative effect on firm value. In taking the hypothesis, then H4 is accepted, which means that debt policy has an effect on firm value.

5. The firm size variable has a t-value of -2.678 and a sig value of 0.012 <0.05. This shows that the firm size variable has a negative effect on firm value. In taking the hypothesis, then H5 is accepted, which means that the size of the company affects the value of the company.

4. DISCUSSION

Based on the results of multiple linear regression testing that have been described previously, the discussion in this study is about

1. The Effect of Institutional Ownership on Firm Value
   The results of this study found that the variable of institutional ownership has a negative effect on firm value. This means that high institutional ownership will reduce the value of the company. This condition can occur because of the institutional ownership of the sample companies, some of which are constant every year and some that are not stable, namely decreasing and increasing.

   Institutional investors with majority share ownership are more likely to take sides and cooperate with management to prioritize their personal interests over the interests of minority shareholders. This is a negative signal for outsiders because the alliance strategy of institutional investors with management tends to take company policies that are not optimal, this action is detrimental to company operations. As a result, investors will not be interested in investing their capital, the volume of stock trading will decrease, the company's share price and company value will also decrease. The results of this study are in line with research conducted by (Rahma, 2014) which states that institutional ownership has a negative effect on firm value.

2. The influence of independent commissioners on firm value
   The results of this study found that the independent commissioner variable had no effect on firm value. This is because the existence of an independent board of commissioners in a company is considered not effective enough to monitor or monitor company managers and market participants do not fully trust the performance of the independent board of commissioners in the company, resulting in a lack of investor interest in investing in the company which has an impact on decreasing value. company.The results of this study are in line with research conducted by (Fiadicha,2016) which states that independent commissioners have no effect on firm value.

3. The Effect Of Dividend Policy On Firm Value
   The results of this study found that the dividend policy variable had no effect on firm value. These results indicate that the level of dividends distributed to shareholders is not related to the level of firm value. Dividend policy does not affect the value of the company because according to them the dividend payout ratio is only a detail and does not affect the welfare of shareholders. The increase in the value of dividends is not always followed by an increase in the value of the company. Because the value of the company is determined only by the company's ability to generate profits from company assets or investment policies. According to Kusumastuti (2013) adding the reason that dividend policy has no effect on firm value is because shareholders only want to take capital gains. The results of this study support the research conducted by Wibowo and Aisjah (2013) with the results of research that dividend policy proxied through the dividend payout ratio (DPR) has no effect on firm value.

4. The Effect Of Debt Policy On Firm Value
   The results of this study found that the debt policy variable had a negative effect on firm value. This shows that the lower the debt level of a company,the value of the company will increase this is because the company's obligation to pay debts to creditors decreases so that the profits generated by the company increase and cause the company's stock price to increase so that the value of the company will also increase both in the eyes of prospective creditors and creditors. for the market.

5. The effect of firm size on firm value
   The results of this study found that the firm size variable has a negative effect on firm value. This is because in small companies even though the investment is not large, small companies can also provide optimal profits. Vice versa in large companies, companies with large total assets with dominant components in receivables and inventories may not necessarily be able to pay dividends (retained earnings) due to assets that accumulate in receivables and inventories. Companies are more likely to retain profits than distribute them as dividends, which can affect stock prices and firm value. Referring to these findings, it can be stated that companies that have large total assets do not necessarily give investors confidence in managing the company in order to increase the value of the company.

5. CONCLUSIONS AND SUGGESTIONS

A. Conclusions

Based on the data processing, it can be concluded:

1. Institutional ownership has a negative effect on firm value. Institutional investors with majority share ownership are more likely to take sides and cooperate with management to prioritize their personal interests over the interests of minority shareholders. This is a negative signal for outsiders because the alliance strategy of institutional investors with management tends to take company policies that are not optimal, this action is detrimental to company operations. As a result, investors will not be interested in investing their capital, the volume of stock trading will decrease, the company's share price and company value will also decrease.

2. Independent commissioners have no effect on company value. This is because the existence of an independent board of commissioners in a company is considered not effective enough to monitor or monitor company managers and market participants do not fully trust the performance of the independent board of commissioners in the company, resulting in a lack of investor interest in investing in the company which has an impact on decreasing value. company.

3. Dividend policy has no effect on firm value. These results indicate that the level of dividends distributed to shareholders is not related to the level of firm value. Dividend policy does not affect the value of the company because according to them the dividend payout ratio is only a detail and does not affect the welfare of shareholders. The increase in the value of dividends is not always followed by an increase in the value of the company. Because the value of the company is determined only by the company's ability to generate profits from company assets or investment policies. According to Kusumastuti (2013) adding the reason that dividend policy has no effect on firm value is because shareholders only want to take capital gains.

4. Debt policy has a negative effect on firm value. This shows that the lower the debt level of a company, the value of the company will increase this is because the company's obligation to pay debts to creditors decreases so that the profits generated by the company increase and cause the company's stock price to increase so that the value of the company will also increase both in the eyes of prospective creditors and creditors. for the market.

5. Firm size has a negative effect on firm value. This is because in small companies even though the investment is not large, small companies can also provide optimal profits. Vice versa in large companies, companies with large total assets with dominant components in receivables and inventories may not necessarily be able to pay dividends (retained earnings) due to assets that accumulate in receivables and inventories. Companies are more likely to retain profits than distribute them as dividends, which can affect stock prices and firm value. Referring to these findings, it can be stated that companies that have large total assets do not necessarily give investors confidence in managing the company in order to increase the value of the company.

B. Suggestions

Suggestions that researchers can give based on research results, as follows:

1. Changing the company sample, because the total sample does not reflect the actual condition
2. For the variable of good corporate governance mechanism plus other elements of managerial share ownership structure, the board of directors, and the audit committee
3. Using other measures of firm value.

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