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Research Article

How GCG, Profitability, Firm Size, Leverage Affect the Value Company of IDX-Listed Consumer Products Companies?

Vivin Gotama, Tie [1]*, Retno Indah Hernawati [2]

[1] Faculty of Economics and Business, Universitas Dian Nuswantoro, Semarang; e-mail : 212202204568@mhs.dinus.ac.id
[2] Faculty of Economics and Business, Universitas Dian Nuswantoro, Semarang; e-mail : retno.indah.hernawati@dsn.dinus.ac.id
* Corresponding Author : Vivin Gotama, Tie

Abstract: This research is aimed at analyzing the effect of institutional ownership, profitability, firm size, and leverage on firm value in the consumer products sector-the period of listed on the IDX during 2015-2024. The type of research conducted here is quantitative. The data analysis used in this study is multivariate linear regression analysis. The sampling used in this research is purposive sampling, where a sample of 50 firms was taken for re-testing outlier identification purposes. Based on the results of the multiple linear regression tests, it could be seen that, though institutional ownership did not affect significantly the value of the firm, profitability proxied by ROE bore a positive and significant impact, showing that the capability to generate profit from equity was one of the needed capabilities of a firm-a crucial aspect which may draw the attention of investors. Firm size made a negative significant impact, while its leverage had a negative and significant relationship, showing that the market looked at increasing debt as a financial risk instead of evidence of growth. These findings support the view that profitability and financial stability are the chief determinants of company value within Indonesia's consumer products industry.

Keywords: Good Corporate Governance; Profitability; Firm Size; Leverage; Company Value; Consumer Products

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1. Introduction

Indonesia's continuous expansion is putting pressure on every enterprise to perform efficiently in order accomplish their goals. The main objective for companies listed on the IDX is to maximize profits for shareholders and investors while simultaneously improving the company's well-being. An investor evaluating the financial performance of a listed firm must take into account an assortment of variables that might affect the investment's value. Given that high stock prices can attract investors and in still conviction in the issuer's tremendous potential, the worth of an enterprise is strongly connected to the indicator of its performance. An issuer must keep raising its corporate score in order to keep attracting shareholders with the capacity and willing to put capital towards it.

Since company value reflects investor confidence, the effectiveness of management, and market expectations for growth in the future, it has emerged as one of the most significant criteria to use to assess a company's value. Being able to generate sustainable earnings, effectively manage risks, and remain competitive in its sector can all be represented of a high business value. Company value is an assessment of how effectively management's decisions con-

cerning strategy coincide with the interests of shareholders, and it represents the firm's capacity to generate future profits and consistent dividend income from the investors' vantage point perspective.

Even more important is the importance of corporate value in the consumer products industry. Through constant product availability and innovation, this sector is essential to meeting the requirements of regular consumers and preserving market stability. The value of businesses in this industry often fluctuates in tandem with changes in customer confidence, brand loyalty, and buying patterns. Strong firm values in consumer products firms are indicators of steady demand, successful marketing campaigns, and well-run companies, features that draw in both foreign and local investors.

On the other hand, poor brand performance, decreased market competitiveness, or increased manufacturing and distribution expenses might all be contributing factors to a drop in company value. Thus, in the face of post-pandemic recovery issues, preserving and increasing firm value in this sector is crucial for sustaining investor trust as well as long-term business continuity and national economic stability.

Several of the main pillars of the economic prosperity of a country is the consumer products industry, which provides the manufacturing and distribution of commodities for consumers to use immediately. This implies that a nation's economy, as determined by its gross domestic product, can be largely inferred from the consumer products industry. The prevailing market value of the commodities and services that a nation produces is referred to as its gross domestic product [1].

Figure 1. Indonesia's Annual Economic Growth Rate 2015-2024

The graph illustrates Indonesia's annual economic growth from 2015 through 2024. From 2015 to 2019, economic growth was relatively stable, around 4.8%–5.2%, before drastically declining due to COVID-19 in 2020 to –2.07%. Recovery started in the year 2021 when growth increased to 3.69%, but then showed a stronger rebound to 5.31% in 2022. This was followed by stabilization of the economy in 2023 and 2024 to around 5.0%, indicating that more normal and sustainable economic conditions had been regained. This is primarily supported by household consumption, the largest contributor to GDP, which strengthened as people's incomes and purchasing power improved in the post-pandemic period, especially in consumer-related sectors.

Figure 2 in this study symbolizes numerous types of grocery store firms. This table is a list of firms that are listed on the IDX.

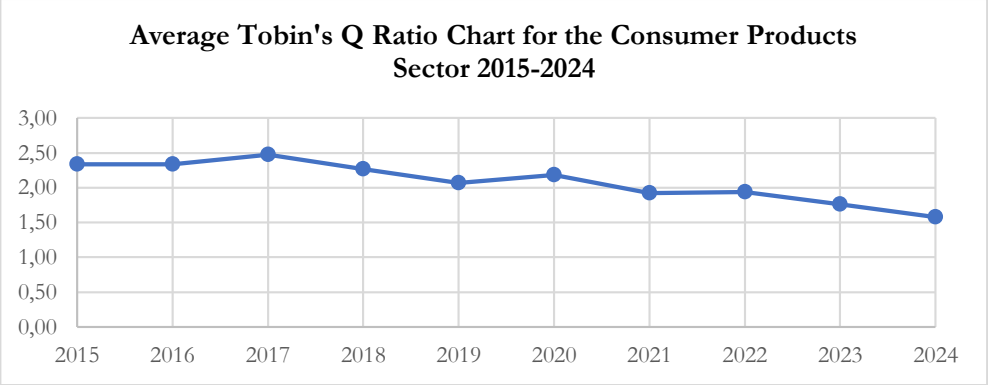

Figure 2. Average Tobin's Q Ratio Chart for the Consumer Products Sector 2015-2024

The data from valuations of businesses using Tobin's Q indicator, which consists of 50 consumer products companies for the period of 2015–2024, forms the basis of the graph exemplifies

Data from consumer products companies listed on the IDX show a gradual decline in the average Tobin's Q ratio from 2.33 in 2015–2016 to 1.58 in 2024. The ratio slightly increased to 2.47 in 2017 before gradually decreasing to 2.27 in 2018 and 2.07 in 2019. During pandemic in 2020, the ratio temporarily rose to 2.18, as the consumer products sector was considered a relatively safe investment option. However, as the economy recovered and market conditions normalized, Tobin's Q fell to 1.92 in 2021, 1.94 in 2022, and continued to decline to 1.76 in 2023 and 1.58 in 2024. Although no sharp spikes occurred during this period, certain speculative movements in smaller stocks such as BEEF and BTEK occasionally influenced short-term market sentiment. Overall, this downward trend indicates a moderation in investor enthusiasm and valuation adjustments following post-pandemic recovery. Tobin's Q ratio [2], which compares a company's market value to its replacement cost. Based on these dynamics, this study analyzes the effect of leverage, firm size, profitability, and good corporate governance (GCG) on the company value of consumer products companies listed on the IDX.

Good Corporate Governance (GCG) aims to align the interests of managers and shareholders through effective monitoring mechanisms. One of its measurable indicators is institutional ownership, which reflects the extent of professional investor supervision. Higher institutional ownership provides a positive signal of credibility and transparency to the market, as such investors are assumed to monitor management closely. Empirical studies have shown mixed results. Some [3], [4] found that institutional ownership enhances long-term performance and firm value, while others [5], [6] observed no significant effect due to passive institutional behavior in Indonesia.

Profitability reflects a company's ability to generate earnings from shareholders equity and serves as a strong signal of managerial performance. Profitability is the capacity of a business to generate equity and earnings [7] An organization may make more money if it manages its assets well. Investors often have a favourable opinion of the business, which raises the value of its shares. This is a result of the business's high degree of profitability. [4], [8], [9], [10] have all demonstrated that profitability positively affects a company value. However, [7] contend that firm value is not positively impacted by profitability.

Firm size reflects the scale of a company's operations, total assets, and market presence. A bigger company is also considered more transparent and capable of maintaining long-term profitability, which can enhance investor confidence and firm value. Total assets or net sales value can be used to determine corporate scale [11]. A rise in revenue translates as higher levels of cash flow for the business, but an increase in asset size indicates a corresponding increase in capital put away. The firm's size is an accurate indication of its asset holdings [12]. [3] a prior investigation states that corporate characteristics have an impact on firm valuation. However, [13], [14] contend that entity scale has no bearing on the worth of a corporation.

Leverage represents the extent to which a company uses debt financing to support its operations and investments. Moderate leverage is often perceived as a positive signal, indicating that management is confident in the company's future cash flows and able to meet debt

obligations. This confidence can increase investor trust and enhance firm value. One rule relevant to how businesses acquire funding is leverage. Excessive usage of debt is one factor contributing to a fall in firm earnings. To put it another way, investments that have extensive leverage are riskier than those with low leverage. This suggests that companies do not need outside funding when they use their own cash. Leverage has been shown to significantly increase firm value, according to an earlier study by [6], [15], [16], [17], on the other hand, contend that leverage has no impact on the value of the company itself.

Given that the factors of profitability, leverage, firm size, and good corporate governance have all been widely examined, this research offers a fresh perspective by focusing on the Indonesian consumer products market between 2015 and 2024. The uniqueness of this period was marked by the economic recovery process after the COVID-19 pandemic and the commencement of boycotts against foreign companies, such as Unilever. Therefore, it would be interesting to see whether Indonesian investors assess the fundamental quality of a company differently than investors in other countries do. This research aims to investigate how GCG, profitability, firm size, and leverage influence the value of consumer goods firms listed on the IDX between 2015 and 2024.

2. Literature Review

Spence discovered signalling theory in his 1973 paper, "*Job Market Signalling*." Signalling theory, according to [18], is a strategy used by businesses to communicate information about what managers have done to satisfy the desires of their owners. Signalling theory, according to [19] is a trait that managers of companies share that investors and potential investors can use selectively to influence decisions that provide more reliable and informative value so that the sender cannot manipulate the signal. An rise in dividends, according to signalling theory, signifies a company's robust cash flow and lowers investor uncertainty [20]. Business entities with the potential to grow will pledge not to benefit from asset trading and look for extra funding as required, including maximizing their tenors that go beyond the bounds of the main investment source structure, claims [21]. From an entirely novel perspective, business executives with less promising prospects could ultimately opt to sell their assets, which would encourage other investors to share in the losses.

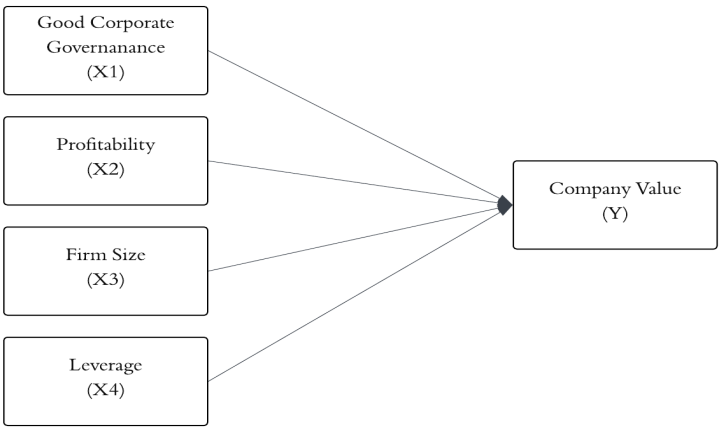

Figure 3. Research Conceptual Framework

The study's conceptual structure, as shown in Figure 3, employed four independent variables: leverage (X4), firm size (X3), profitability (X2), and good corporate governance (X1), with company value (Y) serving as the dependent variable.

One significant strategy to lessen agency conflicts between management and shareholders is through institutional proxy ownership, which is a component of good corporate governance (GCG). According to theory, the more shares that institutions possess, the more effectively they may supervise management, which raises responsibility, transparency, and eventually the company's value [18]. This is consistent with signalling theory, which holds that institutional involvement should provide investors with encouraging signals about the stability and promise of the business. However, the findings of earlier research have proven conflicting. According to some research, institutional investors can influence management to put

greater emphasis on long-term performance, which raises the value of the firm [3], [4]. However, the existence of institutional investors is not necessarily a strong signal, since other research have not identified a substantial influence [5], [6]. Different nation and industry settings might be the cause of this discrepancy in outcomes. For instance, institutional investors in Indonesia tend to be passive and follow market trends, which restricts their ability to affect the value of the firm. Given the unique dynamics this sector faces following COVID-19 and market pressures from boycotts of international brands, this circumstance presents an opportunity for research that reexamines the role of institutional ownership in Indonesia's consumer products industry throughout the 2015–2024 era. We may make the following hypothesis thanks to this explanation:

H_1: Institutional ownership is significantly impacted by company value.

The capacity of a business to produce a profit with the capital at its disposal is known as profitability, and return on equity (ROE) is a commonly used metric. According to the signalling hypothesis, more profitability is linked to greater investor confidence in the company's future, which can raise stock prices and the company's worth. Consistent earnings are regarded as a sign of a business's sound financial standing and ability to compete in the marketplace. Nevertheless, prior research has shown inconsistent findings. Numerous studies conducted in Indonesia demonstrate that ROE, which measures how well management uses available capital, has a favourable impact on firm value [8], [9], [10]. However, other research has not shown evidence of a substantial influence [7], [22], indicating that investors do not always view profitability as a critical indication. These discrepancies might result from variances in the research period, industrial sector, and general economic climate. For instance, investors focused more on stability and risk management than on immediate returns following COVID-19. Thus, for the 2015–2024 timeframe, this study is relevant to reexamine the link between ROE and firm value in Indonesia's consumer products industry. In light of the aforementioned logic, the following theory

H_2: Return on equity is significantly impacted by company value.

A firm size, which is often determined by adding together all of its assets, indicates how many resources it possesses. Theoretically, a firm's expansion capacity and resilience in the face of hard economic times demonstrate how much simpler it is to get the external financing when it gets big. As a result, investors frequently consider huge organizations to be more valuable and robust. However, the findings of earlier research have been mixed. According to some research, a firm size increases its worth since it indicates the scope and effectiveness of its activities [23], [24]. However, other research indicates that value is not necessarily impacted by a firm size [13], [14]. This might be due to the fact that operational effectiveness and firm size are not necessarily directly correlated, or that investors in emerging countries like Indonesia prioritize capital structure and profitability above asset size alone. These variations highlight the necessity of reevaluating how firm size affects value, especially in Indonesia's consumer products industry, which demands significant capital and is extremely sensitive to shifts in consumer demand dynamics. We may make the following hypothesis thanks to this explanation:

H_3: Ln (total assets) is significantly impacted by company value.

The Debt to Equity Ratio is normally used to measure leverage, which is the extent to which a firm uses debt in financing its business. The usage of debt may, in principle, raise a firm's worth as it may show how brave management is to grow the company and seize investment possibilities. Investor opinions on leverage might differ, though, because excessive debt can potentially raise the danger of bankruptcy. Results from earlier research have been erratic. According to some research, leverage increases a company's worth since it shows management confidence and is interpreted as a sign of expansion [10], [15], [17]. However, because excessive debt raises risk and undermines profitability, some other research have concluded that leverage has a negative or negligible effect [6]. These variations in outcomes might be caused by the way management handles debt, various industrial sectors, and macroeconomic factors like inflation and interest rates. Many consumer products businesses have utilized debt to finance their operations and preserve cash flow in the post-pandemic period. In order to reassess the effect of leverage on firm value in Indonesia's consumer products industry for the years 2015–2024, this study is crucial. Thus, based on the preceding description, a hypothesis may be formed:

H_4: Debt equity ratio is significantly impacted by company value.

3. Proposed Method

This study conducts an analysis of consumer product companies that are listed on the IDX, a total of 50. The time frame under consideration is 2015–2024. The secondary data used was obtained from IDX (PT Bursa Efek Indonesia), IDN Financials (Bursa Efek Jakarta & Indonesia | Pasar Keuangan Indonesia), and Yahoo Finance (Yahoo Finance - Stock Market Live, Quotes, Business & Finance News), together with instructions on how to download all corporate financial documents for the years 2015-2024 from their websites and from the websites of consumer products companies. In the sampling procedure, a purposive sampling procedure was employed, which finds outliers for the purpose of calculating sample size and population needs.

Table 1. Calculation Variables and Indicators

Variable	Indicators	Measurement
Good Corporate Governance (X1)	KI = $\frac{\sum \textit{institutionally owned shares}}{\sum \textit{outstanding shares}} \boldsymbol{x\ 100\%}$	Ratio
Profitabilities (X2)	ROE = $\frac{\textit{Net Profit}}{\textit{Total Equity}}$	Ratio
Firm Size (X3)	Firm Size = Ln (Total Assets)	Ratio
Leverage (X4)	DER = $\frac{\textit{Total Liabilities}}{\textit{Total Equity}}$	Ratio
Company Value (Y)	TBQ = $\frac{\textit{Market Cap + Total Liabilities}}{\textit{Total Asset}}$	Ratio

Source: Compiled Independently (2025)

Table 1 lists the study's demographic requirements for consumer products companies listed between 2015 and 2024 on the Indonesia Stock Exchange (IDX). The following are the results of the research population criterion.

Table 2. Sample Selection Criteria

Company criteria used	Total
Consumer product companies listed consecutively 2015-2024	119
The company didn't publish financial reports for 2015-2024	-4
Companies that suffered losses between 2015-2024	-65
Total sample of companies observed	**50**

Source: IDX, *Processed Data* (2025)

Based on the data presented in Table 2, a total of 119 consumer product companies were listed consecutively on the Indonesia Stock Exchange (IDX) during the 2015–2024 observation period. These companies represent several sub-sectors within the consumer product industry, including food and beverages, cosmetics and household goods, pharmaceuticals, and tobacco.

The sample selection process was conducted using purposive sampling to obtain balanced panel data. Several elimination steps were applied to ensure the consistency and completeness of the financial data used for analysis. First, four companies were excluded because they did not publish complete financial reports for the 2015–2024 period. Furthermore, 65 companies were removed from the sample because they experienced losses during the observation period, which could potentially bias financial performance and firm-valuation indicators.

After applying these criteria, a total of 50 consumer product companies met all requirements and were consistently observed across the ten-year period. This resulted in 500 balanced panel observations used in the study. Purposive sampling ensured that all selected firms maintained active listing status and provided complete annual financial statements throughout the research window [25].

This study measures firm value using Tobin's Q, a measure that has been used extensively in the literature, which relates a firm's market value to the book value of its assets. Tobin's Q encompasses both market perception and ex-pectations of future growth and thus

is much more comprehensive than simple valuation metrics such as PBV or PER [26], [27]. In research pertaining to developing markets, such as Indonesia, this becomes highly relevant.

4. Results and Discussion

Result

Statistic Descriptive

Descriptive statistics, an analytical technique employed to summarize or characterize certain data, situations, or events, encompass the mean, maximum value, minimum value, and standard deviation. The study's independent and dependent variables, Institutional Ownership (IS), Return on Equity (ROE), Firm Size (FS), Debt to Equity Ratio (DER), and Tobin's Q, have the following descriptive statistics. The following are the results of the descriptive statistical analysis:

	X1	X2	X3	X4
Mean	1.460244	0.238158	29.58260	1.446482
Median	0.697131	0.119186	29.63651	0.723156
Maximum	39.58064	21.97150	34.93475	190.3070
Minimum	0.000000	0.000000	26.43453	0.031264
Std. Dev.	4.123349	1.065308	1.514420	8.990810
Skewness	7.573185	18.99902	0.355466	20.67008
Kurtosis	66.96780	386.7581	3.322301	434.6036
Jarque-Bera	81024.22	2788390.	11.42440	3524825.
Probability	0.000000	0.000000	0.003305	0.000000
Sum	657.1099	107.1712	13312.17	650.9171
Sum Sq. Dev.	7633.899	509.5619	1029.767	36294.76
Observations	450	450	450	450

Figure 4. Descriptive Test Results

Based on the information from the figure above, this study consists of 450 observations comprising four independent variables: institutional ownership (X1), profitability (X2), firm size (X3), and leverage (X4), while company value has been considered as the dependent variable and denoted as Y. In regard to the institutional ownership variable, X1, the values vary within the range of 0.00 to 39.58, and the mean and standard deviation are 1.4602 and 4.1233, respectively. This indicates that the mean is lower than the standard deviation, so the dispersion of institutional ownership data is pretty prominent, reflecting variability across firms. As for the profitability variable, X2, the value ranges between 0.00 and 21.97, with the mean and standard deviation of 0.2382 and 1.0653, respectively. It can be said that since the standard deviation is markedly higher than the mean, profitability varies substantially among firms, highlighting financial performance disparities.

Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	19.792588	(49,396)	0.0000
Cross-section Chi-square	557.148756	49	0.0000

Figure 5. Chow Test Results

From the test results in the figure above, one obtains a Cross-section F value of 19.792588 with a probability of 0.0000 and a Cross-section Chi-square value of 557.148756 with a probability of 0.0000. All these probability values are smaller than the significance level of 0.05; therefore, significant differences between cross-section units in the model can be concluded. It can thus be said from the results of the Chow test that the FEM is more appropriate to use than the CEM. Further testing to determine whether the FEM or the REM is most appropriate was done using the Hausman test.

Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	30.349674	4	0.0000

Figure 6. Hausman Test Results

According to figure 6, the Chi-Square is 30.349674 with a probability value of 0.0000, which is less than 0.05. This result means the null hypothesis (H_0) is rejected since this hypothesis states that REM is appropriate. On the other hand, the alternative hypothesis (H_1) is accepted; it indicates that FEM is the most appropriate model for this research. Thus, the result of the Hausman Test supports the result from the Chow Test that FEM is the best and most appropriate model to be used in this panel data analysis.

Lagrange Multiper Test

Null (no rand. effect) Alternative	Cross-section One-sided	Period One-sided	Both
Honda	24.48358 (0.0000)	-0.878925 (0.8103)	16.69101 (0.0000)
King-Wu	24.48358 (0.0000)	-0.878925 (0.8103)	8.357475 (0.0000)
SLM	25.39710 (0.0000)	-0.687764 (0.7542)	-- --
GHM	-- --	-- --	599.4458 (0.0000)

Figure 7. LM Test Results

The Lagrange Multiplier test is conducted to find out if REM fits better compared to the Pooled OLS model. From Figure 7, several methods are reported under the LM Test results: Honda, King-Wu, SLM, and GHM. In all these tests, the probability values for Cross-section and Both effects are reported as 0.0000, which is below the significance level of 0.05. Chow Test, Hausman Test, and Lagrange Multiplier Test results show FEM as an appropriate model for this study. Chow Test results have significant cross-sectional effects, which support the panel data model rather than the Pooled OLS model. Besides, the Hausman Test has a Chi-Square probability value of 0.0000 which is less than the 0.05 level of significance. This is considered to reject the null hypothesis. It means that FEM is preferred over REM. Thus, FEM will be chosen as the most appropriate and consistent model in analyzing panel data of this study since it can handle unobserved heterogeneity across firms that could cause bias in the estimation results.

Heteroscedasticity Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	49.75048	16.91788	2.940704	0.0036
KEPIN	-3.181569	1.419420	-2.241457	0.0259
ROE	-4.442339	5.406430	-0.821677	0.4120
FS	-1.380458	0.620772	-2.223778	0.0270
DER	0.646061	0.754941	0.855776	0.3929

Figure 8. Heteroscedasticity Test Results

The heteroscedasticity test results in the table below show the probability (Prob.) of each variable: for institutional ownership (KEPIN), it is 0.0259; profitability (ROE), 0.4120; firm size (FS), 0.0270; and leverage (DER), 0.3929. Testing criteria suggest that a variable is indicated to experience heteroscedasticity if the probability value is below 0.05. Therefore, the symptoms of heteroscedasticity are set forth by institutional ownership (KEPIN) and firm size (FS) because their probability values, 0.0259 and 0.0270, are beneath the 0.05 level of significance, while those of profitability (ROE) and leverage (DER) do not experience symptoms of heteroscedasticity because their probability values, 0.4120 and 0.3929, are above 0.05. In spite of partial heteroscedasticity within certain variables, this condition does not translate into a grave concern in this study. This is because the model to be estimated is a Fixed Effect

Model (FEM) with an exceptionally large number of observations (450 data points) in a way that minimizes the possible effects of heteroscedasticity on estimates. With a view to ensuring the accuracy of estimation and enhancing model reliability, the researcher applied the robust standard error approach (cross-section weight) as an alternative technique to address variance heterogeneity that may exist across the observed units. The results of the model estimation remain valid and can be reliably used for subsequent hypothesis testing.

Multicollinearity Test

	X1	X2	X3	X4
X1	1.000000	-0.026780	-0.105024	-0.024066
X2	-0.026780	1.000000	0.004791	0.967281
X3	-0.105024	0.004791	1.000000	-0.007470
X4	-0.024066	0.967281	-0.007470	1.000000

Figure 9. Multicollinearity Test Results

From the results of the multicollinearity test presented in figure 9, it is apparent that, except for the correlation between X2 and X4, the correlation values among independent variables (X1, X2, X3 and X4) are below the tolerance limit of 0.80. The values between X2 and X4 amount to 0.967281 or exceed 0.80. This shows that there is a strong indication of multicollinearity between variable X2 (Profitability/ROE) and variable X4 (Leverage/DER), since both have a very high and linear relationship to each other. A too high correlation between independent variables can cause distortions in the estimation of regression coefficients, which will make the interpretation of the effect of each variable on the dependent variable to be less accurate. However, because this research model uses a Fixed Effect Model (FEM) on panel data with a large number of observations (450 data), and still produces significant coefficients on several variables, the phenomenon of multicollinearity can still be tolerated. Besides, FEM is capable of technically controlling unobserved variables between companies (cross-section), which can minimize the impact of multicollinearity on the estimation result.

Multiple Linear Regression Equation

The reason this research uses multiple linear regression is because there are five independent variables in total, which is more than two. This study uses multiple linear regression to determine the effect of KEPIN, ROE FS, and DER variables on firm value or Tobin's Q. Here are the results of the multiple linear regression analysis of this study conducted using the EViews 10 program:

Y = 11.6007468565 - 0.0459902995577*X1 + 0.852749478236*X2 - 0.32074855749*X3 - 0.106928741101*X4

Interpretation of the multiple linear regression equation:

1. The constant value of 11.6007 indicates that if all independent variables (KEPIN, ROE, FS, and DER) are zero, the company value will be 11.6007 units. This value describes the basic value of the company without being influenced by the independent factors studied.
2. The regression coefficient of –0.0459 implies that with every 1% increase in institutional ownership, assuming other variables remain constant, the company value will decline by 0.0459. The result indicates that institutional ownership hurts company value, which can be interpreted to mean that an increased proportion of institutional ownership is not always followed by an increase in the company's market value. Perhaps the reason is that institutional investors have not yet played an optimal role in supervising management.
3. The regression coefficient of 0.8527 means that with every 1% rise in profitability, there will be an increase of 0.8527 in the value of the company, ceteris paribus. This proves that the higher the profitability of the company, the greater the confidence of the investors in the future prospects of the company, thereby enhancing market value.
4. The regression coefficient of –0.3207 reflects that a 1-unit rise in firm size will lead to a 0.3207 decrease in the company's value, other things being equal. This result

suggests that companies with larger total assets do not necessarily have a higher market value. This may happen because large companies usually face higher operational complexity, high fixed costs, or lower efficiency levels compared to small companies.

5. The regression coefficient of –0.1069 implies that for every 1 unit increase in leverage, the value of the company would fall by 0.1069, assuming all other factors are held constant. This suggests that debt levels bear a negative relationship with the value of the company. Higher leverage suggests greater dependence on external financing. This increases financial risk and reduces investor confidence in the company's ability to continue meeting long-term obligations.

Simultaneous Test

R-squared	0.769790	Mean dependent var	2.093432
Adjusted R-squared	0.738980	S.D. dependent var	2.678471
S.E. of regression	1.368435	Akaike info criterion	3.577379
Sum squared resid	741.5550	Schwarz criterion	4.070488
Log likelihood	-750.9102	Hannan-Quinn criter.	3.771732
F-statistic	24.98438	Durbin-Watson stat	0.627744
Prob(F-statistic)	0.000000		

Figure 10. Simultaneous Test Results

Based on the results presented in Figure 10, the F-statistic resulting from the regression analysis equals 24.98438, with a Prob(F-statistic) of 0.000000. Because the significant probability level is below 0.05, the regression model used can be said to be jointly significant. This means that independent variables KEPIN, ROE, FS, and DER together have a significant effect on company value represented by Tobin's Q. That is, at least one of the independent variables significantly affects the dependent variable. The value of R-squared amounts to 0.769790, which means that approximately 76.98% of the variation in the value of a company is described by independent variables entered into the model, while about 23.02% is explained by other factors outside the model. Although there is variation outside of the factors embodied in the model, this relatively high R-squared value signifies that the model had good explanatory power, while the significant F-test result verified that the regression model as a whole was appropriate for modelling variation in the value of the company within the researched sample.

Partial Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	11.60075	4.785180	2.424307	0.0158
X1	-0.045990	0.028083	-1.637629	0.1023
X2	0.852749	0.340053	2.507693	0.0126
X3	-0.320749	0.160732	-1.995544	0.0467
X4	-0.106929	0.038794	-2.756290	0.0061

Figure 11. Partial Test Results

From the partial test results in Figure 11, it can be seen that variable X1, with a regression coefficient of –0.0459, a t-statistic value of –1.6376, and a probability of 0.1023, is stated to have no significant effect on the dependent variable because the p-value is greater than 0.05. On the other hand, variable X2 with a coefficient of 0.8527, a t-statistic of 2.5076, and a probability of 0.0126 is able to prove that it has a positive and significant effect, which means an increase in the X2 variable significantly influences the increase in the dependent variable. Variable X3 has a coefficient of –0.3207, a t-statistic of –1.9955, and a probability of 0.0467, while variable X4 has a coefficient of –0.1069, a t-statistic of –2.7563, and a probability of 0.0061, both of which have a negative and significant influence, so it can be concluded that an increase in X3 and X4 tends to decrease the dependent variable value. Thus, only X2 turns out to have a significant positive influence, while X3 and X4 have a significant negative influence, and X1 has no significant influence in this research model.

Discussion

The Effect of Good Corporate Governance on Firm Value

The partial test results show that the institutional ownership variable, proxied by KEPIN and represented as X1, has a negative coefficient with a probability value of 0.1023, greater than the significance threshold of 0.05. It means this variable negatively and insignificantly affects company value proxied by Tobin's Q. These results indicate that the size of institutional ownership is not large enough to dominate the market's valuation of a company. This is opposite to [28] signalling theory, which posits that higher institutional ownership means better monitoring mechanisms and a reduction in agency problems, therefore raising a company's value. However, in the Indonesian context, the conditions are different because, generally, institutional investors are passive and more strategic in the short term than actively involved in managerial oversight. According to [5], [6], this condition limits the effectiveness of their monitoring. For example, [29] found that weak investor protection along with ineffective governance structure results in a situation when institutional ownership does not always exert a positive impact on company value. A view similar to that can be found in [30], who emphasize that institutional investors in emerging markets lack incentives and control mechanisms that explain their low power in influencing company performance. Furthermore, the negative coefficient from this variable does not mean that the higher the institutional ownership, the lower the company value, but rather that the increase in institutional ownership during the period of study was not accompanied by an increase in company value. This can occur when some institutional investors behave in a passive way or as free riders, or because ownership increases in such companies actually happened when the firms were facing price pressures, which statistically lowered the effect in the negative direction. Moreover, within the study period, company value is more influenced by exogenous factors such as post-pandemic recovery, consumption pattern changes, and social issues such as the boycott of certain products, making the influence of ownership structure factors less visible. Hence, the insignificant probability value and negative coefficient show that institutional ownership has not been able to become a strong or consistent signal in influencing company value in the consumer products sector of Indonesia.

The Effect of Profitability on Firm Value

From the partial test results, it can be seen that ROE (X2) has a positive and significant effect on company value, as indicated by the regression coefficient of 0.8527 and the probability value below the significance level threshold of 0.05 ($0.0126 < 0.05$). This suggests that higher profitability will increase company value, since the high performance of ROE by a company is perceived by investors as a positive signal about its management efficiency in generating revenue, and that fits the signal theory by [18]. This supports previous research findings in Indonesia, such as those done by [8], [9], [10], which showed that profitability increases company value. However, studies by [7], [22] showed that profitability did not have a significant impact, indicating the role of ROE may vary with economic conditions and sector characteristics. Similar evidence from abroad is provided by [31], [32], who explain that, in the period of crisis, investors in emerging markets might view liquidity and leverage stability as more important than profitability, so the predictive capability of ROE is likely to decline. However, in the context of the research at hand, the strong coefficient (0.8527) of ROE evidences that profitability remains a viable explanatory variable of company value in Indonesia's consumer product sector. Thus, an increased ROE value will effectively increase company value, in line with what was expected: the better the financial performance of a company, the higher the value the market places on it.

The Effect of Firm Size on Firm Value

The partial test results show that firm size (FS), represented by X3, has a negative and significant effect on company value, with a coefficient of –0.3207 and a probability value of 0.0467, which is below the significance level of 0.05. This finding indicates that in the consumer products sector in Indonesia, larger companies do not always receive higher market valuations. Theoretically, large companies are expected to have stronger resources, favourable economies of scale, and easier access to financing [33]. However, empirical evidence in this study shows that large size can actually cause operational rigidity, slow down decision-making, and increase bureaucratic inefficiency, thereby reducing the company's ability to respond to

market dynamics. Previous findings in Indonesia also show mixed results, ranging from positive relationships [23], [24] to insignificant ones [13], [14]. In the post-pandemic period, large companies also face additional pressures in the form of supply chain disruptions, increased operating costs, and greater adaptation needs, which ultimately erode economies of scale. [34] even assert that profitability and leverage are more decisive in determining company value than asset size. Theoretically, an increase in total assets should increase operational capacity and company value. However, in practice, asset growth is not always followed by an increase in market value. Tobin's Q will decline when total assets increase faster than market capitalization; that is, when the addition of assets does not generate adequate returns or is not considered a positive signal by investors. This condition is common in large companies that have idle assets, unproductive expansion, or declining operational efficiency. If asset growth is also financed through increased liabilities, financial risk increases, and the market responds negatively. Therefore, the significant negative coefficient in this study reflects that investors in the consumer products industry value efficiency, productivity, and the ability to generate value more than simply the scale of assets, so that the relationship between firm size and company value becomes negative but still significant.

The Effect of Leverage on Firm Value

The partial test results show that leverage (DER), proxied by X4, has a negative and significant impact on company value, which is supported by a regression coefficient of –0.1069 with a probability value of 0.0061, less than the significance level of 0.05. It means that an increase in leverage will actually decrease company value within the consumer products sector in Indonesia. Investors view increased debt as an indication of possible financial risk rather than an indicator of their financial soundness. Based on theoretical studies, signalling theory by [35] argues that debt can be a positive signal of management's confidence in growth prospects. However, the empirical results of this study show the opposite direction. The investors also do not interpret the fact that management increases the amount of debt as a signal of optimism; instead, the action might provoke liquidity pressure, growing interest expenses, and the possibility of falling into financial difficulties. The results are in line with prior studies conducted in Indonesia, such as [10], [15], [17], [36], [37], where it is emphasized that high leverage can lead to a decrease in company value due to lower flexibility of the company's finance and higher risk of default. [6] also presented variations in the influence of leverage, which indicates that the influence of debt is very dependent on industry characteristics and the effectiveness of liability management. In the context of the consumer product industry amidst post-pandemic recovery, facing unstable cash flows and increased cost of borrowing, additional debt is increasingly considered as a risk factor. Thus, although it has been proven that leverage significantly influences the value of the company, the negative direction implies that the market prioritizes the perception of risk over any possible positive signals. The capital structure of a company becomes heavier on the side of liability, and it increases the financial pressure, so investors assess that Tobin's Q declines. Hence, debt in this industry does not act as a tool for value creation but instead as a risk factor that depresses market valuation of the company.

5. Conclusions

Based on the results of regression analysis and discussion of each variable, it is concluded that internal factors have different effects on company value in Indonesia's consumer products sector. Institutional ownership shows a negative coefficient with a significance level above 0.05, indicating that it has no significant effect on the value of the company. This situation describes that institutional investors have not been able to strengthen mechanisms of monitoring so far, so that they still do not have sufficient power to affect market valuation. On the other hand, profitability measured with ROE has a positive and significant influence, meaning that the ability of a company to generate its profits is an important indicator valued by investors. Companies with high profitability are considered to have good prospects and therefore tend to achieve greater market value. Firm size exerts a negative and significant effect on the value of the company. This finding confirms that asset growth is not always followed by efficiency growth or market value increase. Large companies in the post-pandemic period face high operational and bureaucratic costs, have lower flexibility, and have

asset growth that can be unproductive. Tobin's Q, when asset growth cannot create a corresponding increase in market performance, tends to decline. DER, or leverage, also proved to have a negative and significant influence. Although theo-retically, debt can provide a positive signal about the good prospects of the company, the market in consumer products is more sensitive to financial risk given increased interest burdens and uncertainty of cash flows in the post-pandemic period. Thus, high leverage is seen more as a risk factor than as a value-creating instrument. The results of the heteroscedasticity test show that some variables, especially institutional ownership and firm size, affect residual variance, which means that the research model still contains elements of heteroscedasticity. This condition does not invalidate the results of research, but it is an indication that OLS estimates are less efficient and need to be interpreted with caution. Some of the weaknesses of the present study are the use of a proxy for company value which is sensitive to market volatility, namely Tobin's Q; limiting the sample only to consumer products; and not considering other potential variables such as liquidity, sales growth, and managerial ownership structure. Furthermore, the period of research being post-pandemic may create dynamics that do not express normal conditions.

In further research, it is advisable to use estimation methods more robust to heteroscedasticity, such as GLS or White-adjusted standard errors. This research can be expanded by the use of a wider range of variables, an expanded period of observation, and other sectors to make the conclusions more widely generalizable. Using other indicators, such as PBV, will also be an alternative to compare with Tobin's Q to provide a more comprehensive description of the value of the company. Within the context of the post-pandemic recovery of consumer product companies, unstable cash flow and increasing borrowing costs make additional debt increasingly seen as a risk factor. Thus, although leverage has been proven to significantly affect the value of the company, its direction is negative; it reflects that in the market, the perception of risk plays a more dominant role than the potential for positive signals. The more a firm's capital structure is weighted on the liability side, investors perceive the possibility of increasing financial pressure, which gradually lowers Tobin's Q. Hence, debt in this industry is not a tool for creating value but rather one for indicating risk, thereby depressing the market's perception of the enterprise.

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