

THE EFFECT OF GOOD CORPORATE GOVERNANCE, DIVIDEND POLICY, AND CAPITAL STRUCTURE ON COMPANY VALUE: EMPIRICAL STUDY OF PROPERTY AND REAL ESTATE COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE FOR THE 2016-2021 PERIOD

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ABSTRACT

This research aims to determine the effect of Good Corporate Governance, Dividend Policy, and Capital Structure on Firm Value. The object of this research is to property and real estate companies listed on the Indonesia Stock Exchange from 2016-2021. This research was conducted on 13 property and real estate companies by predetermined criteria. This study uses statistical analysis in the form of a multiple linear regression test. The sampling technique used is purposive sampling using SPSS 25 software. Based on The results of this study indicate that Managerial Ownership has a positive and not significant effect on Firm Value. Institutional Ownership has a negative and significant effect on Firm Value. Independent Commissioner has a negative and significant effect on Firm Value. Dividend Policy has a positive and significant effect on Firm Value. Capital Structure has a positive and significant effect on Firm Value.

Keywords: *managerial ownership, institutional ownership, independent commissioner, dividend policy, capital structure*

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INTRODUCTION

Increasing company value is the long-term goal of every company because company value is a benchmark for investors in obtaining financial performance in a company. In maximizing the value of the company there will be a conflict between the interests of managers and shareholders because managers are more concerned with personal interests which will increase company costs so that the company experiences a decline in profits and a decline in share prices which can reduce company value (Jensen, Micheal C. & Meckling, 1976; Utami & Darmayanti, 2018).

The closing JCI at the end of the year closed negative 0.95% at the level of 5,979.07 where the property sector was the biggest contributor to the weakening of 21.23% throughout 2020. Property companies that experienced a decline included PT. Summareco Agung Tbk with the stock code SMRA fell 19.9% with a closing of IDR 188. PT. Pakuwon Jati Tbk with share code PWON was corrected down 10.53% to IDR 510 and PT Lippo Karawaci Tbk with share code LPKR also fell 11.5%, namely IDR 214 (Money Kompas, 2020).

A decline in share prices indicates a decline in company value. Research conducted by (Hidayati & and Retnani, 2020; and Sulistiorini & and Lestari, 2022) states that managerial ownership has a positive effect on company value. In contrast, research conducted by (Astuti et al., 2021) stated that managerial ownership has a significant negative effect on company value.

Research conducted by (Rahayu & and Permana, 2021) stated that institutional ownership has a positive effect on company value. In contrast, research conducted by (Munawaroh, 2023; Syaifuddin, 2008) stated that institutional ownership has a significant negative effect on company value.

Research conducted by (Bintara, 2018; Suparman, 2020) states that capital structure has a positive effect on company value. In contrast, research conducted by (Hidayati & Retnani, 2020; Ningsih & and Waspada, 2019) stated that capital structure hurts company value.

METHOD

Types of Research

This research uses causal research which aims to determine the influence of the independent variable on the dependent variable. This research uses secondary data by collecting company data via the website www.idx.co.id regarding annual financial reports. The population that is the object of research is property and real estate companies listed on the Indonesia Stock Exchange for the 2016-2021 period.

Research Population and Sample

The population in this study uses property and real estate companies listed on the Indonesia Stock Exchange for the 2016-2021 period. Sampling using purposive sampling method where sampling using certain criteria.

Table 1 Sample Selection Process Based on Criteria

No	Criteria	Amount
1	Property and Real Estate Companies listed on the Indonesia Stock Exchange in the 2016-2021 period	66
2	Property and Real Estate Companies that have just listed or IPO on the Indonesia Stock Exchange in the 2016-2021 period	(11)
3	Property and Real Estate Companies listed on the Indonesia Stock Exchange that did not pay dividends in 2016-2021	(39)
4	Property and Real Estate Companies with boards of directors who do not have managerial shares in the period 2016-2021	(3)
Total Companies		13
Total sample for 6 years research period		78

Data Collection Techniques

Data collection techniques use secondary data, namely data sources obtained and collected indirectly but with other parties.

Data Analysis Method

Descriptive statistics

Ghozali (2018) descriptive statistics provides an overview or description of data that can be seen from the average value (mean), standard deviation, variance, maximum, minimum, sum, range, kurtosis, and skewness.

Classic assumption test

The classical assumption test is one of the requirements or methods in linear regression analysis. Before carrying out a hypothesis test, this test is carried out first to find out whether the data being studied is normally distributed or not. This classic assumption test includes the Normality Test, Multicollinearity Test, Heteroscedasticity Test, and Autocorrelation Test.

Hypothesis testing

This study uses five independent variables and one dependent variable. The analytical method used to test the hypothesis is the interaction test often called multiple linear regression analysis where the regression equation contains elements of interaction (multiplication of two or more independent variables) (Deska, 2022). The regression equation is as follows:

$$PBV = \alpha + \beta_1KM + \beta_2KI + \beta_3KomIn + \beta_4DPR + \beta_5DER + e$$

This study used a significance level (α) of 0.05 or 5%. This multiple linear regression analysis was carried out with the help of the SPSS (Statistical Package For Social Sciences) Release 25.0 for Windows program so that the coefficient of determination, F statistical value, and t statistical value used in hypothesis testing can be obtained.

RESULTS AND DISCUSSION

Descriptive Statistics

Table IV.1 Results of Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
KM	78	.0002	.5357	.068335	.1198809
KI	78	.0042	.9661	.641216	.1789546
KomIn	78	.2353	.7500	.407578	.1119244
DPR	78	.0052	3.2563	.380815	.6186976
DER	78	.0442	3.7010	.879494	.8291340
PBV	78	.2388	2579.0059	143.66244	517.0985
				9	052
Valid N (listwise)	78				

Source: Processed Secondary Data

1. The company value, which is proxied by PBV, has a minimum value of 0.2388 which is found in the company PT. Pudjiadi Prestige Tbk, The maximum value is 2,579.0059 which is in the company PT. Pakuwon Jati Tbk. The resulting average value (mean) is 143.662449, with a standard deviation value of 517.0985052.
2. Managerial Ownership which is proxied by KM, has a minimum value of 0.0002 which is found in PT. Pakuwon Jati Tbk. The maximum value is 0.5357 which is found in the

company PT. Ciputra Development Tbk, The average value (mean) is 0.068335, with a standard deviation value of 0.1198809.

3. Institutional Ownership which is proxied by KI, has a minimum value of 0.0042 which is found in PT. Pakuwon Jati Tbk. The maximum value is 0.9661 which is found in the company PT. Plaza Indonesia Realty Tbk. The average value (mean) is 0.641216 with a standard deviation value of 0.1789546.
4. Independent Commissioners who are proxied by Komen, have a minimum value of 0.2353 which is found in PT. Metropolitan Kentjana Tbk Maximum value of 0.7500 which is in the company PT. Bekasi Fajar Industrial Estate Tbk. The average value (mean) is 0.407578, with a standard deviation value of 0.1119244.
5. The dividend policy, which is proxied by the DPR, has a minimum value of 0.0052 which is registered with the company PT. Summarecon Agung Tbk. The maximum value of 3.2563 is found in the company PT. Plaza Indonesia Realty Tbk. The average value (mean) is 0.380815, with a standard deviation value of 0.6186976.
6. The capital structure, which is proxied by DER, has a minimum value of 0.0442 which is found in the company PT. Pakuwon Jati Tbk The maximum value is 3.7010 found in the company PT. Plaza Indonesia Realty Tbk The average (mean) value is 0.879494 and has a standard deviation value of 0.8291340.

Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		78
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.47517247
	Most Extreme Differences	
	Absolute	.118
	Positive	.118
	Negative	-.103
Test Statistic		.118
Asymp. Sig. (2-tailed)		.157 ^c
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: Processed Secondary Data

Based on the table above, the significance value for Unstandardized Residual is 0.157, which is more than 0.05. With these results, it can be stated that the data used in this research is normally distributed.

Multicollinearity Test Results

Based on The table below, shows that Managerial Ownership, Institutional Ownership, Independent Commissioners, Dividend Policy, and Capital Structure have a tolerance value of

more than 0.10 and a Variance Inflation Factor (VIF) value of less than 10, so they can be concluded that there is no multicollinearity between all variables. free in research.

Table 4.3 Multicollinearity Test Results

Variable	Tolerance	Critical Value Tolerance	VIF	Critical Value VIF	Identification
Managerial Ownership	0,769	0,10	1,300	10	Does not experience multicollinearity
Institutional Ownership	0,437	0,10	2,290	10	Does not experience multicollinearity
Independent Commissioner	0,555	0,10	1,801	10	Does not experience multicollinearity
Dividend Policy	0,630	0,10	1,586	10	Does not experience multicollinearity
Capital Structure	0,547	0,10	1,828	10	Does not experience multicollinearity

Source: Processed Secondary Data

Heteroscedasticity Test Results

Table IV.4 Gletsjer Heteroscedasticity Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
				Beta		
1	(Constant)	.099	.225		.439	.663
	KM	1.427	.838	.294	1.703	.097
	KI	-.020	.219	-.021	-.090	.929
	KomIn	-.234	.332	-.143	-.704	.486
	DPR	.269	.154	.333	1.744	.090
	DER	.109	.056	.400	1.955	.058

a. Dependent Variable: ABS_RES

Based on The table above, explains that the results of calculations for each variable show that the results of regression calculations using the absolute residual independent variable (ABSUT), it can be seen that the sig value is > 0.05. This means that this research is free from heteroscedasticity symptoms.

Autocorrelation Test Results

Table IV.5 Autocorrelation Test Results

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin - Watson
1	.721 ^a	.520	.453	.22819	1.520
a. Predictors: (Constant), DER, KM, DPR, KomIn, KI					
b. Dependent Variable: PBV					

The table above shows that the Durbin Watson (DW) value is 1.520 where the DW value lies between -2 and 2 ($-2 < 1.520 < 2$), so it can be concluded that the regression model in this study has no positive or negative autocorrelation.

Test Results for the Coefficient of Determination (R²)

Table IV.6 Test Results for the Coefficient of Determination (R²)

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.721 ^a	.520	.453	.22819	1.520
a. Predictors: (Constant), DER, KM, DPR, KomIn, KI					
b. Dependent Variable: PBV					

The table above shows that the coefficient of determination is 0.520. From this value, it can be interpreted that 52.0% of the variation of the dependent variable Firm Value can be explained by variations of the independent variables, namely Managerial Ownership, Institutional Ownership, Independent Commissioners, Dividend Policy, and Capital Structure while the remaining 48% (100% - 52.0 %) is explained by other factors not included in other models.

F Test Results

Table IV.7 F Test Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.028	5	.406	7.788	.000 ^b
	Residual	1.875	36	.052		
	Total	3.902	41			
a. Dependent Variable: PBV						
b. Predictors: (Constant), DER, KM, DPR, KomIn, KI						

From this equation, it is known that the results of the F test can be seen from the calculated F value of 7.788 with a significance of $0.000 < 0.05$, it can be concluded that together all the independent variables have a significant effect on the dependent variable. Thus, this regression model can explain that Managerial Ownership, Institutional Ownership, Independent Commissioners, Dividend Policy, and Capital Structure jointly affect Firm Value.

Statistical Test Results t

Table IV.8 Statistical Test Results t

Model	Coefficients ^a				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta			
1 (Constant)	2.158	.365			5.913	.012
KM	2.440	1.362	.236		1.791	.082
KI	-1.432	.356	-.703		-4.023	.000
KomIn	-1.594	.539	-.458		-2.957	.005
DPR	.841	.251	.488		3.355	.002
DER	.347	.091	.597		3.820	.001

a. Dependent Variable: PBV

a. Managerial ownership

By looking at the results of the t-test on the Managerial Ownership variable of 1.791 with a significance of $0.082 > 0.05$, it means that the Managerial Ownership variable has a positive and insignificant effect on the Firm Value variable, so H1 is accepted.

b. Institutional Ownership

By looking at the results of the t-test on the Institutional Ownership variable of -4.023 with a significance of $0.000 < 0.05$, it means that the Institutional Ownership variable has a negative and significant effect on the Firm Value variable, then H2 is rejected.

c. Independent Commissioner

By looking at the results of the t-test on the Independent Commissioner variable of -2.957 with a significance of $0.005 < 0.05$, it means that the Independent Commissioner variable has a negative and significant effect on the Firm Value variable, then H3 is rejected.

d. Dividend Policy

By looking at the results of the t-test on the Dividend Policy variable of 3.355 with a significance of $0.002 < 0.05$, it means that the Dividend Policy variable has a positive and significant effect on the Firm Value variable, then H4 is accepted.

e. Capital Structure

By looking at the results of the t-test on the Capital Structure variable of 3.850 with a significance of $0.001 < 0.05$, it means that the Capital Structure variable has a positive and significant effect on Firm Value, then H5 is accepted.

Multiple Linear Regression Analysis

Table 4.9 Multiple Linear Regression Analysis Test Results

		Coefficients				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.158	.365		5.913	.012
	KM	2.440	1.362	.236	1.791	.082
	KI	-1.432	.356	-.703	-4.023	.000
	KomIn	-1.594	.539	-.458	-2.957	.005
	DPR	.841	.251	.488	3.355	.002
	DER	.347	.091	.597	3.820	.001

a. Dependent Variable: PBV

$$PBV = \alpha + \beta_1KM + \beta_2KI + \beta_3KomIn + \beta_4DPR + \beta_5DER + e$$

$$PBV = 2.158 + 2.440KM + -1.432KI + -1.594KomIn + 0.841DPR + 0.347DER + 0.365$$

Information :

PBV = Company Value

α = Constant

$\beta_1 - \beta_5$ = Regression coefficient

KM = Managerial Ownership

KI = Institutional Ownership

KomIn = Independent Commissioner

DPR = Dividend Policy

DER = Capital Structure

e = Error

This equation means:

1. A constant value of 2.158 indicates when Managerial Ownership (KM), Institutional Ownership (KI), Independent Commissioners (KomIn), Dividend Policy (DPR), and Capital Structure (DER) are worth 0.012, then the Company's Value will be worth 2.158.
2. The Managerial Ownership regression coefficient of 2.440 explains that for every 1-point increase in Managerial Ownership, it will increase Company Value by 2.440 points.
3. Institutional Ownership's regression coefficient of -1.432 explains that every increase in Institutional Ownership by 1 point will decrease Company Value by -1.432 points.

4. The independent commissioner's regression coefficient of -1.594 explains that for every increase of 1 point for an independent commissioner, it will reduce the company's value by -1.594 points.
5. The dividend policy regression coefficient of 0.841 explains that for every 1-point increase in dividend policy, it will increase company value by 0.841 points.
6. The Capital Structure regression coefficient of 0.347 explains that for every increase in Capital Structure by 1 point, it will increase Firm Value by 0.347 points.

Managerial ownership has a positive and insignificant effect on firm value. This shows that the existence of managerial ownership can be used as a mechanism to reduce conflicts that occur within the company, that with a larger share ownership in the company, the greater the value of the company. The results of this study are in line with research conducted by (Hidayati & and Retnani, 2020; and Widianingsih, 2018) that managerial ownership has a positive and insignificant effect on firm value.

Institutional ownership has a negative and significant effect on firm value. This is because the higher the institutional share ownership in an institution, the firm's value will decrease because institutional ownership tends to side with management and is oriented towards its interests (Afifah et al., 2022). The results of this study are in line with research conducted by (Yanti & and Abundanti, 2019) that institutional ownership has a negative and insignificant effect on company value.

Independent commissioners have a negative and significant effect on company value. This is because an independent commissioner cannot be used as a guarantee that the company's value will be good, while the addition of independent commissioners in the company cannot affect the company's value because the addition of members is only to comply with existing regulations (Ramadhani et al., 2023). The results of this study are in line with research conducted by (Apriliana & and Fidiana, 2021) that independent commissioners have a negative and insignificant effect on company value (Wardhani et al., 2021).

Dividend policy has a positive and significant effect on firm value. This is because the size of the dividend policy ratio can be taken into consideration for investors to invest their capital. After all, companies with dividend payments to shareholders in large numbers can increase the value of the company. The results of this study are in line with research conducted by (Munawaroh, 2023) that dividend policy has a positive and significant effect on firm value.

Capital structure has a positive and significant effect on firm value. This is because the capital structure reflects the financial condition in a certain period, the better the allocation of sources of funds in the company can reflect good and efficient financial performance so the higher the capital structure, the higher the value of the company. The results of this study are in line with research conducted by (Bintara, 2018; Suparman, 2020) that capital structure has a positive and significant effect on company value.

CONCLUSION

Managerial ownership has a positive and insignificant effect on firm value. Institutional ownership has a negative and significant effect on company value. Independent commissioners have a negative and significant effect on company value. Dividend policy has a positive and

significant effect on company value. Capital structure has a positive and significant effect on company value.

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