# *ABSTRACT*

Thalia Tamzil / 31150371/2019 / The Impact of Institutional Ownership, Managerial Ownership, and Profitability on Firm Value ​​in Manufacturing Companies Listed in Indonesia Stock Exchange in the Period of 2015-2017 / Prima Apriwenni, S.E., Ak., M.M., M.Ak.

Companies must continue to grow in order to be sustainable in the development of increasingly rapid business and many new companies are emerging as competitors who have competitive advantages. Companies compete with each other to get a good image and perception of each stakeholder. Therefore the firm value is very important to describe the welfare of the company. There are several factors that can affect firm value. Some of them are institutional ownership, managerial ownership, and profitability. Therefore this study aims to determine the effect of institutional ownership, managerial ownership, and profitability on the value of the company in manufacturing companies listed on the Indonesia Stock Exchange in the period 2015-2017.

This research is based on agency theory and signal theory. In agency theory, it is said that in the agency relationship will cause costs, one of which is the monitoring cost. The monitoring cost can be reduced by the presence of institutional ownership that can help companies in monitoring employee performance. In agency theory there are also basic human characteristics, one of which is selfishness which can cause employee fraud. Therefore, managerial ownership is required so that managers have the same goals as the company. Shareholders need a signal that contains company prospect information that can be obtained through the level of profitability of the company.

The sample of this study is a manufacturing company listed on the Indonesia Stock Exchange (IDX) for the period 2015-2017 with a total sample of 105 samples. The sampling technique used is the Non-Probability Sampling technique with the purposive sampling method. The tests performed are descriptive statistical analysis, coefficient similarity test, overall classical assumption test, test coefficient of determination, simultaneous significance test, and test of significance of individual parameters.

The Simultaneous Significance Test result shows that institutional ownership, managerial ownership, and profitability have simultaneous impact on firm value. Individual Parameter Significance Test result shows that institutional ownership and profitability have a positive impact on firm value. While managerial ownership does not affect the value of the company

The conclusion of this study shows that there is enough evidence of institutional ownership to have a positive effect on a company’s value. There is not enough evidence that managerial ownership has a positive effect on company’s value. And there is sufficient evidence of profitability affecting the value of the company.

Key words : Firm Value, Tobin’s q, Institutional Ownership, Managerial Ownership, Profitability, Return on Asset