JOURNAL OF MANAGEMENT, ACCOUNTING, GENERAL FINANCE AND INTERNATIONAL ECONOMIC ISSUES
(MARGINAL)
VOLUME 1 ISSUE 4 (2022)

EFFECT OF FINANCIAL PERFORMANCE, AUDITOR REPUTATION, FIRM SIZE ON FIRM VALUE WITH MANAGERIAL OWNERSHIP AS MODERATING
(Empirical Study on Raw Goods Sector Companies listed on the Indonesia Stock Exchange for the period 2017-2020)

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Abstract

This study aims to analyze the effect of financial performance, auditor reputation, and firm size on firm value with managerial ownership as moderating. This research is associative and descriptive with a quantitative approach, which uses secondary data. The population in this study are raw goods sector companies listed on the Indonesia Stock Exchange (IDX) in 2017-2020. The sampling technique used purposive sampling so that the selected sample obtained as many as 17 companies. The analysis technique in this study uses panel data regression analysis using E-views version 10 software. The results of this study indicate that financial performance, auditor reputation, firm size simultaneously have a significant effect on firm value, financial performance has no significant effect on firm value, auditor reputation has no significant effect on firm value, firm size has a significant effect on firm value, managerial ownership cannot moderate the effect of financial performance on firm value, managerial ownership cannot moderate the effect of auditor reputation on firm value, managerial ownership can moderate the effect firm size on firm value, managerial ownership can moderate the effect of financial performance, auditor reputation, firm size on firm value simultaneously.

Keywords: *Firm Value, Financial Performance, Auditor Reputation, Firm Size, Managerial Ownership*

1. INTRODUCTION

In accordance with the growth of an ever-more-advanced and modern era in the present day, it is necessary for everyone to be able to adapt to new information and remain current. Similarly, in business, each organization is driven to achieve maximum economic profits and profits. In addition to generating economic profits and profits, the other objective is to maximize the value of the company as reflected by its share price in order to benefit the firm's owners and shareholders (Harningsih et al., 2019b; Sianturi, 2020).

Citing research results from investment.kontan.co.id journalist Akhmad Suryahadi (2022) it is shown that there are more significant factors regarding companies in the raw materials sector, specifically that at the start of 2022, the raw materials sector strengthened significantly, driven by metal-based stocks, metals and minerals, given that nickel, gold, and copper are included in the classification of metals and minerals. This is evidenced by the rise of a number of equities, such as PT. Aneka Tambang Tbk (ANTM), which increased by 52.9

percent year-to-date. PT Merdeka Copper Gold (MDKA) shares have also increased by 9.2% year-to-date. PT. Vale Indonesia Tbk (INCO) shares have risen 23.5 percent year-to-date. Along with the rise in stock prices of companies in the raw materials industry, this will entice investors to invest in these firms. However, investors need not be negligent while selecting an investment company. The value of a firm is one of the most essential variables that investors assess when deciding where to spend capital (Astuti & Yadnya, 2019).

There are many factors that influence the rise and fall of firm value, such as financial performance, auditor reputation, and firm size, as demonstrated by many previous studies. However, there are inconsistencies in the results of previous research, so the authors wish to be able to reveal and prove the results of various types of inconsistent research regarding "The Effect of Financial Performance, Auditor Reputation, and Firm Size on the Rise and Fall of Firm Value." In this study, the authors include Managerial Ownership as a moderator and use raw products sector firms listed on the IDX for the period 2017-2020. It is believed that the outcomes of this study will provide knowledge and advantages to the community and raw materials sector enterprises.

2. THEORETICAL BASIS

2.1. Signal Theory

The signaling theory is founded on the premise that the information provided regarding the rights gained by each party will not be identical. According to Andriani (2017), a signal is an activity done by a company's management to instruct investors on how management regards the company's future prospects. This urge is created by the existence of information asymmetry between management and outsiders; the occurrence of information asymmetry is typically the result of management having more information than outsiders regarding the company's future prospects. This necessitates that the company's management be able to limit the danger of information asymmetry so that information submitted to external parties can be transmitted to investors in a transparent manner.

2.2. Agency Theory

Jensen & Meckling, (1976) as cited by Suranto & Walandouw (2017) explain that agency theory is a theory that explains the cooperative relationship between principal and agent, in which the principal acts to give authority to the agent to run or manage and make company decisions.

2.3. The value of The Company

According to Husnan & Pudjiastuti (2012), who cite Suranto & Walandouw (2017), the value of a company is the share price that prospective buyers are ready to pay if the company is sold. The price that purchasers are willing to pay may be interpreted as the company's market price or market capitalization. The market price on the stock exchange is the amount that investors are willing to pay for a share of a company. According to Suryana & Rahayu (2018), the market value of company shares formed between buyers and sellers at the time of the transaction is referred to as the market value of the firm, as the price per share is viewed as a reflection of the true value of the company's assets.

2.4. Financial Performance

Performance is an indication of a company's capacity to optimize current resources, thus it is always evaluated and taken into account. According to Ernita Sianturi (2015), financial performance is a description of a firm's financial position that is assessed using financial analysis tools so that the good and bad financial circumstances of a company over a specific period may be determined.

2.5. Auditor Reputation

According to research by Badera & Rudyawan, (2009) in Putrid, et.al (2014) cited by Nofiyanti & Subardjo (2020), auditor reputation is an accomplishment that arises from public confidence among investors and other users of financial statements, which is carried on the big names of the Public Accounting Firm (hereinafter referred to as KAP) where the auditor works.

2.6. Firm Size

According to Suryana & Rahayu (2018), firm size (company size) is a term used to characterize the size of a business, which is determined by total assets and total sales. The corporation is divided into numerous categories, including small-scale and large-scale businesses.

2.7. Managerial Ownership

According to Christiawan and Tarigan (2007) as cited by Tambalean et al. (2018), managerial ownership is a situation in which the agent (manager) owns the company's shares, or in other words, the management doubles as the company's shareholder.
Managerial ownership is typically connected with the agent's (manager's) and the principal's (business owner's) interests, and there are more divergent interests between the agent (manager) and the principal (company owner) (company owner usually causing a conflict which is commonly referred to as an agency conflict). This frequently occurs as a result of agents (managers) putting their own interests ahead of the firm's, i.e., boosting corporate value and enriching company owners (Dewi & Abundanti, 2019).

2.8. Research Hypothesis

H_1: It is suspected that there is a simultaneous influence between financial performance, auditor reputation, firm size on firm value
H_2: It is suspected that financial performance has an influence on firm value
H_3: It is suspected that the reputation of the auditor has an influence on the firm value
H_4: It is suspected that firm size has an influence on firm value
H_5: It is suspected that managerial ownership moderates the effect of financial performance on firm value
H_6: It is suspected that managerial ownership moderates the effect of auditor reputation on firm value
H_7: It is suspected that managerial ownership moderates the effect of firm size on firm value
H_8: It is suspected that managerial ownership moderates simultaneously the effect between financial performance, auditor reputation, firm size on firm value

3. RESEARCH METHOD

3.1. Types of Research

This type of research employs a quantitative approach and is associative and descriptive in nature. According to Dermawan (2013; 37-38), cited by Tauke et al. (2017), quantitative is the process of determining knowledge that uses numerical data as a tool to find information about what we wish to know. Quantitative research, according to Sugiyono (2017), is based on the positivist philosophy and is used to collect data on specific populations and samples in order to test predetermined hypotheses. Descriptive research is research that seeks to describe the current problem-solving based on data that has been collected, analyzed, and then communicated or interpreted in a clear and comprehensive manner. While associative research aims to determine the extent of the influence of the relationship between two or more variables, it is distinguished from correlational research.

3.2. Operational and Research Variables

In this study there are 3 variables, namely the independent variable (independent), the dependent variable (dependent), and the moderating variable. The independent variables consist of financial performance (X1), auditor reputation (X2), and firm size (X3), for the dependent variable, namely firm value (Y), and the last moderating variable is managerial ownership (Z).

Table 1 Dependent and Independent Variables

NO	NAME OF	MEASUREMENT	SCALE
1	(X_1) Financial Performance	Sales/Total Asset Source: (Suryadi, 2021)	Ratio
2	(X_2) Auditor Reputation	Dummy, for KAP *Non the Big Four* is coded 0, and for KAP *The Big Four* is coded 1 Source: (Dewi Fortuna & Syofyan, 2020)	Nominal
3	(X_3) *Firm size*	*Size = LN Total Assets* Source: (Wulandari & Nurmala, 2018)	Ratio
4	(Y) Company Value	(MVE+DEBT)/TA Source: (Harningsih, Dkk., 2019)	Ratio
5	(Z) Ownership *Managerial*	(Number of shares owned by Management / Number of outstanding shares) x100% Source: (Putri & Budiyanto, 2018)	Ratio

3.3. Population and Sample

The population used in this study are all companies engaged in the raw goods sector which are listed on the Indonesian stock exchange in the 2017-2020 period. The sampling method used in this study is non-probability sampling using a purposive sampling approach.

According to Sugiyono (2017) stated purposive sampling as a sampling technique using certain criteria. The criteria for sampling in this study are as follows:

1) Companies in the raw goods sector listed on the IDX
2) Companies in the raw goods sector that consistently publish or inform complete financial reports from 2017 – 2020
3) Companies in the raw goods sector that use the rupiah currency in their financial or annual reports from 2017 – 2020
4) Companies in the raw goods sector that meet the benchmarks and support the variables to be studied from 2017 – 2020

3.4. Data Analysis Technique

3.4.1. Descriptive Statistics Test

According to Sugiyono, (2017; 147) in (Hudaifah & Utami, 2022) descriptive statistics are statistics used to analyze data by describing the data that has been collected as it is without intending to make or draw general conclusions.

3.4.2. Classic assumption test

1) Normality test
   According to Ghozali (2018) the normality test can be carried out to find out whether the regression model, confounding variables or residuals are normally distributed or not. Because good data is when the data is normally distributed.
2) Multicollinearity Test
   According to Ghozali (2018) the multicollinearity test is a test carried out to see and to test whether in the regression model there is a multicollinearity problem among the independent (free) variables.
3) Heteroscedasticity Test
   According to Ghozali (2018) The heteroscedasticity test is a test carried out to see whether in the regression model there is an inequality of variance from the residuals of one observation to another.
4) Autocorrelation Test
   According to Ghozali (2018) the autocorrelation test is a test to test whether in the regression model there is a correlation between the confounding variables (residual) in a certain period and the previous period. Because a good regression equation is an equation that does not have autocorrelation problems.

3.5. Regression Model

This study uses multiple linear regression analysis techniques and moderated regression analysis (moderated regression analysis). Multiple regression analysis according to Sukestiyarno, (2012) cited by Agustina & Ardiansari (2015) states that multiple regression analysis is a regression analysis that processes the effect of more than one independent variable on a dependent variable.

According to Susilowati (2021) define that moderated regression analysis is a special application for multiple linear regression in which there is a regression equation that contains elements of the multiplication interaction of two or more variables. The moderating variable aims to give effect to the independent variable to strengthen or weaken its influence on the

dependent variable. The form of the regression equation in this study, which is used in testing the hypothesis can be formulated as follows:

1) Multiple Linear Regression Analysis

$$Y = \alpha + \beta X1 + \beta X2 + \beta X3 + \in$$

Using the equation for multiple linear regression that was shown above, it is utilized to test hypotheses that include from one (1) to four (4) hypotheses.

2) Moderated Regression Analysis

$$Y = \alpha + \beta X1.Z + \beta X2.Z + \beta X3.Z + \in$$

Meanwhile, by using the equation for multiple linear regression that was shown above, it is utilized to test hypotheses that include from five (5) to eight (8) hypotheses.

Information:

Y : Company value
α : Constant value
β : Regression coefficient
X1 : Financial Performance
X2 : Auditor reputation
X3 : Firm size
Z : Managerial Ownership
X1.Z : M1
X2.Z : M2
X3.Z : M3
∈ : Error

3.6. Coefficient of Determination Test

According to Rivandi (2018) the coefficient of determination is a form of proportion or percentage of total variation in the dependent variable that can be explained by the independent variable. To see the coefficient of determination can be calculated with R^2 which is close to 0 and 1.

3.7. Hypothesis Testing

3.7.1. Simultaneous Test (F Test)

Simultaneous test is used to determine how the influence of the regression model of the independent variables (X1, X2, and X3) together (simultaneously) has a significant effect on the dependent variable (Y).

3.7.2. Partial Test (T Test)

Partial test is used to find out how the influence of the independent variable regression model (X1, X2, and X3) partially has a significant effect on the dependent variable (Y).

4. RESULT AND DISCUSSION

4.1. Result

4.1.1. Descriptive Statistics

Table 2 Descriptive Statistical Analysis Results

Date: 05/23/22
Time: 10:50
Sample: 2017 2020

	Y_NP	X1_KK	X2_RA	X3_LNFZ	Z_KM
Mean	0.904051	1.134557	0.191176	27.93862	0.125138
Median	0.861450	0.827037	0.000000	27.66206	0.062686
Maximum	1.554545	6.332663	1.000000	30.41289	0.777822
Minimum	0.377652	0.209463	0.000000	25.68950	9.66E-06
Std. Dev.	0.247070	1.104621	0.396151	1.200565	0.189087
Skewness	-0.014118	3.222069	1.570711	0.234973	2.447477
Kurtosis	2.557442	13.74329	3.467133	2.360026	8.750127
Jarque-Bera	0.557190	444.6783	28.57911	1.786179	161.5695
Probability	0.756846	0.000000	0.000001	0.409389	0.000000
Sum	61.47545	77.14989	13.00000	1899.826	8.509386
Sum Sq. Dev.	4.089932	81.75262	10.51471	96.57087	2.395502
Observations	68	68	68	68	68

Source: self-processed data, 2022

Based on the data in table 2 the descriptive statistical test above shows that the number of Observations units is 68. This number is the total sample of companies in the raw goods sector listed on the IDX for 4 years of observation, namely 2017-2020.

The dependent variable in this study is firm value. The results of the analysis using descriptive statistics on firm value show a minimum value of 0.377652, namely at PT. Duta Pertiwi Nusantara, Tbk in 2019, with a maximum value obtained of 1.554545, namely at PT. Waskita Beton Precast Tbk in 2020. Then the average value (mean) was obtained at 0.904051, with a standard deviation value of 0.247070.

The first independent variable contained in this study is financial performance. The results of the analysis using descriptive statistics on financial performance showed a minimum value of 0.209463, namely at PT. Waskita Beton Precast Tbk in 2020, with a maximum value obtained at 6.332663, namely at PT. Alakasa Industrindo Tbk in 2017. Then the average value (mean) was obtained at 1.134557 with a standard deviation of 0.396151.

The second independent variable contained in this study is the reputation of the auditor. The results of the analysis using descriptive statistics on auditor reputation show a minimum value of 0.000000 obtained from companies using Non The Big Four KAPs while the maximum value of 1.0000 is obtained from companies using The Big Four KAPs. Then the average value (mean) was obtained at 0.191176, with a standard deviation value of 0.396151.

The third independent variable contained in this study is firm size. The results of the analysis using descriptive statistics on firm size show a minimum value of 25.68950, namely

at PT. Lionmesh Prima Tbk in 2020, with a maximum value obtained of 30.41289, namely at PT. Waskita Beton Precast Tbk in 2019. Then the average value (mean) obtained is 27.93862, with a standard deviation of 1.200565.

The moderating variable in this study is managerial ownership. The results of the analysis using descriptive statistics on managerial ownership show a minimum value of 25.68950, namely at PT. Waskita Beton Precast Tbk in 2020, with a maximum value obtained at 0.777822, namely at PT. Saranacentral Bajatama Tbk in 2017-2020. Then the average value (mean) obtained is 0.125138, with a standard deviation of 0.189087.

4.1.2. Normality Test

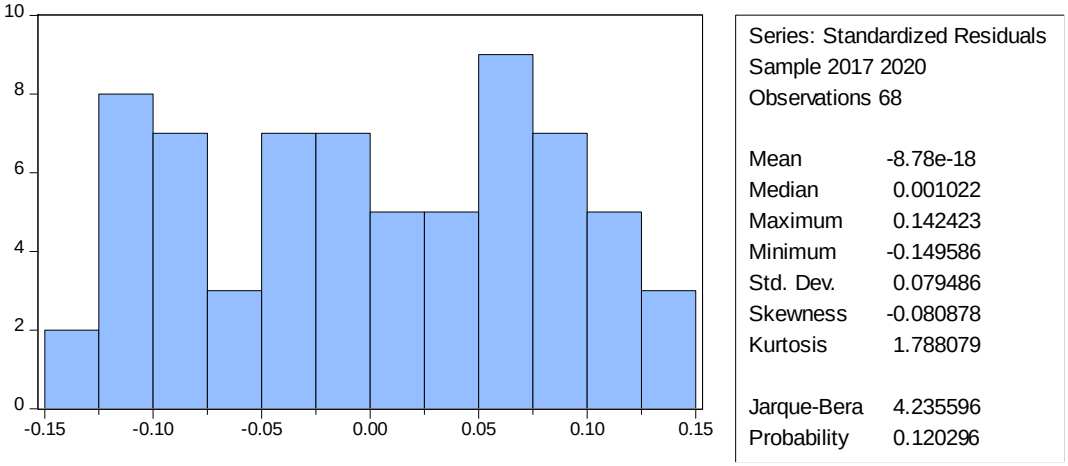

Figure 1 Normality Test Results
Source: self-processed data, 2022

Based on Figure above, it is known that the probability value is 0,120296 which indicates the probability value is greater than 0,05 or 5% of the predetermined significance level, (0,120296 > 0,05). Thus, it can be concluded that the data in this study were normally distributed.

4.1.3. Multicollinearity Test

The method used to detect the presence or absence of multicollinearity problems in this study can use VIF (Variance Inflation Factor).
The following is a table of multicollinearity test results in this study, using e-views software:

Table 3 Multicollinearity Test Results

Variance Inflation Factors
Date: 05/24/22 Time: 10:04
Sample: 1 68
Included observations: 68

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.373697	714.7487	NA
X1_KK	0.000476	2.265819	1.094239

X2_RA	0.003554	1.299356	1.050949
X3_LNFZ	0.000462	690.4374	1.253898
Z_KM	0.016566	1.612387	1.116210

Source: self-processed data, 2022

Based on Table 3, it is known that the value of centered VIF on the financial performance variable is 1.094239 where each VIF centered value variable is less than 10, the value of centered VIF on the auditor's reputation variable is 1.050949 where each variable's centered VIF value is less than 10, the value of centered VIF on the firm size variable is 1.253898 where each variable's centered VIF value is less than 10, the value of centered VIF on the managerial ownership variable is 1.116210. Hence, it can be concluded that there is no multicollinearity problem, meaning that the regression model is good.

4.1.4. Heteroscedasticity Test

The method used to detect the presence or absence of heteroscedasticity problems is to use the white method. The following is a table of heteroscedasticity test results in this study, using e-views software:

Table 4 Heteroscedasticity Test Results

Heteroskedasticity Test: White

F-statistic	1.188167	Prob. F(13,54)	0.3130
Obs*R-squared	15.12452	Prob. Chi-Square(13)	0.2996
Scaled explained SS	14.27042	Prob. Chi-Square(13)	0.3551

Source: self-processed data, 2022

Based on Table 4 regarding the heteroscedasticity testing process with the white method, it is known that the Chi-Square Prob value is 0.2996, greater than the predetermined significance level of 0.05 or 5%, based on the test results it is said that the regression model does not experience problems or symptoms of heteroscedasticity.

4.1.5. Autocorrelation Test

The method used to detect the auto-correlation problem in this study is the langrange-multiplier. The following is a table of the results of the autocorrelation test in this study, using e-views software:

Table 5 Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	2.112526	Prob. F(6,57)	0.0657
Obs*R-squared	12.37041	Prob. Chi-Square(6)	0.0542

Source: self-processed data, 2022

Based on Table 5, the results of the autocorrelation test using the Langrange multiplier test shows that the Chi-Square Prob value is 0.0542, greater than the predetermined significance level of 0.05 or 5%, based on the test results it is said that the regression model does not experience autocorrelation problems.

4.1.6. Multiple Linear Regression Analysis

The following is a form of multiple linear regression analysis, which is contained in this research:

Table 6 Multiple Linear Regression Test Results

Dependent Variable: Y_NP
Method: Panel EGLS (Cross-section weights)
Date: 05/24/22 Time: 09:35
Sample: 2017 2020
Periods included: 4
Cross-sections included: 17
Total panel (balanced) observations: 68
Linear estimation after one-step weighting matrix

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.861596	2.291863	2.993894	0.0044
X1_KK	-0.007901	0.040882	-0.193271	0.8476
X2_RA	0.004428	0.052120	0.084957	0.9327
X3_LNFZ	-0.223453	0.078198	-2.857528	0.0063
Z_KM	2.345677	1.066275	2.199880	0.0328

Source: self-processed data, 2022

Based on Table 6, it shows that the equation regarding the multiple regression analysis obtained is as follows:

$$Y = \alpha + \beta X1 + \beta X2 + \beta X3 + \in$$

$$Y_{NP} = 6.861596 - 0.007901KK + 0.004428\,RA - 0.223453FZ + \in$$

4.1.7. Moderation Regression Analysis

The following is a form of moderated regression analysis in this study:

Table 7 Moderation Regression Test Results

Dependent Variable: Y_NP
Method: Panel EGLS (Cross-section weights)
Date: 05/24/22 Time: 20:12
Sample: 2017 2020
Periods included: 4
Cross-sections included: 17
Total panel (balanced) observations: 68
Linear estimation after one-step weighting matrix

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.477648	0.164236	2.908306	0.0055
M1	0.171020	0.144838	1.180773	0.2435
M2	0.924074	0.828664	1.115138	0.2703
M3	0.111472	0.047647	2.339549	0.0235

Source: self-processed data, 2022

Based on Table 7, it shows that the equation regarding the moderation regression analysis obtained is as follows:

$$Y = \alpha + \beta X1.Z + \beta X2.Z + \beta X3.Z + \in$$
$$Y_{NP} = 0.477648 + 0.171020\text{M1} + 0.924074\text{M2} + 0.111472\text{M3} + \in$$

4.1.8. Coefficient of Determination Test

This coefficient of determination test serves to see how much the percentage of the independent variable (X) affects the dependent variable (Y). the results of the coefficient of determination (R^2) can be seen in the e-views software in the Adjusted R-Square column. The following is a table that directly describes the value of the coefficient of determination, in this study, is as follows:

Table 8 Coefficient of Determination Test Results

Dependent Variable: Y_NP
Method: Panel EGLS (Cross-section weights)
Date: 05/24/22 Time: 09:35
Sample: 2017 2020
Periods included: 4
Cross-sections included: 17
Total panel (balanced) observations: 68
Linear estimation after one-step weighting matrix

R-squared	0.943586	Mean dependent var	1.266009
Adjusted R-squared	0.919580	S.D. dependent var	0.770169
S.E. of regression	0.094903	Sum squared resid	0.423306
F-statistic	39.30614	Durbin-Watson stat	2.017983
Prob(F-statistic)	0.000000		

Source: self-processed data, 2022

Based on Table 8, it can be seen that the Adjusted R-Square column shows a value of 0.919580 or 91.95%. That is, the independent variable (X) in this study, namely financial performance (X1), auditor reputation (X2), firm size (X3) has an effect of 91.95% of the dependent variable (Y), namely the value of the company, while the remaining 8.05 is influenced by other variables not examined in this study,

4.1.9. Simultaneous Test

In this study, there were two (2) simultaneous tests were obtained from the results of multiple linear regression analysis and the results of moderation regression analysis. The results of multiple linear regression analysis are used to determine the influence of financial performance, reputation of auditors, firm size on the value of the company simultaneously. Meanwhile, the results of the moderation regression analysis are used to determine the influence of managerial ownership in moderating the influence of financial performance, the reputation of auditors, firm size on the value of the company simultaneously.

The following is a table of the results of the simultaneous test process in this study:

Table 9 Simultaneous Test Results of Multiple Regression Analysis

Dependent Variable: Y_NP
Method: Panel EGLS (Cross-section weights)
Date: 05/24/22 Time: 09:35
Sample: 2017 2020
Periods included: 4
Cross-sections included: 17
Total panel (balanced) observations: 68
Linear estimation after one-step weighting matrix

R-squared	0.943586	Mean dependent var	1.266009
Adjusted R-squared	0.919580	S.D. dependent var	0.770169
S.E. of regression	0.094903	Sum squared resid	0.423306
F-statistic	39.30614	Durbin-Watson stat	2.017983
Prob(F-statistic)	0.000000		

Source: self-processed data, 2022

Table 10 Simultaneous Test Results of Moderation Regression Analysis

Dependent Variable: Y_NP
Method: Panel EGLS (Cross-section weights)
Date: 05/24/22 Time: 20:12
Sample: 2017 2020
Periods included: 4
Cross-sections included: 17
Total panel (balanced) observations: 68
Linear estimation after one-step weighting matrix

R-squared	0.962124	Mean dependent var	1.490976
Adjusted R-squared	0.947132	S.D. dependent var	0.948784
S.E. of regression	0.103694	Sum squared resid	0.516118
F-statistic	64.17382	Durbin-Watson stat	1.964162
Prob(F-statistic)	0.000000		

Source: self-processed data, 2022

4.1.10. Partial Test

To find out the answer to the research hypothesis, the researcher used multiple regression analysis to determine the effect of the variable (X) and variable (Y) namely hypothesis one (1) to hypothesis four (4), and moderated regression analysis to determine the effect of moderation on the variable (X) with (Y) namely hypothesis four (5) to hypothesis six (7). Based on this explanation, the equations obtained to determine the research hypothesis are as follows:

1) Regression Equation 1
   Regression equation 1 in this study is using the results of multiple regression analysis, then the value of the regression equation obtained is as follows:

$$Y_{NP} = 6.861596 - 0.007901KK + 0.004428\,RA - 0.223453FZ + \in$$

Table 11 Partial T Test Results Regression Equation 1

Dependent Variable: Y_NP
Method: Panel EGLS (Cross-section weights)
Date: 05/24/22 Time: 09:35
Sample: 2017 2020
Periods included: 4
Cross-sections included: 17
Total panel (balanced) observations: 68
Linear estimation after one-step weighting matrix

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.861596	2.291863	2.993894	0.0044
X1_KK	-0.007901	0.040882	-0.193271	0.8476
X2_RA	0.004428	0.052120	0.084957	0.9327
X3_LNFZ	-0.223453	0.078198	-2.857528	0.0063
Z_KM	2.345677	1.066275	2.199880	0.0328

Source: self-processed data, 2022

2) Regression Equation 2
   Regression equation 2 in this study is using the results of moderated regression analysis, then the value of the regression equation obtained is as follows:

$$Y\_NP = 0.477648 + 0.171020\text{M1} + 0.924074\text{M2} + 0.111472\text{M3} + \in$$

Table 12 Results of Partial T Test of Regression Equation 2

Dependent Variable: Y_NP
Method: Panel EGLS (Cross-section weights)
Date: 05/24/22 Time: 20:12
Sample: 2017 2020
Periods included: 4
Cross-sections included: 17
Total panel (balanced) observations: 68
Linear estimation after one-step weighting matrix

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.477648	0.164236	2.908306	0.0055
M1	0.171020	0.144838	1.180773	0.2435
M2	0.924074	0.828664	1.115138	0.2703
M3	0.111472	0.047647	2.339549	0.0235

Source: self-processed data, 2022

4.2. Discussion

4.2.1. The effect of financial performance, auditor reputation, firm size on firm value simultaneously

Based on hypothesis one (1), it is suspected that there is a simultaneous influence between financial performance, auditor reputation, firm size on firm value. Based on the results of statistical tests that have been carried out, it can be seen that the F-statistic value is 39.30614 with a significance value of 0.000000. because the value is smaller than 0,05 (0.000 < 0.5) then this regression equation model can be used to see or predict firm value or it can be said that financial performance, auditor reputation, firm size together or simultaneously has a significant effect on firm value. in raw goods sector companies listed on the Indonesia Stock Exchange in 2017-2020. This means that H1 is accepted.

4.2.2. Effect of financial performance on firm value

In the second hypothesis (H2), it is suspected that financial performance has an influence on firm value. Based on the results of statistical tests that have been carried out on the financial performance variable, it is obtained that $T_{statistic}$ of -0.193271 is negative, where the $T_{statistic}$ is smaller than T_{table} (-0.193271 < 1.998341) and the probability value is greater than the significance level (0.8476 > 0.05), H2 is rejected, which means that the financial performance variable has no significant effect on firm value.

4.2.3. Effect of auditor reputation on firm value

In hypothesis three (H3), it is suspected that the auditor's reputation has an influence on firm value. Based on the results of statistical tests that have been carried out on the auditor's reputation variable, it is obtained that $T_{statistic}$ of 0.084957 has a positive value, where the $T_{statistic}$ is smaller than T_{table} (0.084957 < 1.998341) and the probability value is greater than the significance level (0.9327 > 0.05) then H3 is rejected, which means that auditor reputation has no significant effect on firm value.

4.2.4. The effect of firm size on firm value

In hypothesis four (H4), it is suspected that firm size has an influence on firm value. Based on the results of statistical tests that have been carried out on the firm size variable, it is obtained that $T_{statistic}$ of -2.857528 has a negative value, where the $T_{statistic}$ value is smaller than T_{table} (-2.857528 < 1.998341) and the probability value is smaller than the significant level (0.0063 < 0.05) then H4 is accepted, which means that H4 is accepted. means that firm size has a significant effect on firm value.

4.2.5. The effect of financial performance on firm value by moderating managerial ownership

In hypothesis five (H5), it is suspected that managerial ownership moderates the effect of financial performance on firm value. Based on the results of statistical tests that have been carried out on the financial performance variable moderated by managerial ownership (M1), the $T_{statistic}$ value of 1.180773 is positive, where the $T_{statistic}$ is smaller than T_{table} (1.180773 < 1.998341) and the probability value is greater than the significance level (0.2435 > 0.05) then H5 is rejected, which means that managerial ownership does not have a moderating effect on financial performance to weaken or strengthen its influence on firm value.

4.2.6. The effect of auditor reputation on firm value by moderating managerial ownership

In hypothesis six (H6), it is suspected that managerial ownership moderates the effect of auditor reputation on firm value. Based on the results of statistical tests that have been carried out on the auditor's reputation variable moderated by managerial ownership (M2), the $T_{statistic}$ value of 1.115138 is positive, where the T-count value is smaller than T_{table} (1.115138 <1.998341) and the probability value is greater than the significant level (0.2703 > 0.05) then H6 is rejected, which means that managerial ownership does not have a moderating effect on the auditor's reputation to weaken or strengthen its influence on firm value.

4.2.7. The effect of firm size on firm value by moderating managerial ownership

Based on hypothesis seven (H7) it is suspected that managerial ownership moderates the effect of firm size on firm value. Based on the results of statistical tests that have been carried out on the Firm size variable moderated by managerial ownership (M3), the $T_{statistic}$ value of 2.339549 is positive, where the $T_{statistic}$ is greater than T_{table} (2.339549 > 1.998341) and the probability value is smaller than the significant level (0.0235 < 0.05) then H7 is accepted, which means that managerial ownership has a significant moderating effect on firm size to strengthen its influence on firm value.

4.2.8. The effect of financial performance, the reputation of auditors, firm size on the value of the company by simultaneously moderating managerial ownership

Based on the hypothesis of eight (H8) namely it is suspected that managerial ownership moderates simultaneously the influence between financial performance, the reputation of auditors, firm size on the value of the company.

Based on the results of statistical tests that have been carried out, it can be known that the $F_{-statistic}$ value is 64.17382 with a significance value of 0.000000. because the value is

smaller than 0.05 (0.000 < 0.5), hence this regression equation model can be used to see or predict the value that managerial ownership can moderate the influence of financial performance, auditor reputation, firm size on company value jointly or simultaneously on raw goods sector companies listed on the IDX for the 2017-2020 period, meaning that H8 is accepted.

5. CONCLUSION

5.1. Conclusion

This study examines the effect of financial performance, auditor reputation, firm size on firm value with managerial ownership as moderating carried out in raw goods sector companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2020 period. Based on the research that has been done, the following conclusions can be drawn:

1) Financial performance, auditor reputation, firm size together (simultaneously) has a significant effect on firm value
2) Financial performance has no significant effect on firm value
3) Auditor reputation has no significant effect on firm value
4) Firm size has a significant effect on firm value
5) Managerial ownership cannot moderate the effect of financial performance on firm value
6) Managerial ownership cannot moderate the effect of auditor reputation on firm value
7) Managerial ownership can moderate to strengthen the influence of firm size on firm value,
8) Managerial ownership can moderate the influence of financial performance, the reputation of auditors, firm size on the firm value simultaneously.

5.2. Limitations

This study found several limitations that may cause interference with the results of the study, including the following:

1) In this study, the observation period was taken briefly, which is only include 4 (four) years from 2017-2020.
2) In this study, only a small sample was obtained, namely 17 companies that could meet the research criteria of the raw goods sector companies.

5.3. Suggestion

Researchers realize that there are limitations in this study, therefore the researchers put forward some suggestions that can be considered for future researchers. This suggestion is expected to provide an overview and an opportunity for future researchers to conduct even better research, the suggestions are as follows:

1) Future researchers need to consider adding the observation period to 5 (five) years or more. Or change the research sector, so that the research results are much stronger and more accurate, and can get a much larger sample.
2) For future researchers, it is also necessary to rethink the proxies used to measure financial performance, such as using profitability, liquidity, and solvency ratios.

3) Future researchers need to consider replacing the moderating variables in this study with other moderating variables, such as the integrity of financial statements, earnings management, or other variables that can be used as other moderating variables.

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