

Firm Value Volatility in View of Profit Performance and Practices Good Corporate Governance

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Abstrak

Researchers are interested in raising this title because, by implementing good corporate governance, good financial performance will also be achieved. Where, the role of Good Corporate Governance itself is as a system of control and balance or the art of directing and controlling a company to maximize its corporate value and maintain the long-term sustainability of the company. The type of research used in this research is quantitative research in a sociative way, namely research that focuses on testing theories through measuring the relationship between variables. The population in this study were 33 Consumer Goods sub-sector companies listed on the Indonesia Stock Exchange (IDX) during the research period (2018 – 2021). Financial performance have a positive and significant effect on firm value in consumer goods companies on the Indonesia Stock Exchange in 2018-2021, the results of the partial test of the Good Corporate Governance variable have no negative effect and not significant to company value in consumer goods companies on the Indonesia Stock Exchange in 2018 -2021. The role of Good Corporate Governance itself is as a system of control and balance or the art of directing and controlling a company to maximize its corporate value and maintain the long-term sustainability of the company

Kata Kunci: Financial performance, Firm value, Good Corporate Governance

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INTRODUCTION

Several *consumer goods* issuer shares are still under pressure at the end of 2021 . Looking at the index, the IDX Sector Non Consumer Non Cyclical is still down 12.80% since the beginning of the year (ytd). Infovesta's *Head of Investment Research* , Wawan Hendrayana, explained that the cause of the depressed sector was due to the existence of PPKM which resulted in the issuer's target projection for this year being missed. (Sugeng, 2022) . *Consumer goods stocks* were also under pressure, including PT Indofood Sukses Makmur Tbk (INDF) which fell 8.03% ytd, PT Indofood CBP Sukses Makmur Tbk (ICPB) which fell 6.79% ytd, PT Mayora Indah Tbk (MYOR) fell 12.92% ytd, PT Kino Indonesia Tbk (KINO) fell 23.16% ytd, and PT Unilever Indonesia Tbk (UNVR) 38.64%. Thus it becomes a concern to make it a problem that can be controlled.

The volatility of a particular security or market index is decisive. In most cases, the higher the volatility, the riskier the security. Volatility is often measured by either

the standard deviation or the variance between returns from the same security or market index; volatility within a security market is often associated with large swings in either direction. For example, when the stock market rises and falls by more than one percent over a sustained period of time, it is called a "volatile" market. Asset volatility is a key factor when pricing options contract. Volatility often refers to the amount of uncertainty or risk associated with the measure of changes in a security's value. Higher volatility means that a security's value has the potential to be spread over a larger range of values. This means that the price of a security can change dramatically over a short period of time in either direction. Lower volatility means that the security's value does not fluctuate as dramatically, and tends to be more stable.

One way to measure the variation of an asset is to calculate the daily return (percent daily movement) of the asset. Historical volatility is based on historical prices and represents the degree of variability in an asset's return. This figure has no units and is expressed as a percentage. While variance captures the dispersion of returns around the average asset in general, volatility is a measure of variance that is limited by a specific time period. Thus, we can report daily volatility, weekly, monthly or yearly volatility. Therefore, it is useful to think of volatility as the annual standard deviation. Volatility is often calculated using the variance and standard deviation (the standard deviation is the square root of the variance). Since volatility describes the change over a period of time, you can simply use the standard deviation

The decline in stock prices means the implications for a decrease in the value of a company . If corporate governance is implemented properly, to get good management, the company must implement *Good Corporate Governance* (GCG). In the beginning, the existence of *Good Corporate Governance* was motivated by financial problems that occurred in companies in various countries, especially in developed countries. As business develops in various countries, *Good Corporate Governance* is also developing in other countries, for example in developing countries like Indonesia (Ulfah, 2017) . The principle of supervision by Kaihatu (2006) is that in 1999, countries in East Asia that were both affected by the crisis began to experience recovery, except for Indonesia. It must be understood that supervision is *Good Corporate Governance* due to the strength of global competition, inter-country competition, and inter-corporate competition in countries needs to be carried out intensively. So winning or losing, winning or failing, recovering or continuing to decline in a country's economy depends on the intense supervision of each (Moeljono, 2005).

In general, company value can be understood as a condition in which the company and its performance are positively received by the general public and the value or valuation of its shares can benefit shareholders or investors. According to Sujoko and Soebiantoro as quoted in the *Ikraith-Humaniora* journal , company value is seen as an investor's perception of the company's level of success which is closely related to its share price (Algonz, 2021). This is a measure of the success of a company's management in its ability to prosper its shareholders. In addition, company value is also defined as certain conditions achieved by a company as a projection of the trust from the public as consumers for the company's performance and products throughout its operation. This then makes the value of the company can be said as an investor's perception of the success rate of management and management of company resources and its relationship with the company's stock price. So the value of the company is also commonly known as the selling value of a company which is seen from the operational success of its management and the level of selling value or

liquidity. The public's assessment of a company's performance will be directly proportional to the potential increase in share prices and offerings in the capital market.

Previous findings by Erik Syawal Alghifari, Sigit Triharjono, Yuyu Siti Juhaeni (2013) that ROA has a significant positive effect on firm value, then research findings by Ni Wayan Yuniasih and Made Gede Wirakusuma (2009) GCG Corporate Governance is able to Moderate the relationship between Performance and Value Company. Rustiarini (2010) high awareness of companies to implement GCG as a necessity, not just compliance with existing regulations, Marlina Novita Sari (2012) The results obtained from the study show that ROA and ROE do not have a significant effect on firm value while EPS has a significant effect on company value company .

The financial performance of a consumer goods issuer, PT Unilever Indonesia Tbk (UNVR), has experienced a decline for two consecutive years, both in 2020 and 2021. UNVR's performance is expected to improve gradually in 2022. As of Quarter III-2021, UNVR recorded net sales falling 7.48 percent (yoy) to IDR 30.02 trillion, and UNVR's EBITDA also fell 16.13 percent (yoy) to IDR 6.60 trillion. Issuers in companies that are in the *consumer goods sector* are projected to have limited growth in 2021 . This is in line with the high price of CPO. Apart from the price of raw materials, another challenge will also come from the Covid-19 case. However, it will not be like in 2020 and 2021 because of the vaccination program and learning from existing treatments. Therefore, in general, the CG sector can still grow, although it is limited. Next year, the *fast moving consumer goods* (FMCG) sector is projected to have limited growth. This is in line with the high price of CPO.

Efforts to increase corporate value in the sector *Consumer Goods* continue to be made by making additional investments. An increase in the 2021 capital expenditure budget of IDR 450 billion. The funds are focused on buying land and building factories and paying off bonds. The *Consumer Goods* company's net sales as of September 30, 2021 were recorded to have grown 8.05% to IDR 3.04 trillion. Previously, Siantar Top's net sales only reached IDR 2.81 trillion as of September 30, 2020. Meanwhile, net profit fell 9.61% to IDR 433.31 billion at the end of last September. Meanwhile, PT Kino Indonesia Tbk (KINO) is more positive about the prospects for 2022. This optimism is driven by the fact that vaccine distribution is getting better and the government is also implementing a Covid-19 vaccine *booster* . Armed with optimism and Indonesia's economic conditions are getting better. Based on the disclosure of information, it is known that PT Unilever Indonesia Tbk (UNVR) bought up UNVR shares. Kino is optimistic that it is targeting sales growth of 20% in 2022. KINO's management hopes that its net profit can grow to double. As for the allocation for capital expenditure or capex next year, KINO has prepared Rp 350 billion to Rp 400 billion. This issuer will use capital expenditure primarily to increase production capacity as needed. (Aldo Fernando, CNBC Indonesia . 2022).

Implementation of *Good Corporate Governance* assisted by government policies in the form of Limited Liability Company Law Number 40 of 2007 Article 97 which explains that the commissioners are tasked with overseeing the policies of the directors in running the company and providing advice to the directors. Based on agency theory, it is assumed that there is a possibility of conflict in the relationship between the principal and the agent which is called agency conflict. The existence of an independent commissioner is a manifestation of the GCG mechanism which is believed to be able to reduce the agency conflict. With its independence, the

independent board of commissioners can exert a strong enough influence on management to disclose information evenly and honestly to stakeholders and shareholders. The existence of an independent commissioner is expected to be able to enhance the role of the board of commissioners so as to create GCG within the company. The value of companies that have set GCG will be higher in the eyes of investors than companies that do not set it (Handoko, 2010).

Implications of the need for supervisory practices with the principles of *Good Corporate Governance* implemented in the *Consumer Goods* sector . The principle of supervision is as a system consisting of processes and structures (mechanisms) that control and coordinate various participants in running the company's business. The oversight is to direct and manage the planned business activities in order to achieve the company's goals, align the company's behavior with the expectations of the community, and maintain the company's accountability to shareholders. Broadly speaking, corporate governance includes the principles of rights and fair treatment of shareholders and stakeholders to follow ethical business behavior and practice and integrity (Edi Wibowo 2010). Researchers are interested in raising this title because, by implementing good corporate governance, good financial performance will also be achieved. Where, the role of Good Corporate Governance itself is as a system of control and balance or the art of directing and controlling a company to maximize its corporate value and maintain the long-term sustainability of the company. Based on the background of this research problem, the formulation of the problem is what is financial performance and *good corporate governance* effect on the value of the company Consumer Goods ?

Volatility is a statistical measure of the spread of returns for a particular security or market index. In most cases, the higher the volatility, the riskier the security. Volatility is often measured by either the standard deviation or the variance between returns from the same security or market index. In the securities market, volatility is often associated with large swings in either direction. For example, when the stock market rises and falls by more than one percent over a sustained period of time, it is called a "volatile" market. Asset volatility is a key factor when pricing options contract . Almost every business entity or corporation has what is known as enterprise value. Firm value is generally related to the level of asset ownership and the potential of the company to attract investors. Volatility is often calculated using the variance and standard deviation (the standard deviation is the square root of the variance). Since volatility describes changes over a given period of time, you simply take the standard deviation and multiply it by the square root of the number of periods in question:

$$vol = \sigma\sqrt{T}$$

where:

- v = volatility over some time interval
- σ = standard deviation of returns
- T = number of periods in the time horizon

Stock price volatility is considered mean-reverting, meaning that periods of high volatility are often moderate and periods of low volatility are rising, fluctuating around the long-term mean. Implied volatility, also known as projected volatility, is one of the most important metrics for options traders. As the name suggests, this allows them to determine how volatile the market will be going forward. This concept also gives traders a way to calculate probabilities. One important thing to note is that it should not be considered a science, thus not providing a forecast of how the market

will move in the future. Unlike historical volatility, implied volatility is derived from the price of the option itself and represents expected volatility for the future. Because it is implied, traders cannot use past performance as an indicator of future performance.

Volatility is also used to price options contracts using models such as the Black-Scholes or the binomial tree model. A more volatile underlying asset will result in a higher option premium because with volatility there is a greater chance that the option will cash out at expiration. Options traders try to predict the future volatility of an asset, so that the price of options in the market reflects implied volatility. One measure of the relative volatility of a particular stock to the market is beta (β). Beta estimates the overall volatility of the security's return against the return of the relevant benchmark (usually the S&P 500 is used). For example, a stock with a beta value of 1.1 has historically moved 110% for every 100% move in the benchmark, based on price level.

Investors can find periods of high volatility troublesome as prices can swing wildly or crash suddenly. Long-term investors are advised to ignore short-term periods of volatility and stay on track. This is because in the long term, the stock market tends to rise. Meanwhile, emotions such as fear and greed, which can be amplified in market volatility, can undermine your long-term strategy. Some investors may also use volatility as an opportunity to add to their portfolio by buying dips, when prices are relatively cheap.

Firm value is believed to be able to determine the direction and strength of capital for a company's operations in the future. So, to better understand what is meant by "*company value*", we should consider the following review. This research proves the implementation of agency theory by Jensen and Meckling (1976) which states that agency relationships arise when one or more people (principal) employ another person (agent) to provide a service and then delegate decision-making authority to the agent or the importance of oversight on each agent in a corporation.

Supervision with the principles of *Good Corporate Governance* (GCG) is a must in order to build a strong and sustainable company condition. It is hoped that with the implementation of GCG, the company's resource management is expected to be effective, efficient, economical and productive by always being oriented towards company goals and paying attention to the stakeholder approach. The notion of *Good Corporate Governance according to FCGI* (2001) is a set of rules governing the relationship between shareholders, management (managers) of the company, creditors, government, employees and other internal and external stakeholders relating to their rights and obligations or to In other words, a system that manages and controls the company.

The ROA indicator is used to measure the company's overall ability and is invested in the activities used for the company's operating activities with the aim of generating profits. (Ang: 2007 in Zuraedah: 2010). The better the value of ROA, theoretically the company's financial performance is said to be good. If the share price and number of shares outstanding increase, the value of Tobin's Q will also increase (Kusumadilaga: 2010). Handoko (2010) found that ROA has a significant positive effect on stock returns one period ahead. However, different results were obtained by Zuraedah (2010) who found that partially ROA has a significant negative effect on firm value.

Factors that can affect company value are *Good Corporate Goernance* (GCG), by Amanti (2012) states that *Good Corporate Goernance* can create added value because by implementing *Good Corporate Goernance* it is hoped that the company will have good performance so that it can increase corporate value which can provide benefits. for shareholders or company owners. Research conducted by Darmawati (2006) found a positive relationship between *Good Corporate Governance* with company value.

The role of shareholders is to supervise to create prosperity, employment, and a healthy company from a financial perspective. This is a form of corporate responsibility as a submissive member of society by paying attention to the needs of the surrounding community. The goal is to improve company performance through creating a better decision-making process, increasing company operational efficiency and further improving services to stakeholders, making it easier to obtain cheaper financing funds so as to increase corporate value, restoring investor confidence to invest in Indonesia, and shareholders. will be satisfied with the company's performance because it will also increase shareholder value and dividends.

The value of the company for investors if the company is sold (Husnan, 2000). Meanwhile, according to Nurlela and Islahudin (2008) it is an indicator for the market to assess it as a whole. The higher the stock price, the higher the company value. A high company value is the desire of the company owners, because a high value indicates the prosperity of the shareholders is also high. In this research, the ratio used to assess company value is Tobin 's Q. This ratio was developed by Professor James Tobin (1967). In simple terms, Tobin's q is a measure of performance by comparing two assessments of the same assets, Tobin's q is the ratio of the market value of a company's assets as measured by the market value of the number of outstanding shares and debt (enterprise value) to the replacement cost of company assets (Fiakas 2005). If the company has a value greater than the previous value, it will have costs to increase again, and it is possible to make a profit. In general, Tobin's Q is almost the same as the market to book ratio, but in Sukamulja (2004), Tobin's Q has different characteristics, including:

1. *Replacement Cost vs Book value*

The Q ratio , also known as *Tobin's Q* , is the value of a company obtained by dividing the market value of a company by the cost of replacing assets. *The Q ratio* will find the equilibrium point when the firm's market value equals its replacement cost. Basically, the *Q ratio* can show the relationship between market valuation and the company's intrinsic value. Tobin's Q uses (estimated) replacement cost as the denominator, while the market to book to book ratio uses the book value of total equity. The use of replacement cost makes the value used to determine Tobin's Q include various factors, so that the value used reflects the actual market value of the asset at the present time, one of the factors is inflation. In other words, the *Q Ratio* is a means of estimating whether a company's business or market value is *undervalued* or *overvalued* . *The Q ratio* was discovered by Nicholas Kaldor in 1966 and popularized by James Tobin. The *replacement value of assets* (RVA) in this *Q ratio* can determine investment opportunities for investors. If the *Q ratio* is high ($Q > 1$) then the growth potential of a company is high and management is performing well on company assets. The formula for calculating Tobin's Q is: $Q = (MVS + MVD)/RVA$, where Q = Firm value , MVS = Market value of all outstanding shares, MVD = Market

value of all debt, market value of all debt, MVD is obtained from (Liabilities - Assets + Long term debt) , and RVA = Asset replacement value

After understanding some of the indicators and the formula for calculating company value above, we come to understand how company assets and financial accounting are important in the process of determining company value. Aspects related to debt to income also determine the value of a company and its bargaining value in the capital market.

2. *Total Assets vs Total Equity*

Market to book value only uses the equity factor (common and preferred stock) in measurement. The use of this equity factor indicates that the market to book ratio only pays attention to one type of investor, namely investors in the form of shares, both ordinary and preferred shares. Tobins'Q provides a broader insight into the meaning of investors. The company as an economic entity, does not only use equity to fund its operational activities, but also other sources such as debt, both short term and long term.

3. *Price Earning Ratio (PER)*

Price earning ratio is a method that is carried out by relying on the selling price of the company to the buyer when a company is sold. This price is obtained from a comparison of the stock price with the company's net profit.

The share price of an issuer will be compared with the net profit generated by the issuer in a certain period, usually one year. *Price earning ratio* is a method of calculating company value that focuses on net income, so that issuers can determine the fairness level of their stock prices in real terms. *Price earning ratio* can be obtained from the formula Price Earning Ratio (PER) = Price per share/Earning per share

4. *Price to Book Value*

This method of calculating company value can produce good value if a company has qualified management. Efficient and effective company management or management allows at least PBV in a year to be worth 1 or more than the book value, this condition is called *overvalued* . *price to book value* (PBV) is obtained by comparing the stock price with the company's book value. If the PBV value is less than 1, it is certain that the stock price is lower than the book value of the company or is called undervalued. A low PBV value generally indicates a decrease in the performance of the company. The formula for calculating PBV is as follows Price to Book Value (PBV) = Share Price/Book Value of the Company

RESEARCH METHOD

The type of research used in this research is quantitative research in a sociative way , namely research that focuses on testing theories through measuring the relationship between variables . This research was conducted on companies listed on the Indonesia Stock Exchange (IDX) via the internet using the website www.idx.co.id to access the company's financial reporting. This research is planned for 2 months , namely from June-July 2022 . The population in this study were 33 Consumer Goods sub-sector companies listed on the Indonesia Stock Exchange (IDX) during the research period (2018 – 2021).

Sampling was done using purposive sampling technique, namely the selection of sample members based on certain criteria. The criteria used in this study are Consumer Goods sub-sector companies that have been registered on the IDX since 2018 and

remain registered on the IDX until 2021. This is intended to obtain continuous data in processing data, companies publish annual reports and/or sustainability reports for the 2018-2021 research period, and the availability of all the variables studied during the 2018-2021 research period. This study uses secondary data. Data were taken during the observation period between 2018-2021. Data obtained among others from Indonesia Stock Exchange, www.idx.co.id, ICMD (Indonesia Capital Market Directory), and IDX Corner, Faculty of Economics and Business, Diponegoro University, Semarang. To get the value of each variable, it is described as follows:

1. Financial performance using the ratio formula, namely:

$$ROA = \frac{\text{Net profit after tax}}{\text{Total Assets}} \times 100\%$$

2. Good Corporate Governance using several indicators:

GCG indicator	Score	
Transparency	0	
Accountability	0	
Responsibility	0	
Independence	0	
Fairness	0	
	0	
If	Positive	1
If	Negative	0

3. Company Value using the ratio formula, namely

$$\text{Tobin's Q} = \frac{\text{Closing Share Price}}{\text{Share Book Value}}$$

Description :

Tobin's Q = firm value

TA = Total Assets

The research was conducted using multiple linear regression analysis and moderating regression. The hypothesis testing model in this study uses the regression model as a multiple linear regression model (*multiple regression analysis*).

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_1 X_2 + e$$

Information:

Y = Firm Value (Tobin's Q)

X_1 = Return on Assets (ROA)

X_2 = Proportion of Independent Commissioners

$\beta_1 - \beta_4$ = Regression Coefficient

e = term error

RESULTS AND DISCUSSIONS

Achieved volatility is a statistical measure used to show the spread of returns on a particular security or market index. Table 1 shows the level of volatility of issue from 2018 to 2021. Increased volatility indicates greater risk of a product or investment asset. Volatility shows the fluctuation in the value of the indicator used. K when there is a decrease in high volatility then there was a sharp increase in prices. Meanwhile, when volatility is low, financial markets tend to be stable. Volatility in the securities market often occurs when the stock index increases and decreases by more than one percent in a relatively short period of time, so you can say that the stock market is currently volatile or experiencing volatility.

1. TABEL 1. VOLATILITY OF EMIETEN 2018-2021

Year	Volatility	$\sigma\sqrt{T}$	Year	Volatility	$\sigma\sqrt{T}$
SKLT			DLTA		
2018	1.500	1.501	2018	2018	14.130
2019	1.610		2019	2019	
2020	1.565		2020	2020	
2021	2.420		2021	2021	
ULTJ			MLBI		
2018	2018	1020	2018	2018	45,139
2019	2019		2019	2019	
2020	2020		2020	2020	
2021	2021		2021	2021	
MOLI			UNVR		
2018	2018	3,914	2018	2018	119,297
2019	2019		2019	2019	
2020	2020		2020	2020	
2021	2021		2021	2021	
SIDO			GGRM		
2018	2018	3,404	2018	2018	216,272
2019	2019		2019	2019	
2020	2020		2020	2020	
2021	2021		2021	2021	
AGII			INDF		
2018	2018	3,572	2018	2018	21,591
2019	2019		2019	2019	
2020	2020		2020	2020	
2021	2021		2021	2021	
HMSP			ICBP		
2018	2018	4,281	2018	2018	32,986
2019	2019		2019	2019	
2020	2020		2020	2020	
2021	2021		2021	2021	

The data used in this study is secondary data regarding the financial statements of 12 (twelve) companies, namely SKLT (Sekar Laut Tbk), MOLI (Madusari Murni Indah Tbk), AGII (Pt Aneka Gas Industri Tbk), DLTA (Delta Jakarta Tbk), UNVR (Unilever Indonesia Tbk), INDF (Indofood Sukses Makmur Tbk), ULTI (Ultra Jaya Milk Industry & Trading Company Tbk), SIDO (Herbal and Pharmaceutical Industry Sido Muncul Tbk), HMSP (HM Sampoerna Tbk), MLBI (Multi Bintang Indonesia Tbk), GGRM (Gudang Garam Tbk), and ICBP (Indofood Cbp Sukses Makmur Tbk) during the 2018-2021 period.

No	Company name	ROA			
		2018	2019	2020	2021
1	SKLT (Sekar Laut Tbk)	4.28%	5.68%	5.49%	9.51%
2	MOLI (Madusari Murni Indah Tbk)	5.04%	3.25%	3.48%	1.71%
3	AGII (Pt Aneka Gas Industri Tbk)	1.72%	1.47%	1.40%	2.59%
4	DLTA (Delta Jakarta Tbk)	22.19%	22.29%	10.07%	14.36%
5	UNVR (Unilever Indonesia Tbk)	44.68%	35.80%	34.89%	30.20%
6	INDF (Indofood Sukses Makmur Tbk)	5.14%	0.14%	5.36%	6.25%
7	ULTI (Ultra Jaya Milk Industry & Trading Company Tbk)	12.63%	15.67%	12.68%	17.24%
8	SIDO (Herbal Medicine and Pharmaceutical Industry Sido Muncul Tbk)	19.89%	22.84%	24.26%	30.99%
9	HMSP (HM Sampoerna Tbk)	29.05%	26.96%	17.28%	13.44%
10	MLBI (Multi Bintang Indonesia Tbk)	42.39%	41.63%	9.82%	2.28%
11	GGRM (Gudang Garam Tbk)	11.28%	13.83%	9.78%	6.23%
12	ICBP (Indofood Cbp Sukses Makmur Tbk)	13.56%	13.85%	7.16%	6.69%

No	Company name	Tobins Q			
		2018	2019	2020	2021
1	SKLT (Sekar Laut Tbk)	2,17	2,33	2,27	3.51
2	MOLI (Madusari Murni Indah Tbk)	5.56	3.99	3.65	1.57
3	AGII (Pt Aneka Gas Industri Tbk)	4,44	4.54	5.88	9.90
4	DLTA (Delta Jakarta Tbk)	34,38	42.50	27.50	23,38
5	UNVR (Unilever Indonesia Tbk)	34,38	55.05	9,63	5,39
6	INDF (Indofood Sukses Makmur Tbk)	8,49	9.03	7.80	7,20

7	ULTJ (Ultra Jaya Milk Industry & Trading Company Tbk)	2.34	2.91	2.77	2.72
8	SIDO (Herbal Medicine and Pharmaceutical Industry Sido Muncul Tbk)	5,60	8.50	5,33	5,77
9	HMSP (HM Sampoerna Tbk)	7.98	4.52	3,24	2.08
10	MLBI (Multi Bintang Indonesia Tbk)	76,15	76,82	45,32	38.97
11	GGRM (Gudang Garam Tbk)	86.93	55.09	42,62	31.81
12	ICBP (Indofood Cbp Sukses Makmur Tbk)	17,92	19,13	16,42	14.92

The normality test with a significance value of the *Kolmogrov-Smirnov test* is greater, namely the variable ROA (X1) 0.1 55, variable *Good Corporate Governance* (X2) and the *Tobins Q* (Y) variable is greater than 0.05, which means that it can be concluded that the residual significance is normally distributed. So that the regression model above fulfills the assumption of normality or it can be said to have a normal distribution. The multicollinearity test between the ROA variables (X1) is 1,000, then the Variance Inflation Factor (VIF) value is more than 10 with the VIF value of each independent variable being 1,000. from the results of calculating the Tolerance and VIF values, it can be concluded that there are no symptoms of multicollinearity of the independent variables in the regression model. The heteroscedasticity test can be seen that the plot points spread randomly. It can be concluded that in the regression model there is no variable inequality from the residual one observation to another so that the regression model is feasible to use to predict the *Tobins Q* (Y) variable based on the input of the independent variables . ROA (X1) and *Good Corporate variables Governance*

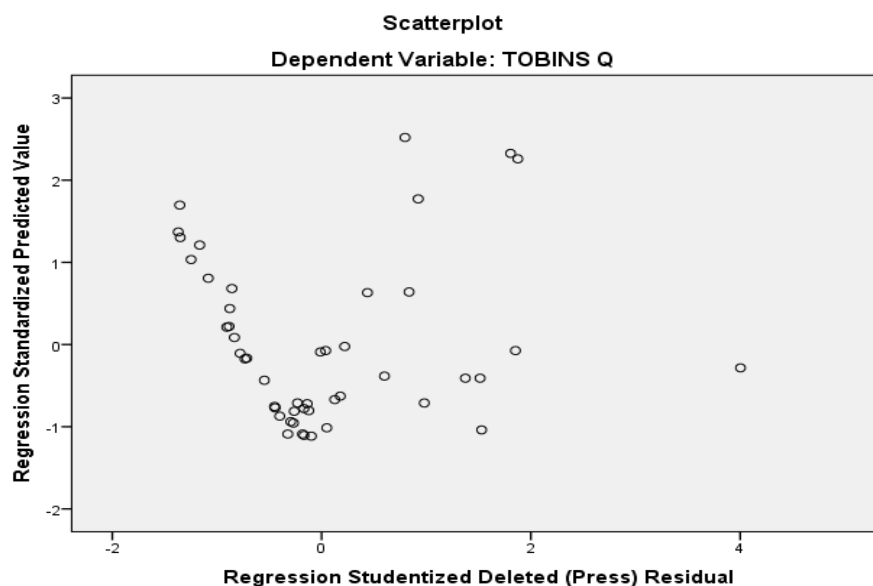


Figure 3 Distribution of residual data on the scatterplot

Multiple regression analysis is used to determine the effect of workload and career development on job satisfaction. In addition, multiple regression analysis is also

used to test the correctness of the hypothesis proposed in this study based on table 4.8 , whose model is $Y = 17.603 + 82.844 \text{ ROA} - 11,933 \text{ GCG} + 10,022$. The coefficient of determination is used to measure how much the independent variable consists of ROA (X1) and *Good Corporate Governance* (X2) affect variables *Tobin's Q* (Y) variable . Based on Table 4.5 , from the results of the data processing above it is known that the magnitude of R^2 from ROA (X1) and *Good Corporate Governance* (X2) , in explaining or *Tobins Q* (Y) of 0, 196 or 19.6 percent while the remaining 91.3 percent is explained by other variables not examined in this study. . The results of the t test (Pacial test) are used to partially determine the effect of the independent variables which consist of variables ROA (X1) and *Good Corporate Governance* (X2) to the *Tobins Q* (Y) variable . The following are the results of the t test produced in this study:

Table 2. . Test Results t

Model	B	σ	β	t	Sig.	Information
ROA	82,844	25,076	0.435	3,304	0.002	Influential
GCG	-11,933	9,678	-0.162	-1.233	0.224	No effect

Financial performance with the ROA indicator affects firm value with the Tobins Q indicator due to the increased interest in demand for shares by investors towards the company. The increase in profits is evident from the following company profits, SKLT (Sekar Laut TBK) with a growth of 73.0%, AGII (PT Aneka Gas Industri TBK) with a growth of 84.7%, DLTA (Delta Djakarta TBK) with a growth of 42.6%, INDF (Indofood Sukses Makmur TBK) with a growth of 16.4%, UL TJ (Ultra Jaya Milk Industry & Trading Company TBK) with a growth of 17.24%, Sido (Herbs and Pharmacy Industry Sido Muncul TBK) with a growth of 27.7%. Good Corporate Governance has no effect on corporate value because GCG has not been able to create good performance for the company so that it has not been able to increase corporate value in company profits. Indicators that are considered weak are low transparency, accountability is often reported late, responsibility is often corrected, commissioner independence is still low, and fairness in the preparation of financial reports is still corrected. This shows that the large percentage of share ownership from outside the company is not able to increase the value of the company.

CONCLUSIONS

Based on data analysis and discussion of research results, it can be concluded that the results of the partial test of the variable Financial performance have a positive and significant effect on firm value in consumer goods companies on the Indonesia Stock Exchange in 2018-2021, the results of the partial test of the Good Corporate Governance variable have no negative effect and not significant to company value in consumer goods companies on the Indonesia Stock Exchange in 2018 -2021. Simultaneously the variables Financial Performance and Good Corporate Governance have a positive and significant effect on company value in consumer goods companies on the Indonesia Stock Exchange in 2018-2021.

Based on the results of the analysis, discussion, and conclusions. The implication of this research is that manufacturing companies listed on the IDX (Indonesian Stock Exchange) are expected to implement Good Corporate Governance (a good governance system). If the company has a good governance system, it can foster trust for investors in the company so that it will have an impact on increasing the expected

company value. It is suggested for further researchers to add variables to their research. Besides that, it is suggested for further researchers to

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