# ABSTRACT

Novira Veronica / 35150247 / 2019/ *The GCG mechanism for Corporate Values ​​is mediated by Leverage, Profitability, and Growth as Intervening Variables (Case Study of the Sri-Kehati Index Company on the IDX in 2013-2017)* / *Advisor:* Drs. Ari Hadi Prasetyo, M.M. M.Ak.

*The increasing of competition makes companies compete with each other to get a good perception from shareholders. One of the efforts is to implement Good Corporate Governance to encourage the company's performance to be better, so that it can appeal investors to invest in the company and the effect is that the company's stock price rises, ultimately increasing the value of the company. This study aims to discuss the effect of Good Corporate Governance on firm value with capital structure, profitability, and company growth as an intervening variables.*

*The theories that are used to support this research, include agency theory, signaling theory, and pecking order theory. Agency theory encourages the emergence of the concept of Good Corporate Governance in managing the company's business in order to minimize agency conflict. Signaling theory indicates a positive signal or negative signal from the financial statements. Pecking order theory explains that companies prefer funding through debt rather than equity when internal funds are no longer sufficient.*

*The object of the research that is used in this study is the Sri-Kehati Index companies are listed on the Indonesia Stock Exchange in 2013-2017. The sampling method used is non probability sampling with purposive sampling technique. The number of companies that fit the criteria is 17 companies and 85 samples are obtained. The data analysis technique used is Partial Least Square (PLS). There are including* *descriptive statistics analysis, overall fit assessment, multiple regression analysis, and hypothesis testing using warpPLS 6.0.*

*The results show that the models made in this study were fit. Hypothesis test results show that the effect of Good Corporate Governance on capital structure, profitability, and company growth produces p-value < 0.05, the effect of capital structure and profitability on firm value also produces p-value < 0.05, while the effect of Good Corporate Governance and company growth on company value produces p-value > 0.05.*

*The conclusion of this study is that there is sufficient evidence of positive and significant effect that is the effect of Good Corporate Governance on capital structure and profitability, as well as the influence of profitability on firm value. However, the negative and significant influence of Good Corporate Governance on company growth. There is sufficient evidence that the capital structure has a negative and significant effect on firm value*. *There is sufficient evidence that the Good Corporate Governance has a negative and significant effect on company growth*. *There is not enough evidence that Good Corporate Governance and company growth have effect on firm value.* *There is enough evidence of capital structure and profitability to be able to bridge the influence of Good Corporate Governance on company value and there is not enough evidence of the company's growth able to bridge the influence of Good Corporate Governance on company value.*