:: IJEBD ::
(International Journal of Entrepreneurship and Business Development)
Volume 07 Number 04 July 2024
This work is licensed under a Creative Commons Attribution- ShareAlike 4.0 International License.
ISSN : 2597-4785 (ONLINE)
ISSN : 2597-4750 (PRINTED)

The Influence of Good Corporate Governance, Profitability, Leverage on Company Value Moderated by Company Size

Siti Qibtiyah Septiani Putri, Desi Suryani, Agung Yulianto*
University Swadaya Gunung Jati
Corresponding Author*: agung.yulianto@ugj.ac.id

ABSTRACT

Purpose: Company value is one of investor's consideration before making invesment decision. The aim of the research carried out is to analyze influence, profitability, GCG (Good Corporate Governance), company size and leverage on company value.

Design/methodology/approach: In this research, a population is applied in the form of food and beverage sector manufacturing companies on the BEI (Indonesian Stock Exchange) list for 2019-2022. As the following research sample uses a purposive sampling method, so that what is obtained is a total of 19 business entities. This research applies a type of data in the form of secondary data. In carrying out the research, data analysis was used in the form of multiple linear regression.

Findings: A conclusion was obtained in the form of profitability and leverage having an influence on the value of the company, in contrast to managerial ownership, independent board of commissioners, audit committee, and company size as moderators having no influence on the value of the company.

Paper type: Research Paper

Keyword: *Good Corporate Governance, Leverage, Profitability, Company Value, Company Size*.

Received : March 8th
Revised : June 18th
Published : July 31th

I. INTRODUCTION

The company's objective is to enhance its value and promote the well-being of its shareholders and owners. As the company value increases, so does the prosperity of The organisation owner. The organization's value, From the perspective of investors, is closely correlated with its share price. The rise in share prices leads to a corresponding change in the value of the company, which can attract and persuade potential investors not only assess the company's present performance as well as consider its long-term prospects Susanti, et al. (2019). In order to maintain and enhance the value of a firm and its stock prices, a significant level of performance and effort is necessary.

Such is the case experienced by a business entity in Indonesia as reported by kontan.co.id news Rohali et al., (2021). Explaining that in Indonesia the practice of implementing Good Corporate Government (GCG) is decreasing. The incident that took place in 2018 involving the commissioners of PT AISA (Tiga Pilar Sejahtera Food) and the directors highlighted a firm operating in the food and beverage industry in Indonesia. The AISA directors are suspected of violating GCG practices. Therefore, it is imperative to have a governing body that performs oversight and surveillance more effectively. optimally to provide direction to the company's actual goals. Good Corporate Government is a principle that must be implemented within a business entity in order to control and direct a business entity to realize added value for a shareholder or stakeholder.

Effective corporate governance can enhance a company's value by elevating its corporate governance standards. Rahmadani and Rahayu (2017) explain the concept of GCG, namely a series of regulations that explain and formulate the relationships that occur with employees, government, creditors, managers, shareholders and several parties who have interests internally or externally as they relate to several responsibilities and the rights he has. In a study conducted, the governance of GCG was represented by the board of commissioners, managerial ownership, and independent commissioners.

This work is licensed under a Creative Commons Attribution- ShareAlike 4.0 International License.
ISSN : 2597-4785 (ONLINE)
ISSN : 2597-4750 (PRINTED)

An autonomous panel of commissioners has the ability to address and resolve a problem inside an agency, just as an independent commissioner can act as a mediator and be a fair party in a conflict experienced by several managers. Based on the opinion expressed by Badruddien et al. (2017), the aim of the independent Commissioner is to provide certainty and clarity from a business entity that has implemented the actual practice of several principles of Good Corporate Governance in several provisions that have been implemented.

The audit committee has the responsibility for elucidating and overseeing the implementation of

certain Good Corporate Governance principles., especially by making these principles transparent so that they can be implemented consistently and precisely by company executives. It is hoped that the audit committee can reduce the occurrence of agency conflicts by making the financial reports provided to stakeholders reliable and supporting the increase in company value to be shown to investors Badruddien, et al (2017).

High profitability is a sign of an efficient and problem-free company condition, as this creates attraction and attention in making investments, leading to a rise in the overall worth of the company. Profitability ratio is a ratio that explains the size of a business entity's performance in creating profits (profitability) within predetermined levels of capital, assets and sales Anisya & Hidayat (2021).

Meanwhile, leverage can also be a factor in increasing The significance or worth of the company, based on the opinion expressed by Sujarweni, (2017) leverage is a ratio that is applied to measure the ability of a business entity to fulfill its obligations as a whole, both long term and short term. Low leverage is a form of indicator of a business entity that does not use debt to fund the business entity's operations Lailiyah et al. (2024) In the research carried out, the leverage ratio is proxied against DER.

Corporation size is a quantitative measure that describes the magnitude of a corporation, allowing for several qualifications such as equity value, asset count, revenue volume, and personnel count.With the increasing number of sales, it is an indicator of the increasing circulation of money carried out by a business entity, as well as the increasing number of assets, it is an indicator that the capital used by a business entity is investing more (Mayasari et al., 2018).

The study utilised a business entity operating within the food and beverage industry as a manufacturing business that is publicly traded on the Indonesian Stock Exchange.This entity has the potential to significantly contribute to the growth of the national economy. and more stable share prices do not have an influence on economic conditions. that changed. Food and drink are a primary necessity for human needs as it makes a business entity more confident that it can create profits for those who hold shares. The reason why the author took a sample from a business entity in the manufacturing sector is because manufacturing companies are clearly connected to society.

Based on the research above and previous research, the author will predominantly carry out research by conducting a test on the influence of GCG variables (represented by managerial ownership, audit committee and autonomous board of commissioners), Economic viability is measured The Return On Assets (ROA) measures the company's profitability, while the Debt to Equity Ratio indicates its level of leverage. The worth of the company is approximated by the Price Book worth. The research analyzes the Food and Beverage Manufacturing Companies that are listed on the Indonesian Stock Exchange during the specified time 2019 to 2022. The study investigates how Company Size, as assessed by the Natural Logarithm, affects the variables being studied. Given the significant magnitude of the firm's size, it is imperative to have effective corporate governance in place to oversee and administer the organisation.

This research has developed the research that was carried out by Bella Danita Putri and Eskasari Putri according to the differences, namely by adding an independent variable, namely leverage which also moderates company size. Then, the previous research used SPSS software, while this research applied Eviews software.

II. METHODS

The following research applies Research conducted in the manner of causal associative Investigation

using a quantitative approach. Based on the opinion expressed by Rumengan et al., (2017) causal associative research can be described as research with the aim of identifying a relationship that occurs from several variables and The methodologies employed to ascertain degree of reliance The independent variable

affects the dependent variable. The research carried out also identified something that is causal in nature from one variable to another variable. The application of quantitative research is used through a statistical formula to support the data analysis carried out in collecting research data. As in the research carried out, it is quantitative research whose aim is to test theories and obtain several facts, prove the combination of several variables, explain statistical descriptions, interpret and forecast research results Matondang & Nasution, (2022). In the research conducted using a population in the form of the manufacturing industry in 2020-2022, the sample determination technique applied a purposive sampling method, which means determining a sample based on criteria that had

This work is licensed under a Creative Commons Attribution- ShareAlike 4.0 International License.
ISSN : 2597-4785 (ONLINE)
ISSN : 2597-4750 (PRINTED)

been determined previously. Below are several sample criteria that have previously been determined. Population size and research sample:

No	*Criteria*	*Total*
1	*F&B Manufacturing companies in the industry listed on the IDX from 2019 to 2022.*	*23*
2	*F&B sector manufacturing company that produces annual reports and financial reports for the 2019-2022 period*	*0*
3	*The F&B sector manufacturing company has prepared financial reports using the rupian currency for the 2019-2022 period*	*0*
4	*A manufacturing company in the F&B sector that did not experience losses in the 2019-2022 period*	*(4)*
5	*Number of populations and samples that meet the criteria Number of samples 19 X 4*	*76*

The research carried out applies Secondary data sources for data collection. As the research carried out obtained a data source from the collection of several previously existing documents in the format of yearly report statistics for A company involved in the production of The food and beverages included on the list IDX stock exchange list for the 2019-2022 period on the official BEI website on the page www.idx.co.id or also use the official website of a business entity itself. The research was conducted using a data analysis technique based on quantitative analysis as calculated statistically and mathematically. The research carried out in analyzing the data was supported by eviews software as the research carried out applied descriptive statistics, hypothesis testing, classical assumptions, and multiple linear regression analysis, this was because the research carried out applied more than two variables. Multiple linear regression testing is applied to identify a relationship that occurs in The variable that is being measured or observed and is expected to change in response to the independent variable. which can influence the independent variable. Based on this description, the researcher has formulated the hypothesis below:

III. RESULTS AND DISCUSSION

A. Results

Table 1. Descriptive Statistical Test

	PBV	*GCG*	*ROA*	*DER*	*Company_Size*
Mean	*39.52589*	*4.086282*	*0.064982*	*0.362129*	*24.89507*
Median	*7.540000*	*4.022538*	*0.016388*	*0.083271*	*27.32407*
Maximum	*340,0000*	*4.665390*	*0.485714*	*1.993684*	*30.73454*

ISSN : 2597-4785 (ONLINE)
ISSN : 2597-4750 (PRINTED)

Minimum	*0.474000*	*3.388394*	*-0.154406*	*0.001649*	*11.06697*
Std. Dev.	*67.67304*	*0.295289*	*0.102392*	*0.529555*	*4.973247*
Skewness	*2.785880*	*-0.273143*	*2.089333*	*1.852970*	*-1.145243*
Kurtosis	*11.62307*	*3.087521*	*8.846870*	*5.690130*	*2.966892*
Jarque-Bera	*333.7724*	*0.969277*	*163.5493*	*66.40749*	*16.61682*
Probability	*0.000000*	*0.615920*	*0.000000*	*0.000000*	*0.000246*
Sum	*3003.968*	*310.5574*	*4.938609*	*27.52179*	*1892.025*
Sum Sq. Dev.	*343473.0*	*6.539684*	*0.786317*	*21.03213*	*1854,989*
Observations	*76*	*76*	*76*	*76*	*76*

Based on the descriptive statistical test above, it is shown that the number of observations analyzed is 76 data.

Table 2. Chow test

Effects Test	*Statistics*	*df*	*Prob.*
Cross-section F	*9.999327*	*(18.54)*	*0.0000*
Chi-square cross-section	*111.437683*	*18*	*0.0000*

Cross-section fixed effects test equation:

Dependent Variable: PBV

Method: Least Squares Panel

Date: 04/18/24 Time: 13:41

Sample: 2019 2022

Periods included: 4

Cross-sections included: 19

Total panel (balanced) observations: 76

ISSN : 2597-4785 (ONLINE)
ISSN : 2597-4750 (PRINTED)

Variables	*Coefficient*	*Std. Error*	*t-Statistics*	*Prob.*
C	*32.60668*	*48.59560*	*0.670980*	*0.5044*
GCG	*-8.207062*	*11.74039*	*-0.699045*	*0.4868*
ROA	*564.4981*	*40.37544*	*13.98122*	*0.0000*
DER	*10.42044*	*7.457890*	*1.397236*	*0.1666*
MSE Root	*27.56121*	*R-squared*		*0.831919*
Mean dependent var	*39.52589*	*Adjusted R-squared*		*0.824916*
SD dependent var	*67.67304*	*SE of regression*		*28.31645*
Akaike info criterion	*9.575959*	*Sum squared resid*		*57731.12*
Schwarz criterion	*9.698629*	*Log likelihood*		*-359.8864*
Hannan-Quinn Criter.	*9.624984*	*F-statistic*		*118.7887*
Durbin-Watson stat	*0.670866*	*Prob(F-statistic)*		*0.000000*

The resulting Chow test is shown by a probability value obtained from a cross-sectional analysis 0.000, which is still below the significant threshold of 0.05. In this case, it is shown that there are quite significant differences between CEM and FEM. Therefore, The fixed effect model has been chosen as the selected model. based on the Chow test.. After that, to ensure the correct choice of models both FEM and REM, we must test using the Hausman test. As in the Hausman test, it will help determine whether the estimates from REM or FEM are more appropriate to the data we have. If the resulting Hausman test is shown to have a probability value below 0.05, then the fixed effect model is more appropriate. Conversely, if the probability score exceeds 0.05, REM is more appropriate to apply.

Table 3. Hausman test

Test Summary		*Chi-Sq. Statistics*	*Chi-Sq. df*	*Prob.*
Random cross-section		*2.582475*	*3*	*0.4606*
Cross-section random effects test comparisons:				
Variables	*Fixed*	*Random*	*Var(Diff.)*	*Prob.*
GCG	*21.958975*	*6.500315*	*146.349429*	*0.2013*
ROA	*509.307105*	*522.981401*	*256.246473*	*0.3930*
DER	*17.407162*	*16.448807*	*4.837305*	*0.6630*

This work is licensed under a Creative Commons Attribution- ShareAlike 4.0 International License.
ISSN : 2597-4785 (ONLINE)
ISSN : 2597-4750 (PRINTED)

Cross-section random effects test equation:

Dependent Variable: PBV

Method: Least Squares Panel

Date: 04/18/24 Time: 13:41

Sample: 2019 2022

Periods included: 4

Cross-sections included: 19

Total panel (balanced) observations: 76

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	-89.60394	77.60113	-1.154673	0.2533
GCG	21.95897	18.95344	1.158575	0.2517
ROA	509.3071	39.52762	12.88484	0.0000
DER	17.40716	6.486322	2.683672	0.0096
Effects Specification				
Cross-section fixed (dummy variables)				
MSE Root	13.24032	R-squared		0.961210
Mean dependent var	39.52589	Adjusted R-squared		0.946125
SD dependent var	67.67304	SE of regression		15.70755
Akaike info criterion	8.583358	Sum squared resid		13323.26
Schwarz criterion	9.258043	Log likelihood		-304.1676
Hannan-Quinn Criter.	8.852995	F-statistic		63.71990
Durbin-Watson stat	2.421157	Prob(F-statistic)		0.000000

In accordance with the Hausman test produced by showing some of the attached data, a random cross-section probability score of 0.4606 can be obtained as the score is above The model chosen is REM, with a significance level of 0.05.

ISSN : 2597-4785 (ONLINE)
ISSN : 2597-4750 (PRINTED)

Table 4. Lagrange Multiplier Test

	Test Hypothesis		
	Cross-section	*Time*	*Both*
Breusch-Pagan	*49.64360*	*0.923447*	*50.56705*
	(0.0000)	*(0.3366)*	*(0.0000)*
Honda	*7.045821*	*-0.960962*	*4.302646*
	(0.0000)	*(0.8317)*	*(0.0000)*
King-Wu	*7.045821*	*-0.960962*	*1.773393*
	(0.0000)	*(0.8317)*	*(0.0381)*
Standardized Honda	*7.900319*	*-0.719329*	*1.483422*
	(0.0000)	*(0.7640)*	*(0.0690)*
Standardized King-Wu	*7.900319*	*-0.719329*	*-0.529089*
	(0.0000)	*(0.7640)*	*(0.7016)*
Gourieroux, et al.	--	--	*49.64360*
			(0.0000)

In accordance with the test that has been produced, it is shown in some of the attached data, showing a Cross-section probability value of 0.000 as shown by a score below 0.05, as the model used with the Random Effect Model

Table 5. Multicollinearity Test

	Coefficient	*Uncentered*	*Centered*
Variables	*Variance*	*VIF*	*VIF*
C	*2824.653*	*266.0018*	*NA*
GCG	*139.7418*	*220.8690*	*1.132372*
ROA	*1682,763*	*2.308708*	*1.639556*
DER	*56.00644*	*2.151223*	*1.459578*

ISSN : 2597-4785 (ONLINE)
ISSN : 2597-4750 (PRINTED)

COMPANY_SIZE	0.449605	27.27422	1.033423

Table 6. Heteroscedasticity Test

Heteroskedasticity Test: ARCH			
F-statistic	5.509535	Prob. F(37.1)	0.3274
Obs*R-squared	38.80962	Prob. Chi-Square(37)	0.3881

In accordance with the heteroscedasticity test that has been produced, it is shown that the prob value is 0.388 which exceeds the value of 0.05. In carrying out this research, a conclusion was obtained, namely that there was no sign of heteroscedasticity.

Table 7. Autocorrelation Test

F-statistic	1.669063	Prob. F(38.33)	0.0685
Obs*R-squared	49.98999	Prob. Chi-Square(38)	0.0922

From the output results, a probability score of 0.063 is obtained, as the value above is 0.05. The following conditions are demonstrated by the absence of a correlation problem in the model used. The resulting tests indicate that some of the independent variables in the model do not have a significant correlation with others, which means that multicollinearity is not a problem in this analysis.

Table 8. Multiple Reg Test (Rem)

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	-26.97703	60.19772	-0.448140	0.6554
GCG	6.500315	14.59052	0.445516	0.6573
ROA	522.9814	36.14120	14.47050	0.0000
DER	16.44881	6.102055	2.695618	0.0087
		Effects Specification		
			elementary school	Rho
	Random cross-section		25.44650	0.7241
	Idiosyncratic random		15.70755	0.2759
		Weighted Statistics		

This work is licensed under a Creative Commons Attribution- ShareAlike 4.0 International License.
ISSN : 2597-4785 (ONLINE)
ISSN : 2597-4750 (PRINTED)

MSE Root	*15.24421*	*R-squared*	*0.818411*
Mean dependent var	*11.65665*	*Adjusted R-squared*	*0.810844*
SD dependent var	*36.01106*	*SE of regression*	*15.66194*
Sum squared resid	*17661.33*	*F-statistic*	*108.1663*
Durbin-Watson stat	*1.927049*	*Prob(F-statistic)*	*0.000000*
	Unweighted Statistics		
R-squared	*0.822699*	*Mean dependent var*	*39.52589*
Sum squared resid	*60897.97*	*Durbin-Watson stat*	*0.558873*

Based on the results obtained, it is shown that the Prob (F-statistic) value is 0.000, still less than 0.05. As shown by the simultaneous ROA and DER variables, they have an impact on company value. From this output it can also be seen that the probability value for the ROA and DER variables is still less than 0.05. In the following conditions it can be concluded that individually, ROA and DER Can greatly influence the value of a firm. ROA influences company value by having a positive correlation, as meaning that an increase in ROA can be followed by an increase in company value. Meanwhile, the GCG variable and the natural logarithm of LN (company size) have a probability score of above 0.05. This can be concluded in a partial way, the GCG and LN variables Do not exert a substantial impact on the valuation of a firm.

B. Discussion

1. Good Corporate Governance which is distributed to the managerial ownership committee has no influence on company value

In a research that has been carried out, results were obtained showing that the application of GCG principles as reflected in the managerial ownership committee has negligible impact on company value. Although the managerial ownership committee aims to improve transparency, accountability and fairness in making corporate decisions, this research finds that these factors do not directly contribute to increasing company value. In this context, although the company may have implemented good GCG structures and practices, the results are not directly reflected in an increase in company value as expected. This raises questions about the effectiveness of GCG implementation in improving overall company performance, and highlights the importance of paying attention to several other factors that can also influence company value.

Previous research by Christiani & Herawaty, (2019) found regardingprofitability, managerial ownership, The size of a corporation has a substantial influence on company value and earnings management becomes a moderating variable without strengthening the relationship between profitability and company value. Profit Management, Leverage, Audit Committee do not have an impact on company value. Earnings management becomes a moderating variable by further strengthening the relationship between company size, leverage, audit committee and managerial ownership with company value. In a study conducted Nuryono et al., (2019), it was shown thatSimultaneously, audit quality (KuA), audit committee (KA), independent commissioner (KI), institutional ownership (INST) and managerial ownership (MOWN) have an influence on company value (PBV). In its partial form, institutional ownership has a significant positive influence on company value, in contrast to the other independent variables (audit quality, audit committee, independent commissioner, and managerial ownership) which have a positive but not significant influence on company value.

2. Good Corporate Governance which is shared by the independent board of commissioners has no influence on company value

As research has shown, the implementation of GCG principles, especially those related to the existence of an independent board of commissioners, does not have a significant influence on company value. Although an independent board of commissioners is generally believed to be an important element in maintaining transparency, accountability and independence in company decision making, research conducted found that their role does not

This work is licensed under a Creative Commons Attribution- ShareAlike 4.0 International License.
ISSN : 2597-4785 (ONLINE)
ISSN : 2597-4750 (PRINTED)

directly have an impact on increasing company value. This highlights the complexity in the relationship between corporate structure and firm performance, where other factors such as management strategy, market conditions, and the regulatory environment can also have a significant impact on firm value. Although independent boards of commissioners may be required and expected to ensure compliance with GCG principles, their implementation does not always result in a significant increase in company value. Thus, it is shown that more in-depth research is needed to determine several other factors that also influence company performance, as well as to evaluate the effectiveness of implementing GCG principles in a broader context.

Previous research by Amaliyah & Herwiyanti,(2019) showed that the audit committee variable had a significant influence on company value. In contrast, the variables independent commissioner and institutional ownership do not have a significant influence on company value. Based on the results of research conducted by Sondokan et al., (2019), it is shown that the independent board of directors and board of commissioners do not have an influence on the value of other companies, whereas the audit committee has quite an influence on the value of the company, audit committee, board of directors, board of commissioners. independence simultaneously has a positive influence on company value. In a company, banking performance can have a lot of positive influence on performance as demonstrated by the implementation of good corporate governance. In implementing GCG, The presence of an audit committee, board of directors, and independent board of commissioners serves as evidence of this.

3. Good Corporate Governance which is distributed to the audit committee has no influence on company value

In a study, it was shown that the application of Good Corporate Governance (GCG) principles, especially those related to the existence of an audit committee, did not have a significant effect on company value. Although audit committees are generally considered to be an important element for controlling accountability, transparency, and integrity in a company's internal control and financial reporting processes, research conducted shows that their presence does not directly influence increasing company value. These results highlight the complexity in the relationship between corporate structure and firm performance, where other factors such as market conditions, management strategy, and external factors can also contribute to firm value. However, the existence of an audit committee remains important to ensure compliance with accounting standards and regulations, as well as to mitigate the risk of fraud and irregularities that could be detrimental to the company.

Previous research by Valencia, (2019) found that financial distress, tax avoidance and A self-governing panel of commissioners exerted a substantial and favourable impact on the value of the corporation. whereas the audit committee had no influence on company value. Thus, the audit committee and profitability have a significant negative influence on tax avoidance, whereas the independent board of commissioners and financial distress do not have an influence on tax avoidance. The resulting research shows that tax avoidance can provide partial mediation of the relationship between profitability and company value. However, tax avoidance cannot provide mediation on the relationship between the audit committee, independent board of commissioners and financial distress with company value.

According to a study conducted by Mayangsari in 2018, it was shown that audit committees had a positive influence on a company's worth. Due to the rising firm valuation, a business entity is required to pay attention to the company's audit committee. Not only this, investors are also required to be scrutinized by the audit committee when making investments as a basis for decision making. Implementing an audit committee enhances the efficiency of the observation function and leads to an improvement in the company's worth.

4. Profitability influences company value

The resulting research shows that The profitability of a corporation has a substantial impact on its overall value. The following research implementation highlights the crucial importance of a company's financial performance in determining overall company value. The greater level of profitability in a business entity makes it possible for the company's value to increase. Factors that influence profitability, such as operational efficiency, cost structure, and financial management strategy, are key in determining a company's financial performance and ultimately company value. These findings provide empirical evidence of the close relationship between company value and financial performance, which can be used as a guide for company management to carry out planning and implement a business strategy correctly in order to increase company value in a sustainable manner.

In previous research Hertina et al., (2019), it was shown that independent variables in the form of debt policy, profitability and company size were able to describe and explain a dependent variable in the form of company value with a value of 83.56%. Another study by Yanda, (2018) found thatPartially, it is shown that capital structure and profitability have a more significant impact on company value, whereas company growth and company size do not have an impact on company value. In research produced simultaneously, company growth, capital structure, profitability and company size have a simultaneous impact on company value.

ISSN : 2597-4785 (ONLINE)
ISSN : 2597-4750 (PRINTED)

5. Leverage affects company value

The following research was carried out and it was found that leverage, or the level of company debt, had a significant impact on company value. The following research highlights the important role of capital structure in obtaining and increasing overall company value. It was found that large levels of debt tend to have a negative impact on company value, because they increase financial risk and limit the company's flexibility in dealing with uncertain economic situations. Conversely, lower debt levels can reduce financial risk and increase investor confidence, which can further increase company value. This explanation provides a better understanding of how a capital structure can have an impact on company value and performance, as well as providing guidance for company management in planning balanced financial policies to increase long-term company value.

Previous research by Sutama & Lisa, (2018) found that *leverage*has a close relationship to company value, at a moderate level of closeness, in contrast to the profitability variable which has a very large relationship to company value. As partial, profitability and leverage in fact have a significant positive influence on company value.In their research Pradanimas & Sucipto, (2022) it has been explained that company size has a significant negative impact on company value, while profitability and leverage have a significant positive impact on company value. Although profitability, company size, and company value have a significant positive impact on other stock prices, leverage has a significant negative impact on stock prices. In terms of company size, company value has a negative insignificant impact on share prices. Profitability has an insignificant positive impact on share prices in terms of company value. Leverage has a significant positive impact on share prices from a company value perspective.

6. Good Corporate Governance assigned to the Board of Independent Commissioners has no influence on company value, which is moderated by company size

In a study, it was shown that the application of GCG principles, especially those related to the existence of an independent board of commissioners, did not have a significant influence on company value, especially when moderated by company size. Although an independent board of commissioners is usually believed to be an important factor in ensuring transparency, accountability and independence in company decision making, research conducted found that their presence does not directly have an influence on increasing company value, especially when company size is considered as a moderating variable. In this case, it is shown that several other factors, namely company size, have an increasingly dominant role in determining company value. However, the existence of an independent board of commissioners remains important in ensuring compliance with GCG principles, as well as providing effective supervision of company management.

7. Good Corporate Governance which is distributed to the audit committee has no influence on company value which is moderated by company size

In a study that was produced, it was shown that the implementation of GCG principles promoted by the existence of an audit committee did not have a significant influence on company value, especially when considered in the context of company size as a moderating variable. Although the audit committee is often believed to be a key element in maintaining transparency, accountability and integrity in the company's internal control process and financial reporting, research has found that the role of the audit committee does not have a direct influence on increasing company value, especially when the company size is a factor. taken into account. This shows that in the context of company value, the company size factor may have a more dominant influence than the existence of an audit committee. However, the existence of an audit committee remains important to ensure compliance with accounting standards and regulations, as well as to mitigate the risk of fraud and irregularities that could be detrimental to the company.

8. Profitability influences company value which is moderated by company size

A study demonstrated that profitability exerts a substantial impact on firm value, particularly when taking into account company size as a moderating component. It was found that the level of company profitability has a different impact depending on the size of the company. More specifically, the relationship between profitability and company value is stronger or more significant in companies with smaller sizes when compared with several large companies. This suggests that profitability may have an increasingly dominant role in determining firm value in smaller companies, while other factors, such as capital structure or brand reputation, may have more influence in some larger companies.

9. Leverage influences company value which is moderated by company size

A study demonstrated that the use of leverage, which refers to the extent of a firm's debt, has a substantial impact on the value of the company, especially when considered in the context of company size as a moderating variable. It was found that the relationship between firm value and leverage varies depending on the size of the

This work is licensed under a Creative Commons Attribution- ShareAlike 4.0 International License.
ISSN : 2597-4785 (ONLINE)
ISSN : 2597-4750 (PRINTED)

company. In particular, the correlation between company value and leverage tends to be more complex and depends on company size factors. Leverage may have a more significant impact on smaller companies, where large levels of debt can present significant risks and limit a company's financial flexibility Yulianto, (2017). On the other hand, in larger companies, The correlation between leverage and firm value may be more moderated, with other factors such as capital structure and operating scale also playing a significant role.

IV. CONCLUSION

In a research conducted and produced, a conclusion was obtained that profitability and leverage had a significant influence on company value in a manufacturing business entity in the F&B sub-sector on the IDX list during 2019-2022. As shown by the level of company profitability and leverage, it directly influences company value. However, the variables of managerial ownership, company size, audit committee and independent board of commissioners do not have a significant influence on company value in this context. This shows that these factors do not have a strong influence on company value in the F&B sub-sector in the period studied. Not only this, in the research conducted, company size was used as a moderating variable, but it was not proven to have a significant moderating effect on The correlation between profitability, leverage Regarding the valuation of the company. This is shown by the fact that company size does not really strengthen or weaken the impact of leverage and profitability on company value.

REFERENCES

Lailiyah, C. Z., Massela, A., Yulianto, A., & Khalid, A. A. (2024). Impact of Corporate Social Responsibility, Profitability, Leverage, and Capital Intensity on Tax Aggressiveness: The Moderating Role of Firm Size in Indonesian Manufacturing Sector. *Journal of Accounting, Finance and Auditing Studies*, *10*(2), 51–64. https://doi.org/10.56578/jafas100201

Mayasari, T., Yusuf, & Yulianto, A. (2018). Pengaruh Return On Equity, Net Profit Margin Dan Ukuran Perusahaan Terhadap Underpricing. *Jurnal Kajian Akuntansi*, *2*(2), 41–53. https://doi.org/10.36232/jurnalfairakuntansiunimuda.v3i1.4397

Yulianto, A. (2017). Peran karakteristik perusahaan dan corporate governance dalam keputusan pendanaan perusahaan pertambangan. *Jurnal Kajian Akuntansi*, *1*(1), 11–22.