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THE INFLUENCE OF GOOD CORPORATE GOVERNANCE, FINANSIAL PERFORMANCE AND PROFITABILITY ON FIRM VALUE OF FOOD AND BEVERAGE SECTOR COMPANIES LISTED ON THE BEI 2020-2023

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ABSTRACT

General Background: The role of Good Corporate Governance (GCG), financial performance, and profitability is increasingly recognized in determining firm value, particularly in sectors with substantial consumer impact, such as food and beverage. **Specific Background**: This study evaluates managerial ownership, financial performance using DAR, profitability using ROA, and firm value using PBV. **Knowledge Gap**: Despite existing literature linking these variables, there remains a limited understanding of their combined effects on firm value within the Indonesian food and beverage sector. **Aims**: This research aims to analyze the influence of GCG, financial performance, and profitability on the firm value of food and beverage companies listed on the Indonesia Stock Exchange (BEI) from 2020 to 2023. **Results:** Utilizing a purposive sampling technique, 64 companies were analyzed using multiple linear regression. The findings indicate that GCG, financial performance, and profitability all positively and significantly influence firm value, underscoring the interconnectedness of these factors. **Novelty**: This study contributes to the literature by providing empirical evidence within the specific context of Indonesian food and beverage firms, filling a notable gap regarding the relationships between GCG, financial performance, profitability, and firm value. **Implications:** The results suggest that improving GCG practices, enhancing financial performance, and maximizing profitability are critical for increasing firm value. This study offers valuable insights for investors and company management, emphasizing the importance of robust corporate governance and effective financial management to foster long-term firm value growth. Further research is recommended to explore additional variables and broader contexts.

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INTRODUCTION

As the largest archipelagic country in the world with a population of more than 270 million people, Indonesia has enormous economic resource potential. Indonesia is currently one of the developing countries in the world, which is proven by development in all fields, including the economic sector [1] . Economic growth in Indonesia is also increasing, resulting in business competition between companies to maintain and increase the value of their companies [2] . An increase in firm value can attract investor interest, because investors first check the value of a company before making an investment decision. The greater value of the company is seen from its financial implications. Public companies see the value of the company from the value of shares on the stock market [3] . Rising share prices indicate superior company performance and can indicate the company's potential wealth in the future [4] . If share prices rise, the value of the company and shareholder wealth will increase. Therefore, increasing firm value can increase investor confidence in the company because it can provide profits for shareholders. One sector that contributes to economic growth is the food and beverage sector [4] .

The food and beverage industry in Indonesia has experienced positive developments in recent years, according to the Investment Coordinating Board (BKPM) [5] . This reflects the large local market and increasing purchasing power. Based on data from the Investment Coordinating Board (BKPM), in the last five years, from 2015 to the first quarter of 2020, investment in manufacturing companies reached IDR 1,348 trillion [5] . The most popular sector is the food processing industry with a total investment of IDR 293.2 trillion or the equivalent of USD 21.4 billion [6] . Investment in the food and beverage sector is expected to grow faster than before. Even though in 2020 all regions in the world were affected by the COVID-19 pandemic which had an impact on society [7] . However, the food and beverage industry is experiencing exponential growth as people's basic needs continue to increase [7] . Data from the Investment Coordinating Board (BKPM) shows that in 2020, the number of workers absorbed by the food and beverage industry will reach 3.75%. BKPM also stated that investment in the food and beverage industry will reach IDR 36 trillion in 2021, a realization of 8% of the total investment of IDR 443 trillion [5] . In situations like these, companies need to develop and maintain strategies for future sustainability in order to maximize their value and attract investors [4] .

In an effort to increase firm value, there are several factors that companies in the food and beverage industry need to pay attention to. One factor of concern is Good Corporate Governance (*GCG*). GCG are the principles that regulate the relationship between company management, shareholders and other stakeholders [8] . GCG is implemented by companies because of their demands to face increasingly fierce global competition in the future with the aim of measuring company performance to influence firm value [9] . Companies that implement GCG are expected to have good financial performance so that it can increase the company's share price and have an impact on firm value as well [10] .

GCG also states categorically that the company is managed effectively, clearly and responsibly. Effective implementation of GCG is expected to increase investor confidence, prevent risks and maintain company business relationships [11] . Based on signal theory, good GCG score results will provide positive information for stakeholders because it shows that management is committed to making improvements and increasing its performance. So GCG is measured by managerial ownership of the company. Managerial Ownership is the proportion of company shares held by managers and executive members. So, it can be interpreted that managers and executives have a direct interest in the success of the company through the shares they own. The shares owned by these managers are in the form of ordinary shares, obtained from their personal funds or obtained through intensive programs such as company rewards, stock options and share purchase plans. by employees. Managerial ownership is measured in order to determine the size of shares owned by company management [11] . Research conducted by [8] [11] [12] explains that Good Corporate Governance, which is proxied by managerial ownership, influences firm value. Meanwhile, research by [9] [13] [14] states that Good Corporate Governance (managerial ownership) has no influence on firm value.

The second factor that influences firm value, namely financial performance, is an important aspect in assessing the company's position and prospects. A general indicator of financial performance is solvency, which is measured by the Debt to Assets Ratio (*DAR*). DAR explains whether a company is able to meet its long-term obligations [14] . Companies with good solvency are better able to continue their operations and invest in long-term growth, which increases shareholder and investor confidence. The market generally assesses companies with good debt management because high solvency reflects good risk management and more stable growth prospects. Therefore, investors and lenders usually consider the Debt to Assets Ratio (DAR) as an indicator of financial risk [15] . Where a high DAR can indicate a higher risk of bankruptcy, while a low DAR indicates a more stable financing structure [16] . Financial performance measurement is a benchmark for companies to evaluate so they can continue to compete with other companies [14] . Therefore, financial performance can influence the value of a company. The better the company's performance, the higher the firm value [17] . Research from [14] [18] [16] shows that financial performance with the solvency ratio (DAR) has a significant effect on firm value, whereas according to research from [19] [15] which explains that the Deep to Assets Ratio (DAR) solvency does not affect the value of the company.

Profitability is the third factor that can influence firm value. The meaning of profitability itself is the company's ability to obtain profits relative to its sales, capital or assets. Profitability is the profit earned by a company in one period [20] . If a company obtains high profit results, the company has good financial performance, which means that the company has greater investor wealth and more promising future prospects [21] . With this growth prospect, investors will consider it a big profit opportunity so that the

value of the company in the eyes of investors will also increase, which is reflected in an increase in the company's share price [22] . However, there are still many companies that have experienced a decline in profitability ratios in recent years. This decrease was caused by a decrease in profits that occurred during the COVID-19 pandemic [23] . The decline in the company's profitability ratio causes shareholders to consider many things when deciding to invest. To measure profitability ratios, it can be done using Return On Assets (ROA) [22] . Return on Assets (ROA) is a ratio used to measure how effective a company is in generating profits and the assets it owns. The higher the ROA, the better the company's position, so the more efficient the company is in utilizing its company [22] . Based on research from [24] that profitability has an influence on firm value. In contrast to research from [25] which explains that profitability has no influence on firm value.

This research is based on signal theory. Signal theory is a theory that focuses on information from parties who have different information who interact with each other and exchange information [26] . This information is used to provide clues to investors about management's view of the company's prospects. Information shown to fulfill the owner's desires and can influence external investment decisions [26] . This research develops from research [6] [7] . The difference between this research and previous research lies in the research variables. The variables used in previous research for financial performance always used ROA and ROE measurements [7] while in this study financial performance used solvency ratios with Debt to Asset Ratio (DAR) measurements [14] [18] [16] . According to research from [15] it is stated that the solvency ratio has no effect on firm value. However, researchers tried to re-examine the influence of financial performance by using the solvency ratio with DAR measurements. Where Debt to Asset Ratio (DAR) is used to find out how much of the obligation is financed by debt [16] . This research also refers to research [4] [14] [18] regarding the factors that influence the value of food and beverage sector companies listed on the BEI from 2018 to 2021. The difference in this research lies in the data on food and beverage sector companies that will used with different year versions. In this study, researchers took food and beverage sector companies listed on the BEI in 2020-2023.

One of the aims of this research is to find out how much managerial ownership influences the value of companies in the food and beverage sector listed on the BEI in 2020-2023. Next, assess how much financial performance contributes to increasing firm value. And by using the solvency ratio with the Deep to Assets Ratio (DAR) measurement , does it have the potential to influence the value of companies in the food and beverage sector. Meanwhile, profitability using ROA has a significant influence on firm value and identifies the relationship between the level of company profitability and firm value. So it can be concluded that the researchers conducted this research with the aim of finding out the influence of Good Corporate Governance (managerial ownership *),* financial performance (DAR) and profitability (ROA) on the firm value of food and beverage sector companies listed on the BEI for the 2020-2023 period.

Hypothesis Development

The Influence of Good Corporate Governance on Firm Value

Good Corporate Governance (GCG) is a method for managing a company in such a way that it can provide added value for stakeholders with the aim of measuring company performance so that it influences firm value [10] . Signal theory emphasizes that the results of good GCG will provide positive information for stakeholders because it shows that management is committed to carrying out improvements and increasing performance so that this will increase share prices and firm value will also increase [12] . This research uses managerial ownership as a measurement of GCG. Managerial Ownership is the proportion of company shares held by managers and executive members. So, it can be interpreted that managers and executives have a direct interest in the success of the company through the shares they own. This is in line with research conducted by [11] and [8] which states that Good Corporate Governance (GCG) using managerial ownership has an effect on firm value.

H 1: Good Corporate Governance (GCG) influences firm value

The Influence of Financial Performance on Firm Value

Financial performance is the result of company performance over a certain period of time in reflecting the health of the organization [15] . A company's financial performance can be measured using various financial ratios, one of which is the solvency ratio. In this study, researchers used the solvency ratio as measured by the Debt to Asset Ratio (DAR) because the solvency ratio is the ratio of liabilities to assets, namely the ratio used to measure the ratio of company assets financed by liabilities by comparing total liabilities with total assets [16] . In other words, this ratio shows the amount of a company's debt in relation to the use of its assets [16] . A high solvency ratio is one of the main concerns of creditors. The solvency ratio shows the company's ability to fulfill all its obligations both currently and after liquidation [16] . In general, the solvency ratio is used to measure a company's ability to pay all its debts, both short and long term, even if bankruptcy occurs. This research is in line with research [14] [16] [18] which states that financial performance influences firm value.

H2: Financial performance influences firm value

The Effect of Profitability on Firm Value

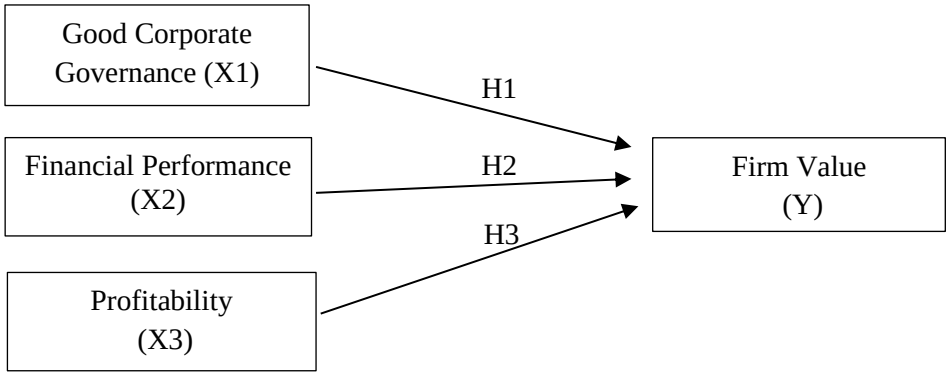
Profitability is a company's ability to gain profits which is used to measure the level of asset efficiency and operational efficiency [27] . The higher the company's profitability, the better the company's performance, causing investors to be interested in investing and share prices also increase. An increase in share prices causes an increase in firm value. The indicator used to measure profitability is Return On Assets (ROA) [20] . ROA is a ratio used to calculate the amount of profit on the assets used to generate profits [28] . Based on signal theory, management tries to increase the ROA value to signal to the market that the company's value is increasing. ROA shows the level of profit generated from the total assets owned by the company [26] . This ratio illustrates how effective

management is in managing assets to generate profits. This is in accordance with research [29] and [30] which states that profitability affects firm value.
H 3: Profitability influences firm value.

Conceptual Framework

The following is an image of the conceptual framework related to "The Influence of Good Corporate Governance (GCG), Financial Performance and Profitability on Firm Value":

Figure 1. Conceptual Framework



RESEARCH METHODOLOGY

This research is quantitative research and the type of data used is secondary data. The data source was obtained from the official website of the Indonesia Stock Exchange (www.idx.co.id) in the form of annual financial reports of companies in the food and beverage sub-sector or the websites of each company. Food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (BEI) during the 2020-2023 period are the population used in this research with a population of 64. Researchers prefer manufacturing companies because they have many responsibilities to maintain environmental sustainability and profits. which is obtained. Determining the selected sample using purposive sampling technique [31] . Where the meaning of the purposive sampling technique itself is determining samples from certain criteria [31] . The criteria chosen in this research are:

Table 1. Sample Criteria

Criteria	Amount
Food and beverage sub-sector companies listed on the Indonesian Stock Exchange (BEI) during the 2020-2023 period.	45

Sample Criteria: 1. Food and beverage sub-sector companies that have complete financial reports for the 2020-2023 period. 2. Food and beverage sub-sector companies that have data in accordance with researchers' needs that generate profits. 3. Food and beverage sub-sector companies whose managers have share ownership	 16 16 16
Number of samples	16
Sample data during the research period (4 years x 16 samples)	64

Operational Definition of Variables

From this research there are two variables, namely the independent variable and the dependent variable. Variables in this research include Good Corporate Governance, Financial Performance and Profitability. Meanwhile, the dependent variable is Firm Value.

Table 2. List of variables, definitions and indicators

No	Variable	Definition	Indicator	Scale
1.	Good Corporate Governance	Managerial ownership is measured to determine the percentage of shares owned by management such as directors and commissioners. [12]	$\text{Managerial Ownership} = \frac{\text{Managerial share ownership}}{\text{Total Shares}} X\ 100\%$	Ratio
2.	Financial performance	Financial performance is measured using the Debt to Asset Ratio (DAR). DAR itself is a solvency ratio which is used	$\text{Debt to Assets Rasio (DAR)} = \frac{\text{Total Debt}}{\text{Total Assets}} X\ 100\%$	Ratio

		to measure the ratio of company assets financed by liabilities by comparing total liabilities with total assets. [16]		
3.	Profitability	Profitability is measured using Return on Assets (ROA). ROA is a ratio used to assess the extent to which a company can gain profits by utilizing all the assets it owns. [17]	$\text{Return On Assets (ROA)} = \frac{\text{Net Profit}}{\text{Total Asset}} X\ 100\%$	Ratio
4.	Firm Value	Indicators of firm value can be measured using Price Book Value (PBV), where PBV itself is used to measure the market value of the company against the company's financial performance. [32]	$\text{Price Book Value (PBV)} = \frac{\text{Price per share}}{\text{Price Book}}$	Ratio

Data Analysis Technique

This research was conducted to determine the relationship between variables. The analysis technique in this research uses multiple linear regression with the help of SPSS software. Before multiple regression analysis, it is necessary to carry out descriptive statistical tests and classical assumption tests which include normality, multicollinearity, autocorrelation and heteroscedasticity tests including:

1. Descriptive Statistical Test

Definition of Descriptive statistical test is an analysis that describes data that can be seen from the average value, mode, median, standard deviation and minimum maximum value [33] . Descriptive statistics is a method that provides an overview or description of data that is used as useful information. easy to understand. The aim is to describe the characteristics of the variables used. Usually used for researchers to understand the distribution and characteristics of the data used [33] .

2. Classic Assumption Test

1. Data Normality Test
   This research uses a data normality test to prove that the residual data from the regression model is normally distributed. This research uses a normal profitability plot and the Kolmogorov-Smirnov (KS) nonparametric statistical test [34] . Normal profitability by looking at the distribution of data (points) on the diagonal axis of the normal PP diagram graph with testing criteria, if the data is spread around the diagonal and follows the diagonal direction or if the histogram of the PP plot shows a normal distribution pattern, then the regression model meets the normality hypothesis and vice versa [33] . Meanwhile, when testing the Kolmogorov-Smirnov table, if the ratio reaches more than 5% (>0.05), it is stated that the regression meets normality. However, if the result is less than 0.05, the residual is declared to be abnormal [34] .
2. Multicollinearity Test
   The multicollinearity test is a test to determine whether there is a significant relationship between independent variables in a multiple linear regression model. This test is needed to find out whether there are other variables in the model. The similarity of the independent variables in the model will produce a very strong relationship between the independent variable and other independent variables [35] . The variance inflation factor (VIF) value is used to test the presence of multicollinearity, with the rule that if the VIF is greater than 10.00 (>10.00) and the tolerance value is smaller than 0.10 (<0.10), then multicollinearity occurs, and if the VIF is smaller than 10.00 (<10.00), and the tolerance value is greater than 0.10 (>0.10), then multicollinearity does not occur [35] .
3. Heteroscedasticity Test
   The heteroscedasticity test is used to test whether in the regression model a bias is found between the residuals of one observation and the residuals of another observation [31] . One way to find out whether there is heteroscedasticity or not is to look at the plot between the predicted value and the residual [31] , with the basis of the analysis being as follows:

a. If there is a pattern (wavy, widening then narrowing), then it indicates heteroscedasticity has occurred
b. If there is no pattern and the points spread above and below the number 0 on the Y axis, then heteroscedasticity does not occur.

4. Autocorrelation Test
The aim of autocorrelation testing is to assess whether the residual errors in the regression model are correlated between one period and another. This is important to pay attention to because inaccurate correlation coefficients can affect the validity of the regression model. Therefore, a good regression model must be free from autocorrelation. In this research, for the autocorrelation test using the *Durbin Watson* (DW) test [36] . The Durbin-Watson test can be used to determine whether there is autocorrelation. The criteria for determining whether there is autocorrelation are as follows [36] :

a. DW less than -2 indicates positive autocorrelation.
b. DW values between -2 and +2 indicate no autocorrelation.
c. If DW is greater than +2, in this case the autocorrelation is negative.

3. Data Analysis Method

In this research, there are several data analysis methods used based on the research objective to determine the influence between variables, including:

a. Multiple Linear Regression Analysis
Multiple linear regression analysis is used to predict the influence of two or more independent variables on the dependent variable [33] . The use of independent variables in multiple regression analysis is for explanation while the dependent variable functions as a dependent independent variable used as an explanation. In this research, multiple regression is used on the variables managerial ownership (X1), financial performance (X2), profitability (X3), and firm value (Y).
This research uses a multiple regression equation to test the influence of independent variables on firm value with the following calculations [33] :

$$Y= \alpha + \beta 1\ X1 + \beta 2\ X2 + \beta 3\ X3 + e$$

Information:
Y : Firm Value
α : Constant
β1- 3 : Coefficient
X1 : Managerial Ownership
X2 : Financial Performance
X3 : Profitability
E : Nuisance Variable

4. Hypothesis testing

a. Coefficient of Determination Test (R2)

This test is used to determine the best level of accuracy in regression analysis, in this case indicated by the magnitude of the coefficient of determination. The coefficient of determination (R2) is used to determine the percentage influence of the independent variable on the dependent variable [33] . In this research, it is used to assess the extent to which Good Corporate Governance, Financial Performance and Profitability influence Firm Value. So it helps show the level of relationship between independent variables and firm value [33] .

b. T Test (Partial Influence)

The research uses the t test to compare the influence of each independent variable (X) on the dependent variable (Y). The t test is also used to determine how far the contribution between variables is by referring to partial R2 [33] . By identifying the value of the independent variable against the dependent variable, you can see which variable is the most significant. The t test has a significant value of 0.05. The criteria for rejecting and accepting a hypothesis are carried out as follows [33] :

a. If the significance of $\alpha < 0.05$, then there is a significant influence between the independent variable and the dependent variable.
b. If the significance of $\alpha > 0.05$, then there is no significant influence between independent variable to the dependent variable.

RESULTS AND DISCUSSION

A. Result

Descriptive Statistical Test

Table 3. Descriptive Statistical Test

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
KM	64	.00	.77	.1293	.20357
DAR	64	.11	1.06	.4036	.22412
ROA	64	.00	.22	.0859	.06192
PBV	64	.44	11.13	3.1103	2.36575
Valid N (listwise)	64				

Source: SPSS output ver.29 (2023)

Based on table 3, the descriptive statistical test explains the independent variable Good Corporate Governance which is proxied to managerial ownership, financial performance is measured by Debt to Asset Ratio (DAR) and profitability is measured using *Return On Assets* (ROA). Meanwhile, the dependent variable is firm value is proxied using PBV (Price to Book Value). From this research there are 64 samples of

companies in the food and beverage sector registered on the BEI in 2020-2023. It can be seen from the table for the variable The average value is 0.1293 and the standard deviation is 0.20357. The financial performance variable The variable The average is 3.1103 and the standard deviation is 2.36575.

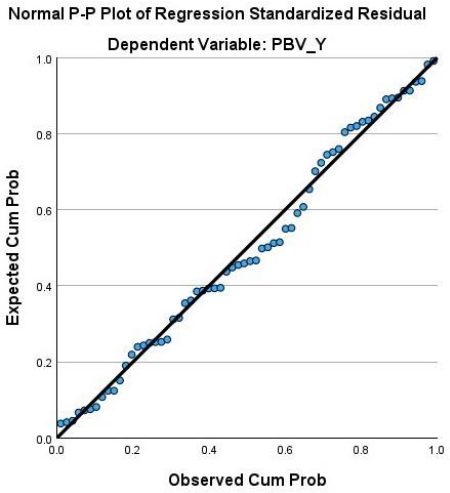
Classic assumption test

There are several tests to test this classic assumption, including:

1. **Normality test**

   In this research, the normality test used the normal profitability plot test and the Kolmogorof-Smirnov (KS) nonparametric test. The following are the results of the normality test obtained with the normal PP plot diagram:

Table 4. Normality Test of Normal PP Plot Graph



Source: SPSS output ver.29 (2023)

The normality test using the normal pp graph is used to find out whether the data is normally distributed or not. The regression model is considered normal if the actual data points follow a diagonal line and vice versa if the data points do not follow the diagonal line then the data is considered abnormal. [33] . Based on table 4. Normality test of the pp normal graph, the data points depict data that actually follows the normal line, because in the table image the distribution is evenly distributed above and below the diagonal line, which means that this regression model is normally distributed. Meanwhile, the non-parametric Kolmogrov-Smirnov (KS) statistical test provides a computational explanation as follows:

Table 5. Kolmogrov-Smirnov (KS) Normality Test

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			64
Normal Parameters[a,b]	Mean		.0000000
	Std. Deviation		.34412030
Most Extreme Differences	Absolute		.079
	Positive		.079
	Negative		-.060
Test Statistic			.079
Asymp. Sig. (2-tailed)[c]			.200[d]
Monte Carlo Sig. (2-tailed)[e]	Sig.		.409
	99% Confidence Interval	Lower Bound	.396
		Upper Bound	.421

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.
e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Source: SPSS output ver.29 (2023)

In the Kolmogrov-Smirnov (KS) test technique there is an assessment of the Asymp.Sig value. (2-tailed) shows a value greater than 0.05 (>0.05), so the data results are said to be normal. However, if the data is not distributed normally then Asymp.Sig. (2-tailed) will show a value less than 0.05 [34] . Based on table 5, it can be seen that the normality test using Kolmogrov-Smirnov (KS) shows the results of Asymp. Sig. (2 tailed) has a value of 0.200, which is a value greater than the provisions of the Kolmogrov-Smirnov (KS) test, namely 0.05, so from these results it can be concluded that the residual data is normally distributed.

2. Multicollinearity Test

Table 6. Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	2.225	.156		14.219	<,001		
	KM_X1	.065	.021	.250	3.055	.003	.963	1.038
	DAR_X2	.152	.075	.165	2.029	.047	.971	1.030
	ROA_X3	.280	.032	.711	8.621	<,001	.947	1.056

a. Dependent Variable: PBV_Y

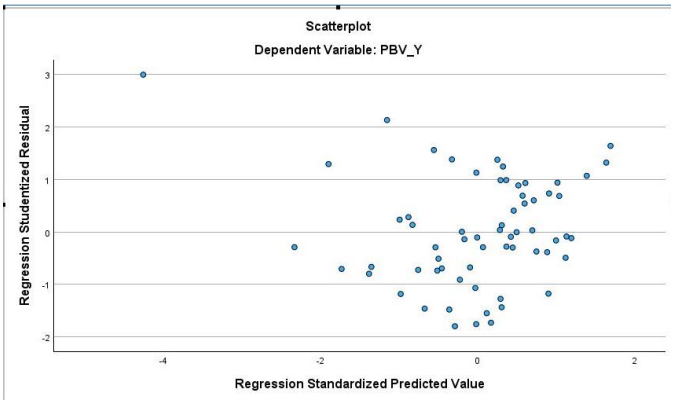
Source: SPSS output ver.29 (2023)

Based on table 6. This multicollinearity test shows the VIF value, namely Good Corporate Governance which is promoted by managerial ownership (X1) (1.038<10), financial performance by measuring Deep to Assets Rasio (DAR) (X2) (1.030<10) and profitability by measuring Return On Assets (ROA) (X3)

(1,056<10). Meanwhile, the tolerance values are managerial ownership (0.963>0.10) DAR (0.971>0.10) and ROA (0.947>0.10). Therefore, it can be concluded that there are no symptoms of multicollinearity.

3. Heteroscedasticity Test

Table 7. Heteroscedasticity Test



Source: SPSS output ver.29 (2023)

It can be seen from the graph in table 7 which shows that the image of the distribution of points is spread evenly, spread out above or below which is located between the number 0 on the Y axis. So the scartterpot diagram shows that the results of the research regression are declared free from symptoms of heteroscedasticity. This is because it is affected by heteroscedasticity problems. The dots in the image are not spread out or gathered in certain parts.

4. Autocorrelation Test

Table 8. Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.784[a]	.614	.595	.35262	1.036

a. Predictors: (Constant), ROA_X3, DAR_X2, KM_X1

b. Dependent Variable: PBV_Y

Source: SPSS output ver.29 (2023)

In this research, autocorrelation testing uses the Durbin Watson (DW) test as a determinant of whether there is a correlation between variables in the prediction model as time changes. Based on table 8, the Durbin Watson value shows a number

of 1.036, which means that the Durbin-Watson value is still in the uncorrelated range, namely between -2 and +2. In this study it can be concluded that the Durbin-Watson value is greater than -2 and smaller than +2, so that there are no symptoms of autocorrelation [36] .

Multiple Linear Regression Analysis

Table 9. Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.225	.156		14.219	<,001		
	KM_X1	.065	.021	.250	3.055	.003	.963	1.038
	DAR_X2	.152	.075	.165	2.029	.047	.971	1.030
	ROA_X3	.280	.032	.711	8.621	<,001	.947	1.056

a. Dependent Variable: PBV_Y

Source: SPSS output ver.29 (2023)

It can be seen from table 9. Multiple linear regression analysis using SPSS calculations obtained results namely: (α) = 14,219, b = 3,055, b2=2,029, b3= 8,621. By using the multiple linear regression equation formula, the following calculations are produced:

$$Y = 14.219 + 3.055X1 + 2.029X2 + 8.621X3$$

From the presentation of the value of regression analysis, it can be explained as follows:

a. The value (α) of the regression constant has a value of 14,219 which indicates that if the variables managerial ownership (X1), DAR (X2), ROA (X3) do not change or are equal to zero then the average firm value (Y) is stated to be 14,219 units.
b. The regression coefficient value of variable X1 = 3.055 with a positive value shows that if the value of managerial ownership increases by 1 unit, the value of food and beverage sector companies listed on the Indonesia Stock Exchange will increase by 3.055.
c. The regression coefficient value of variable X2 = 2.029 with a positive value shows that if the Deep to Assets Ratio (DAR) value increases by 1 unit, the value of food and beverage sector companies listed on the Indonesia Stock Exchange will increase by 2.029.
d. The regression coefficient value of variable X3 = 8.621 with a positive value shows that if the Return on Assets (ROA) value increases by 1 unit, the value of food and beverage sector companies listed on the Indonesia Stock Exchange will increase by 8.621.

Hypothesis Analysis

a. R2 Determination Test

In this research, the determination test (R2) is used to assess the extent to which the dependent variable has an influence on the value of the dependent variable. The coefficient of determination value is obtained from the SPSS calculation results as follows:

Table 10. Determination Test R^2

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.784[a]	.614	.595	.35262

a. Predictors: (Constant), ROA_X3, DAR_X2, KM_X1

b. Dependent Variable: PBV Y

Source: SPSS output ver.29 (2023)

R2 determination test , it can be seen that the R2 coefficient of determination the Adjusted R Square value has a value of 0.595 or 59.5%. This means that the level of firm value can be explained by the GCG variables (managerial ownership, financial performance (DAR) and profitability (ROA)) which is 59.5%, while the remaining 40.5% (100% - 59.5%) can be explained by other variables that are not included in this research variable. So it can be concluded that overall the Adjusted R Square shows a fairly good model that explains most of the relationship between the dependent variable and the independent variable.

b. Partial Test (T test)

The purpose of the partial test (t test) is to determine the true influence of the dependent variable on the independent variable. Partial test statistical criteria, if the significance value (sig) is smaller than 0.05 then variable X has a positive effect and if sig is greater than 0.05 then variable X has a negative effect.

Table 11. Partial Test (T)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.225	.156		14.219	<,001		
	KM_X1	.065	.021	.250	3.055	.003	.963	1.038
	DAR_X2	.152	.075	.165	2.029	.047	.971	1.030
	ROA_X3	.280	.032	.711	8.621	<,001	.947	1.056

a. Dependent Variable: PBV_Y

Source: SPSS output ver.29 (2023)

B. DISCUSSION

The Influence of Good Corporate Governance (Managerial Ownership) on Firm Value

The test results in table 11 show that the regression coefficient for the Good Corporate Governance variable which is proxied by managerial ownership is 3,055 with a significance level of 0.003, which means that Good Corporate Governance has a positive effect of 3,055 on firm value, meaning it has a significant effect, because the significance level is smaller than 0. .05. From this statement it can be concluded that Good Corporate Governance, which is proxied by managerial ownership, has a significant influence in a positive direction on firm value and hypothesis 1 (H1) is accepted. In theory, signaling theory is used to explain how management actions can send signals to the market and shareholders about the state and prospects of the company, considering the impact of management ownership on firm value. Management ownership is a positive signal for the company. If management (directors or managers) have a large ownership stake in a company, this can be seen as a positive signal for investors. High managerial ownership indicates that management is confident in the company's prospects when investing its personal funds. Besides that, Management share ownership can increase firm value by reducing agency conflicts, ensuring that management and shareholders have the same goals. Management share ownership often provides incentives to improve company performance, generate higher profits and returns for investors, and reduce fraud. Share ownership can encourage management to focus its strategy on long-term growth, because they have a direct interest in the company's long-term success. It can be interpreted that the more management owns company shares, the higher the firm value. This shows that managerial ownership is a good corporate governance mechanism to increase investor confidence and increase firm value. The results of this research are supported by research [6] [8] [9] [12] which shows that Good Corporate Governance as proxied by managerial ownership has a positive and significant impact on firm value. The results of this research contradict research [4] [14] which shows that Good Corporate Governance (managerial ownership) has a negative impact on firm value.

The Effect of Financial Performance (DAR) on Firm Value

Judging from the test results in table 11, it shows that the regression coefficient for the financial performance variable which is proxied by the Deep to Asset Ratio (DAR) is 2,029 with a significance level of 0.047, which means profitability has a positive effect of 2,029 on firm value, meaning it has a significant effect, because of the significance level smaller than 0.05. From this statement it can be concluded that financial performance (DAR) has a significant influence in a positive direction on firm value and hypothesis 2 (H2) in this research is accepted. Thus, it can be explained that companies with high solvency are better able to support operations and investments for long-term growth, thereby creating trust among shareholders and investors. The market tends to give

higher valuations to companies that demonstrate good debt management, as higher solvency indicates a greater ability to manage risk and more stable growth prospects. This increases investors' confidence and encourages them to buy shares in the company and increases the value of the company. The higher the solvency ratio, the higher the use of debt relative to the company's assets, because this can be explained by the fact that when the company's debt increases, the company can save on taxes and other costs, because it is more profitable to sacrifice interest to pay it [16] . A high level of debt use provides a strong positive sign because investors believe that if the company uses its debt, the company can increase its capacity and pay off its debt [16] . These results indicate that good use of debt (DAR) will increase profits and affect firm value [18] . The results of this research are supported by research [16] [18] [14] which shows that financial performance using the solvency ratio with DAR has a positive and significant impact on firm value. The results of this study contradict research [19] [37] which shows that financial performance (DAR) has a negative impact on firm value.

The Influence of Profitability (ROA) on Firm Value

Judging from the test results in table 11, it shows that the regression coefficient for the profitability variable which is proxied by Return On Assets (ROA) is 8,621 with a significance level of <0.001, which means that profitability has a positive effect of 8,621 on firm value, meaning it has a very significant effect, because the level of significance smaller than 0.05. From this statement it can be concluded that profitability (ROA) has a very significant influence in a positive direction on firm value and hypothesis 3 (H3) in this research is accepted. From the test results in table 11, it shows a sig value <0.001, which means that the profitability variable (ROA) has a very statistically significant relationship. This relationship is also supported by signal theory [38] . By giving signals to investors about the company's positive prospects. Furthermore, investors will respond to these signals by increasing their appreciation of the company, which can be seen from the company's value [38] . If the company has a high return on assets, then the profits obtained from investing in those assets will also be greater. On the other hand, if a company has a low return on assets, then the profits obtained from funds invested in those assets will also be smaller [39] . In this way, the company shows that it is able to manage assets effectively and efficiently to obtain profits . This indicates that a high return on assets can indicate that the company has good growth prospects and the ability to generate higher profits in the future. Companies with high returns on assets tend to show stable and healthy financial growth. As a result, investors believe that the company will be able to survive and grow in the long term, thereby increasing its market value. In addition, a high ROA reflects the company's high competitiveness in its industry. And companies that use their assets efficiently to generate profits tend to have a competitive advantage and are able to increase their market share and profitability, which ultimately increases firm value. The results of this research are supported by research [38] [39] [40] [41] which shows that profitability as proxied by ROA has a positive and significant impact on firm value. The results of this research contradict research [25] [42] [43] which shows that profitability (ROA) has a negative impact on firm value.

CONCLUSION

In conclusion, this research provides fundamental findings that Good Corporate Governance (managerial ownership), financial performance (Debt to Asset Ratio), and profitability (Return on Assets) significantly influence the firm value of food and beverage companies listed on the Indonesia Stock Exchange during the 2020-2023 period. The results underscore the importance of effective governance and robust financial management in enhancing corporate value. The implication of these findings is that companies should prioritize governance structures and financial strategies that foster managerial ownership and optimize asset utilization to improve overall firm value, thereby attracting potential investors. However, this study has limitations, including a focus on a specific industry and geographical context, which may limit the generalizability of the results. Additionally, the reliance on secondary data may introduce biases associated with reporting practices. For further research, it is recommended to explore a broader range of industries and incorporate additional variables, such as market conditions and competitive dynamics, to provide a more comprehensive understanding of the factors affecting firm value. Utilizing larger sample sizes and updated data could enhance the robustness of future studies, yielding insights that contribute to the development of effective corporate governance frameworks and financial strategies across diverse sectors.

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