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How Financial Ratio, Good Corporate Governance, and Firm Size Affect Firm Value in Infrastructure Companies

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Abstract: This study aims to examine the factors that influence firm value. There are several factors used, including profitability, leverage, good corporate governance, and company size. The purpose of this study is to empirically examine whether profitability, leverage, good corporate governance, and firm size, influence the value of the company in infrastucture companies listed on the Indonesia Stock Exchange. The sample in this study consisted of 33 Infrastucture Companies in 2016-2021. With a purposive sampling. The data used in this research is secondary obtained from the official website of Indonesia Stock Exchange and the official website of each company. This study use Multiple Linear Regression analysis to test profitability, leverage, good corporate governance, and company size on value of company. The results of this study indicate that leverage and firm size has an effect on firm value, while profitability and good corporate governance has no effect on firm value.

Keywords: Profitability, Leverage, Good Corporate Governance, Firm Size And Firm Value.

INTRODUCTION

The development of economic conditions is increasingly rapid in the era of globalization where companies must always follow these developments. A company is expected to be able to compete in order to survive in the market and continue to grow in a long period of time. Companies can increase innovation and productivity to achieve their goals. This is a challenge for every company. The main purpose of operating companies is to gain wealth, especially to maximize the wealth of investors or shareholders (Suwardika & Mustanda, 2017).

The phenomenon related to the value of the company is the decline in the value of shares experienced by construction companies in Indonesia. Based on data from the Indonesia Stock Exchange (IDX), PT Waskita Karya Tbk (WSKT) shares fell by IDR 40 (6.35%) to IDR 590, PT Adhi Karya Tbk (ADHI) fell by IDR 60 (6.74%) to IDR 830, PT PP (Persero) Tbk (PTPP) fell Rp. 70 (7%) to Rp. 930, and PT Wijaya Karya Tbk (WIKA) fell Rp. 75 (6.64%) to Rp. 1,055. The decline in this also spread to a number of BUMN construction subsidiaries, such as PT PP Presisi Tbk (PPRE) which fell by IDR 6 (3.75%) to IDR 154 and PT PP Properti Tbk (PPRO) which closed stagnant at IDR 56. PT Waskita Beton Precast Tbk (WSBP) closed down by IDR 6 (5.45%) to IDR 104 and PT Wjaya Karya Beton Tbk (WTON) shares weakened by IDR 8 (3.39%) to IDR 228.

Firm value is the market value of the company's debt and equity securities. Maximizing firm value is very important for a company, this also means maximizing shareholder wealth as the company's main goal (Sinaga, 2019). Firm value is an investor's perception of the level of success of managers in managing the company's resources entrusted to them which is often associated with stock prices.

Several studies on firm value have been carried out, from these studies revealed various factors that influence firm value. Factors that can affect firm value include profitability, leverage, good corporate governance, and firm size.

The first factor that affects firm value is profitability. According to research (Rizky Adhitya Nugraha, 2020) and (Nandita & Kusumawati, 2018) explains that profitability has a positive and significant effect on firm value. While in research (Yusmaniarti et al., 2019) and (Zuhroh, 2019) explains that profitability has no effect on firm value.

The second factor that affects firm value is leverage. According to research (Nandita & Kusumawati, 2018) and (Suwardika & Mustanda, 2017) explains that leverage has a significant positive effect on firm value. While in research (Fajaria, 2018) explains that leverage has no significant effect on firm value. This is also supported in research (Zuhroh, 2019) explains that leverage has a negative and significant effect on firm value.

The third factor that affects firm value is good corporate governance. According to research (Firmansyah et al., 2020) and (Yusmaniarti et al., 2019) explained that good corporate governance has a positive effect on firm value. While in research (Hidayati & Retnani, 2020) explains that the independent commissioner has no effect on firm value.

The fourth factor that affects firm value is firm size. According to research (Nandita & Kusumawati, 2018) and (Suwardika & Mustanda, 2017) explains that firm size has a significant positive effect on firm value. Meanwhile, according to research (Hidayati & Retnani, 2020) explains that company size has no effect on firm value. And according to research (Rizky Adhitya Nugraha, 2020) explains that firm size has a negative but significant effect on firm value.

The purpose of this study was to analyze the effect of profitability, leverage, good corporate governance, and firm size on firm value in infrastructure companies listed on the Indonesia Stock Exchange (IDX) for 2016 – 2021. Theoretical benefits, the results of this study are expected to be able to provide positive benefits for the authors and users of this report in the future. The benefit of this research practitioner is to encourage companies that plan to apply profitability, leverage, good corporate governance, and company size in order to improve company performance.

LITERATURE REVIEW
Agency Theory
Jensen dan Meckling (1976) explains agency theory as a relationship between two parties, namely shareholders (principal) and management (agent). The separation between ownership and management of the company has the potential to cause conflict. Agency theory states that there is information asymmetry between managers (agents) and shareholders (principals) because managers know more about the company's internal and prospects for the future compared to shareholders.

Firm Value
Jhonni Sinaga (2019) explain firm value is the market value of the company's debt and equity securities. Maximizing firm value is very important for a company, this also means maximizing shareholder wealth as the company's main goal. While according Hery (2017) Firm value is an investor's perception of the company's level of success, which is often associated with stock prices. The higher the company's stock price reflects the increasing value of the company. The formula used for calculating firm value is:

$$PBV = \frac{Market\ Price\ per\ Share}{Book\ Value\ per\ Share}$$

Profitability
According (Fajar et al., 2018) Profitability is the company's ability to earn profits in relation to sales, total assets and own capital. Profitability is a description and management performance in managing the company. Profitability measures can be of various kinds, such as: operating profit, net income, rate of return on investment/assets, and rate of return on owner's equity. While according (Idrus, 2019) Profitability ratio is a comparison of several ratios that show the company's success in generating profits. The formula used for calculating profitability is:

$$ROA = \frac{Net\ Sales}{Total\ Assets}$$

Leverage
This ratio describes the relationship between the company's debt to capital and assets. This ratio can see how far the company is financed by debt or external parties with the company's ability as described by capital (equity). This ratio can also be considered part of the solvency ratio (Harahap, 2018). The advantage of the leverage ratio is that it can assess the ability of the company's position towards obligations to other parties, assess the company's ability to fulfill fixed obligations, find out the balance between the value of assets, especially fixed assets and capital, and to make decisions on using future funding sources (Kasmir, 2017). The formula used for the calculation of leverage is:

$$DER = \frac{Total\ Debt}{Total\ Capital}$$

Good Corporate Governance
Good Corporate Governance is the set of mechanisms, processes and relationships by which companies are controlled and operated. Good corporate governance structures and principles identify the distribution of rights and responsibilities among different participants in the company (such as the board of directors, managers, shareholders, creditors, auditors, regulators and other stakeholders) and include rules and procedures for making decisions within the company (Ghozali, 2020). There are five general principles of good corporate governance in Indonesia issued by the National Committee on Corporate Governance (KNKCG) in 2006, namely transparency, accountability, fairness, responsibility and independence. The formula used for calculating good corporate governance is:

$$\frac{\sum Independent\ Commissioners}{\sum Member\ of\ Independent\ Commissioners}\ x\ 100\%$$

Firm Size

Firm size is the level of identification of the size of a company. The larger the size of the company, the more capital invested so that large resources and funds within the company tend to have a wider demand for company reporting information (Hartani, Titin., Delasmi, Sri. 2017). Meanwhile according to Erfan Effendi dan Ridho Dani Ulhaq (2021) firm size is the size of a company which can be assessed from total assets, total sales, market capitalization, and number of employees. The formula used for calculating company size is: Firm Size = Ln x Total Aset

Thinking Framework and Hypotheses
The Effect of Profitability on Firm Value.

According to (Yanti & Abundanti, 2019) Profitability is the company's ability to generate profits from its operational activities. The higher the profit, the higher the return obtained by investors. High or low levels of return that may be received by investors usually affect investors' judgments. The higher the investor's assessment of a stock, the higher the stock price will be. And on research (Yanti & Abundanti, 2019) states that profitability has a positive and significant effect on firm value. While in research (Yusmaniarti et al., 2019) states that profitability has no effect on firm value.
H1 : Profitability affects on Firm value.

The Effect of Leverage on Firm Value

According to (Suwardika & Mustanda, 2017) Leverage is an illustration of the use of a company's debt to finance the company's operations. Leverage management is very important, because the decision to use high debt can increase company value due to a

reduction in income tax. On research (Suwardika & Mustanda, 2017) states that leverage has a significant positive effect on firm value. While in research (Oktaviarni, 2019) states that leverage has no effect on firm value.
H2 : Leverage affects on Firm Value.

The Effect of Good Corporate Governance on Firm Value

According to (Yusmaniarti et al., 2019) The Independent Commissioner functions as a supervisor in the running of the company's business, guarantees the implementation of the company's strategy, and ensures that the company has practiced the principles of good corporate governance in accordance with applicable regulations. On research (Yusmaniarti et al., 2019) states that the independent commissioner has an effect on firm value. While in research (Hidayati & Retnani, 2020) states that the independent commissioner has no effect on firm value.
H3 : Good Corporate Governance affects on Firm Value.

The Effect of Firm Size on Firm Value

According to (Zuhroh, 2019) firm size is a scale that classifies company size using various modes: total assets, log size, market value of shares, total sales and the like. Higher company total assets and sales indicate a turnover of funds in the company. The higher the total assets, the greater the capital invested by the company. On research (Zuhroh, 2019) states that firm size has a positive and significant effect on firm value. While in research (Hidayati & Retnani, 2020) states that firm size has no effect on firm value.
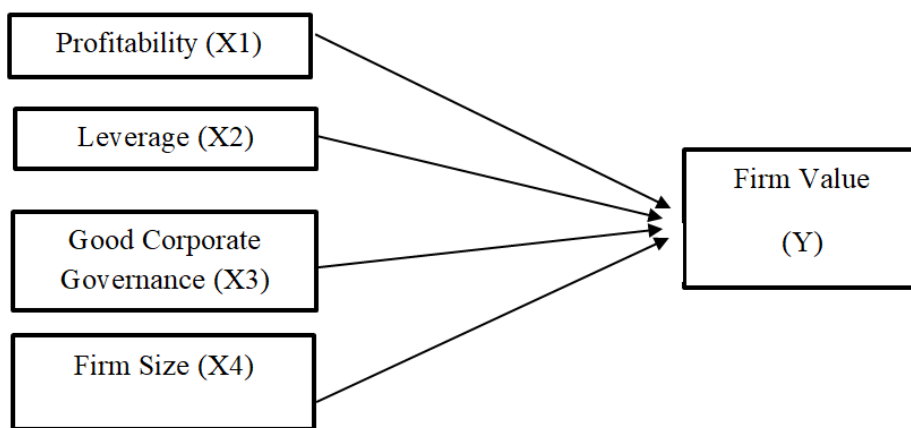**H4 :** Firm Size affects on Firm Value.

Figure 1: Thinking Framework

METHODOLOGY
Types of Research

The model used in this study is causal. This causal model research aims to determine causal relationship and hypothesize the effect of the independet variable as variabel that influences the dependent variabel as the variabel that is affected. The

type of data used is secondary data by collecting, recording and processing data related to financial statements. The data is in the form of financial statements of infrastructure companies for 2016 – 2021. The data is obtained through the official website of the Indonesia Stock Exchange www.idx.co.id and the websites of each company.

Population and Sample

The population used in this study are infrastructure companies listed on the Indonesia Stock Exchange (IDX) in 2016-2021. Sampling of companies in this study used a purposive sampling method, namely the samples to be taken based on predetermined criteria. The sample criteria used in this study are as follows:

- Infrastructure companies listed on the Indonesia Stock Exchange from 2016 – 2021.
- Companies that is still active in providing complete financial reports on the Indonesia Stock Exchange during the 2016 – 2021 period.
- Infrastructure companies that have IPOs in the period 2016 – 2021.

Table 1: Sample Selection Criteria

Explanation	Total
Infrastructure companies listed on the Indonesia Stock Exchange from 2016 – 2021	58
Infrastructure companies whose financial statements are incomplete on the Indonesia Stock Exchange in the period 2016 - 2021	(4)
Infrastructure companies that have IPOs in the period 2016 – 2021	(21)
Total of research samples	33
Research year	6
The amount of research data used for 6 years	198

Source: Secondary data processed from www.idx.co.id

Based on the results of observations made by the author, out of a total of 58 infrastructure sector companies listed on the IDX for the 2016 - 2021 period, there were 33 companies that met the criteria as stated above and there were 25 companies that did not meet the criteria in the 2016 - 2021 period.

Data Collection and Analysis Techniques

This data collection technique uses literature study and documentation study. A literature study collects and studies journals, articles, previous research, the internet, and related research problems. Then proceed with a documentation study, namely, the researcher collects secondary data. Secondary data is quantitative data obtained from the annual reports of infrastructure companies from 2016 to 2021 by downloading them on the Indonesia Stock Exchange (IDX) website, namely www.idx.co.id and the website of the company concerned. The data analysis method used in this research is multiple linear regression analysis which includes Descriptive Statistics, Classical Assumption Test consisting of Normality Test, Multicollinearity Test, Heteroscedasticity Test, and Acutocorrelation Test. Hypothesis Testing consisting of R^2 Test, F Test, and Statistical t Test.

RESULTS AND DISCUSSION

Description of research Object

This study used secondary data obtained from the annual report of infrastructure companies listed on the Indonesia Stock Exchange (IDX) in the 2016-2021 period. The sample of infrastructure companies in this study can be selected using the purposive sampling method, namely the selection of samples based on certain criteria. As a result, 33 infrastructure companies that met the criteria were obtained. Then the data used is 198 data. The analytical method used in this research is multiple linear regression analysis.

Due to extreme data, where there are too large and too high values, an outlier is needed. Outliers are cases or data that have unique characteristics that look very different from other observations and appear in the form of extreme values for either a single variable or a combination variable (Ghozali, 2018). So that the sample used is:

Table 2: Research Samples After Outlier

No.	Sample Criteria	Amount of Companies
1.	Number of infrastructure companies listed on the Indonesia Stock Exchange (IDX) in the 2016-2021 period.	58
2.	The number of companies that have been calculated is based on purposive sampling and has complete data according to the data needs of the research variables	33
	Total sample used in the study for 6 years (33 x 6 years)	**198**
3.	Outlier	(57)
	Total sample after outlier	**141**

Source: The data is processed by the author.

Descriptive Statistic

Table 3: Descriptive Statistical Test Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Profitability	141	,0002	,5814	,123014	,1073113
Leverage	141	,0027	13,5432	1,787382	1,7388367
Independent Commissioners	141	,2000	,6667	,383682	,0869092
Firm Size	141	24,5918	34,0516	29,876593	1,5570770
Firm Value	141	,0243	1,2976	,237783	,2759117
Valid N (listwise)	141				

Source: Data processed

1. **Firm Value:** Firm value in this study uses the calculation of the market price per share divided by the book value per share. The minimum value of 0,0243 was owned by Solusi Tunas Pratama Tbk in 2016. The maximum value of 1,2976 was owned by Telkom Indonesia (Persero) Tbk in 2020. The average value (mean) was 0,237783, and the standard deviation was 0,2759117.

2. **Profitability:** This study's profitability uses the Return on Assets (ROA) calculation. The minimum value of 0,0002 was owned by Link Net Tbk in 2020. The maximum value of 0,5814 was owned by Tower Bersama Infrastructure Tbk in 2017. The average value (mean) was 0,123014, and the standard deviation was 0,1073113.

3. **Leverage:** This study's leverage uses the Debt to Equity Ratio (DER) calculation. The minimum value of 0,0027 was owned by Protech Mitra Perkasa Tbk in 2021. The maximum value of 13,5432 was owned by Tower Bersama Infrastructure Tbk in 2016. The average value

(mean) was 1,787382, and the standard deviation was 1,7388367.

4. **Good Corporate Governance:** Good Corporate Governance in this study uses the calculation of the independent commissioners divided by member of independent commissioners. The minimum value of 0,2000 was owned by Cardig Aero Services Tbk in 2016. The maximum value of 0,6667 was owned by Bali Towerindo Sentra Tbk in 2016. The average value (mean) was 0,383682, and the standard deviation was 0,0869092.

5. **Firm Size:** Firm size in this study uses a log of natural (LN) calculation. The minimum value of 24,5918 was owned by Protech Mitra Perkasa Tbk in 2021. The maximum value of 34,0516 was owned by Waskita Karya (Persero) Tbk in 2016. The average value (mean) was 29,876593, and the standard deviation was 1,5570770.

Classic Assumption Test
Normality Test

Table 4: Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		141
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	7,54763747
Most Extreme Differences	Absolute	,074
	Positive	,074
	Negative	-,052
Test Statistic		,074
Asymp. Sig. (2-tailed)		,054[c]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: Data processed

Based on the table above, the results of the normality test output in the One-Sample Kolmogorov-Smirnov Test (K-S) table show that data is normally distributed. This can be seen from the Asymp. Sig. (2-

tailed) of 0,054 > 0,05, so the regression model in this study is good, and the data has been normally distributed.

Multicollinearity Test

Table 5: Multicollinearity Test Result

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Profitability	,935	1,070
	Leverage	,704	1,420
	Independent Commissioners	,896	1,116
	Firm Size	,680	1,470
a. Dependent Variable: TRANS_Y			

Source: Data processed

Based on the table above, it can be seen that the result of the multicollinearity test output shows that there is no multicollinearity problem between independent variables in the regression model because the tolerance value is >0,10 and VIF <10,00.

Heteroscedasticity Test

Table 6: Heteroscedasticity Test Result

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1,255	11,994		-,105	,923
	Profitability	12,030	6,042	,672	1,991	,141
	Leverage	2,461	1,436	,635	1,714	,185
	Independent Commissioners	-1,436	4,928	-,093	-,291	,790
	Firm Size	-,130	,417	-,122	-,311	,776
a. Dependent Variable: LN_Y1						

Source: Data processed

Based on the table above, it can be seen that the output of heteroscedasticity tests using the glejser test shows the significance value (Sig.) all independent variable are greater than 0,05 namely profitability of 0,141, leverage of 0,185, independent commissioners of 0,790 and firm size of 0,776. In the regression model in this study, there are no heteroscedasticity symptoms.

Autocorrelation Test

Table 7: Autocorrelation Test Result

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,448[a]	,201	,177	,60600	1,801
a. Predictors: (Constant), LAG_LNX4, LAG_LNX1, LAG_LNX3, LAG_LNX2					
b. Dependent Variable: LAG_LNY					

Source: Data processed

Based on the table above, it can be seen that the results of the autocorrelation test output show the Durbin-Watson value of 1,801. Dl dan Du values in this study use four independent variables and research sample of as many as 141, then the value of dl = 1,6670 and the value of du = 1,7835. The measurement results are du < dw < 4-du then 1,7835 < 1,801 < 2,2165. So, the data in this study did not occur autocorrelation.

Coefficient of Determination Test (R^2)

Table 8: Coefficient of Determination Test (R^2) Result

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,448[a]	,201	,177	,60600
a. Predictors: (Constant), LAG_LNX4, LAG_LNX1, LAG_LNX3, LAG_LNX2				

Source: Data processed

Based on the table above, it can be seen that the results of the coefficient determination test (R^2) test show that the Adjusted R Square value is 0,177. So the proportion of the influence of the firm value can be

explained by the profitability, leverage, good corporate governance, and firm size of 17,7%. In comparison, the remaining 82,3% is explained by other variables not contained in this study.

Coefficient Determinant (Test F)

Table 9: Coefficient Determinant (Test F) Result

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12,449	4	3,112	8,475	,000[b]
	Residual	49,576	135	,367		
	Total	62,025	139			
a. Dependent Variable: LAG_LNY						
b. Predictors: (Constant), LAG_LNX4, LAG_LNX1, LAG_LNX3, LAG_LNX2						

Source: Data processed

Based on the table above, it can be seen that the results of the F Test output show that the value of F count is 8,475 with a significance value of $0,000 < 0,05$. It can be concluded that the regression model is fit. Its mean that the profitability, leverage, good corporate governance, and firm size jointly affect the firm value.

Individual Parameter Significance Test (T Test)

Table 10: Individual Parameter Significance Test (T Test) Result

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,649	1,997		2,328	,021
	LAG_LNX1	-,008	,046	-,013	-,164	,870
	LAG_LNX2	-,171	,071	-,239	-2,393	,018
	LAG_LNX3	,054	,264	,017	,204	,838
	LAG_LNX4	-4,671	1,774	-,258	-2,633	,009
a. Dependent Variable: LAG_LNY						

Source: Data processed

Based on the table above, the regression equation in this study is:

1. Variable X1, Profitability has a t value of -0,164 with a significance probability of 0,870. This shows that the significance is greater than the significance level $\alpha = 0,05$ $(0,000 <0,05)$. This shows that H1 is rejected, which means that the profitability variable has no influence on firm value..

2. Variable X2, Leverage has a calculated t value of -2.393 with a significance probability of 0.018. This shows that the significance is less than the significance level $\alpha = 0.05$ $(0.000 <0.05)$. So this can show that H2 is accepted, which means that the leverage variable has an effect on firm value, where the value of the effect is negative.

3. Variable X3, Good Corporate Governance has a t value of 0.204 with a significance probability of 0.838. This shows that the significance is greater than the significance level $\alpha = 0.05$ $(0.000 <0.05)$. This can show that H3 is rejected, which means that the good corporate governance variable has no influence on firm value.

4. Variable X4, Firm Size has a calculated t value of -2.633 with a significance probability of 0.009. This shows that the significance is less than the significance level $\alpha = 0.05$ $(0.000 <0.05)$. So this can show that H4 is accepted, which means that the variable firm size has an effect on firm value, where the value of the effect is negative.

Multiple Linear Regression Analysis

Table 11: Multiple Linear Regression Analysis Result

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,649	1,997		2,328	,021
	LAG_LNX1	-,008	,046	-,013	-,164	,870
	LAG_LNX2	-,171	,071	-,239	-2,393	,018
	LAG_LNX3	,054	,264	,017	,204	,838
	LAG_LNX4	-4,671	1,774	-,258	-2,633	,009
a. Dependent Variable: LAG_LNY						

Source: Data processed

Based on the results of the analysis above, it can be explained through the regression model as follows:

PBV = 4,649 – 0,008 (Profitability) – 0,171 (Leverage) + 0,054 (Independent Commissioners) – 4,671 (Firm Size) + e

1. The constant is 4,649, meaning that if the independent variables of profitability, leverage, good corporate governance, and firm size are considered equal to zero, then the dependent variable, namely firm value, will be worth 4,649.
2. The profitability coefficient is -0,008, meaning that if the independent variable profitability proxied by ROA increases by 1 unit while other variables are considered constant, then the dependent variable, namely firm value, will decrease by 0,008 units.
3. The leverage coefficient is -0,171, meaning that if the independent variable leverage proxied by DER increases by 1 unit while other variables are considered constant, then the dependent variable, namely firm value, will decrease by 0,171 units.
4. The good corporate governance coefficient is 0,054, meaning that if the independent variable good corporate governance proxied by the independent commissioners increases by 1 unit while other variables are considered constant, then the dependent variable, namely firm value, will increase by 0,054 units.
5. The coefficient of firm size is -4,671, meaning that if the independent variable company size increases by 1 unit while other variables are considered constant, then the dependent variable, namely the value of the company, will decrease by -4,671 units.

DISCUSSION

The Effect of Profitability on Firm Value

The results of this study indicate that profitability has no effect on firm value. This shows that when the value of earnings increases, this means that it cannot have a high impact on firm value and will not have a significant impact on investors buying shares in the company. Another reason profitability has no effect on the company value of the infrastructure sector is because in 2020 – 2021 there was Covid 19 which caused a lack of development in Indonesia. Meanwhile, infrastructure companies really need loans from creditors to run their businesses, and this can reduce the firm value of infrastructure companies.

The results of this study are supported by research (Tanjung & Halawa, 2022) and (Yusmaniarti et al., 2019) which states that profitability has no effect on firm value. However, this research is not in line with the research conducted by (Rizky Adhitya Nugraha, 2020) and (Nandita & Kusumawati, 2018) which shows that profitability has a positive effect on firm value.

The Effect of Leverage on Firm Value

Based on the results of the research that has been done, it can be seen that leverage has an effect on firm value, where the value of the effect is negative. The results of this study indicate that the higher the level of debt in a company, the lower the value of the company. That is, the more debt the company has, the worse the company's performance in terms of increasing company profits. So, to meet its operational needs, the company has to borrow money from creditors. The amount of debt owned by the company can reduce the interest of investors to buy shares of the company. By decreasing the sale of company shares, it will automatically reduce the firm value.

The results of this study are supported by research (Yusmaniarti et al., 2019) and (Wahyudi, 2020) which states that leverage has an effect on firm value. Also supported in research (Zuhroh, 2019) which states that leverage has a negative effect on firm value. However, this research is not in line with the research conducted by (Fajaria, 2018) and (Oktaviarni, 2019) which shows that leverage has no effect on firm value.

The Effect of Good Corporate Governance on Firm Value

Based on the results of the research that has been done, it can be seen that good corporate governance has no effect on firm value. The reason for rejecting this hypothesis is because the existence of an independent commissioner is only to comply with existing regulations so that the independent commissioner does not increase the effectiveness of the company and the lack of contribution in encouraging and placing fairness in protecting the interests of minority investors and other stakeholders, besides that investors do not pay attention to the composition of the board of independent commissioners in respond to the profits generated by the company.

The results of this study are supported by research (Hidayati & Retnani, 2020) and (Amaliyah & Herwiyanti, 2019) which states that independent commissioners have no effect on firm value. However, this research is not in line with the research conducted by (Yusmaniarti et al., 2019) and (Bintara, 2018) which states that good corporate governance has a positive effect on firm value.

The Effect of Firm Size on Firm Value

Based on the results of the research that has been done, it can be seen that firm size has an effect on firm value, where the value of the effect is negative. This relationship means that companies tend to save profits in the form of retained earnings, but which are not distributed. So that investors are less interested in investing shares in the company.

The results of this study are supported by research (Oktaviarni, 2019), (Iskandar & Riana, 2017)

and (Suwardika & Mustanda, 2017) which states that firm size affects on firm value. However, this research is not in line with the research conducted by (Hidayati & Retnani, 2020) and (Sari & Ayu, 2019) which states that firm size has no effect on firm value.

CLOSING

Conclusion

Based on the test results, data analysis, and discussion that have been carried out, the conlusion that can be obtained is that profitability has no effect on firm value. This shows that when the value of earnings increases, this means that it cannot have a high impact on firm value and will not have a significant impact on investors buying shares in the company. Leverage has an effect on firm value, where the value of the effect is negative. The results of this study indicate that the higher the level of debt in a company, the lower the value of the company. That is, the more debt the company has, the worse the company's performance in terms of increasing company profits. Good Corporate Governance has no effect on firm value. The reason for rejecting this hypothesis is because the existence of an independent commissioner is only to comply with existing regulations so that the independent commissioner does not increase the effectiveness of the company. Firm size has an effect on firm value, where the value of the effect is negative. This relationship means that companies tend to save profits in the form of retained earnings, but which are not distributed. So that investors are less interested in investing shares in the company.

Suggestion

Based on the results of the analysis of the discussion and conclusions that have been described. However, in this study there are still some limitations. Therefore researchers provide some suggestions, namely: (1) For companies, in particular the management is expected to be able to weigh the funding (investment) decisions made and always evaluate the company's performance by optimizing its resources to be able to realize good corporate value. (2) Investors are encouraged to continue to collect all information and references related to the condition of the company that will be used as a place to invest. In this case, it is important to do so that the risks associated with the investment can be minimized and the return on investment can be optimized. (3) For future researchers, it is hoped that they can increase the number of research samples or use samples from industrial sectors other than infrastructure companies that have different specifications.

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