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INFLUENCE OF OPERATING PERFORMANCE AND MARKET PERFORMANCE AGAINST THE VALUE OF THE COMPANY BY USING VARIABLE INTERVENING CAPITAL STRUCTURE (Case Study on Indonesian Retail Companies Listed on IDX in 2016-2021)

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ABSTRACT

Increasing the value of the company is very important and the main goal for a company. High company value will increase market confidence in company performance and company prospects in the future. This study aims to determine the effect of operating performance and market performance on company value by using the capital structure intervening variable (Case Study on Indonesian Retail Companies listed on the IDX 2016-2021). The method used in the analysis of this research is purposive sampling using the Smart PLS 3.3.9 program. The population in this study are companies listed on the IDX with 11 selected samples. The results of the study using Smart PLS prove that profitability has an influence on leverage, double funding, and firm value. Profitability has no effect on Equity. There is an Influence between Market Value with Leverage, Equity, and Double Funding. There is no Influence between Market Value and Company Value. There is an Influence between Leverage and firm Value. There is no Influence between Equity, dual funding on Firm Value. There is an indirect effect caused by the intervening variable capital structure (leverage) with profitability on firm value.

Keywords: Operation performance; Market performance; firm value; Capital Structure

INTRODUCTION

The establishment of a company has the main goal of increasing or optimizing the value of the company. According to Ika (2013) Increasing company value is very important for a company because it can be a reflection of the company's performance which is able to influence investors' perception of the company. The value of the company will be a reflection for investors of his views on the success rate of the company. High company value will be able to add market confidence in the company's performance and the company's future prospects. Increasing company value is a company goal that can be achieved with good performance and structured. Because the higher the value of a company, it can be a picture of the welfare of a company. In realizing this, the company is expected to be able to manage its resources well in order to be able to achieve a competitive advantage and prioritize knowledge and intangible assets for the future.

Several factors that can affect the value of the company include operating performance and market performance. This operating performance can be measured by the company's profitability (ROA). According to Nitariana (2016) in operating performance if the company is able to use all its assets to generate sales efficiently, then the company will be able to get maximum profit because the operating costs can be minimized. The high and low value of a company can be influenced by the high and low profitability value of the company as well. If the company experiences an increase in profit or profit, it can reflect that the company has performed well, so that it can cause a positive view from investors. This is in line with the opinion of Kasmir (2010) which states that profitability is the main factor that can affect the

value of a company. So according to the results of research from Mardiyati (2012) which states that profitability will have a positive and significant influence on company value.

Market performance is a company's effort to increase the value of a company's shares that have previously been traded in the capital market by the company. This market performance can be measured using market value (PBV). The stock market price can act as a measure of a company's financial performance to determine the value of the company. The higher the share price offered, the higher the value of the company.

In addition, increasing the value of the company can be achieved by implementing the financial management function in financial management. This financial management will be directly related to the company's funding decisions which greatly affect the company's capital structure. Whether or not a company's capital structure is good affects the position and financial performance in increasing company value (Darsono 2017). In research Suranto and Walandouw (2017) stated that capital structure has a positive and significant influence on company value. In contrast to the opinion of Rahmawati et al (2015) which states that there is no influence between the capital structure and the value of the company. In carrying out its operational activities, this capital structure is an illustration of the company's funding sources where internal funding comes from shareholders and external funding comes from debt. In large companies, debt issuance is highly relied upon in productive development financing efforts with trustworthy guarantees in guaranteeing debt services or cash payments (Loncan & Caldeira, 2014). And if the use of debt is very large in the company's capital structure, it can trigger an increase in installment and interest payments and increase the risk that causes the inability to fulfill these obligations. In financing development to increase company value, the use of Trade-Off Theory in the concept of capital structure will serve as a counterweight to the various costs and benefits of debt and equity. These include tax benefits from debt and tax hardship costs, agency costs from debt and equity financing, and capital structure costs and benefits. Options in financing will be driven by selection costs that will be detrimental and result to information asymmetry between managers and investors. This selection fee will occur if the company issues securities where debt is lower than equity. In this case, the company will prefer to use internal funding and will choose debt over equity when all these external funds have been raised.

The abundance of empirical evidence exists and states that much of the capital structure comes from the study of determinants of financial ratios, as Titman and wessels (1998), and Graham (1996) argue. Meanwhile, the study on debt funding and corporate equity proposed by Marsh (1982) and Jung et al. (1996) who have stated that the study will be able to identify that corporate characteristics such as size intensity, research and development, market-to-book ratio of assets, stock returns, profitability, tangible assets, and marginal tax rates are very important determinants of a company's financing options.

The study's many differences of views could contribute to sparking a debate about the profound effects of operating and market performance in corporate financing decisions caused by *Trade-Off Theory* or financing behavior using *the pecking order* theory. Shyam-Sunder and Myers (1999) argue that profitability and leverage have a consistent negative relationship to pecking orders and are inconsistent with the trade-off model. As is the case with Fama and French (2002) who have the same opinion on the negative effects of profitability on such leverage consistent with the pecking order model. They also argue that being able to offset leverage against changes in earnings and implies a profitability effect is a temporary change in leverage commonly referred to as a change in target. But this is different from the opinion of Jensen (1986) who has explained that there is a positive relationship between Profitability and laverage if the market is able to control the company well. This high profitability of the company will always be associated with low corporate leverage, although in fact the high profitability of the company will be more likely to issue debt than to issue equity, which is consistent with the dynamic trade-off theory model (Hovakimian et al., 2001). Leland (1994) argues that the negative effect of the market-to-book ratio of observed debt ratios is likely due

to the choice of debt problems with equities consistent with trade-offs and pecking orders. In contrast to Baker and Wurgler (2002) who argued that the trade-off theory and pecking order theory would be consistent with the negative effects of the old debt ratio book on the company's leverage. Focusing on funding companies by issuing debt and equity or by dual funding, this will potentially trigger substantial changes in the issuer's capital structure. Apart from the problems that occur due to the issuance of double funding, this double funding can help us to find out the factors that affect the company's capital structure, therefore companies will tend to be careful in determining the amount of debt and equity. In double funding, the profitability of the observed debt ratio regression will be overcome. And if the company has a targeted capital structure, then the observed debt ratio will deviate substantially from the specified target.

In this theory of trade-offs and packing double funding orders will provide an opportunity to test the effect of a company's profitability on leverage that is judged to have unequal predictions. A company capable of issuing debt and equity or issuing dual funding will have the rare opportunity to regulate its corporate capital structure at a relatively low cost. Therefore, companies that follow a dynamic trade-off strategy will tend to choose the amount of new debt and equity so that deviations from the target caused by accumulated profits and losses will be offset and the resulting debt ratio will be close to the target. As a result, there will be a positive relationship between profitability and leverage. Conversely, if the company chooses and follows the theory of pecking orders, then what will happen is a negative relationship between profitability and leverage. This is because the company has no incentive to offset the effects caused by profitability to leverage. Hovakimian (2001) argues that in the ratio of the market to the company's books, for the issuance of debt will tend to decrease compared to the issuance of equity. According to Stulz (1990) this happens because companies with high market-to-book value growth will tend to have a low debt ratio, and if companies with low market-to-book value growth will tend to have a high debt ratio. This is reinforced by the statement of Baker and Wurgler (2002) who stated that when the company's market with a market-to-book ratio is high, then equity issuance will be high as well. This is because managers believe that the value of the company's shares will be high, so the issuance of equity will be carried out if the company's market performance is high as well. Equity and dual funding issuers are able to regulate market timing by issuing periods of high market performance, which causes an insignificant market timing effect in the regression of dual funding and equity issues. The importance of market-to-book ratios in a company's funding decisions, because companies with a high market-to-book value will have a low debt ratio target and the company will be more likely to issue equity than issue debt.

LITERATURE REVIEW

Trade-off Theory

Brealey and Myers (1991) explain that the trade-off theory is a development of Modigliani-Miller's theory, which with the trade-off theory of companies bases their funding decisions on an optimal capital structure. An optimal capital structure can be achieved when there is a balance between the benefits of using debt and the cost of using debt.

Pecking order theory

Pudjiastuti and Suad (2016) define *Pecking Order Theory* as a theory that explains the source of a company's funding decisions from internal (retained earnings) and external (issuance of new equity). Frank and Goyal (2007) stated that companies that use *the Pecking Order* theory will make funding decisions by hierarchically from internal and then external funding. With the source of funding used, which comes from retained earnings, debts, to the issuance of equity, then after that it will start from the source of funds that has the lowest cost.

Market Timing Theory

Baker and Wurgle (2002) explain that the capital structure is a cumulative result of an effort in conducting equity market timing in the past. In equity market timing theory, it is explained that companies will issue equity when the market value is high and will buy equity again when the market value is low. This equity market timing aims to take advantage of temporary fluctuations that occur in the cost of equity against the cost of other capital components.

Funding Decisions

Halim (2007) stated that funding is a determination of the source of funds to be used by the company either sourced from internal or external funds using short-term or long-term time. A funding decision is a decision to determine the source of funds to be used by a company. Funding decisions are useful for determining optimal funding by the company by using sources of funds from inside or outside the company. A developed company will need large funds to finance its viable investments. Then the Company must make a funding decision, where the decision can use funds sourced from inside or outside the company (Sukardi, 2009).

Company Sources of Funds

Judging from its origin in making a funding decision, there are 2 sources in the company's funding, namely:

1. Internal Sources

This internal source company funding is company funding that comes from the company's own capital which is usually generated from the company's retained earnings. The profit generated by the company in each period has a different size so that it affects the size of the profit held by the company. If the company has a large profit and has a policy that part of the profit amount is as dividends, then the share of retained profit will be small. Meanwhile, retained earnings will tend to be large if the company has a policy of reinvesting in large companies. In addition to retained earnings, there is the depreciation of the company which is one of the company's internal sources of funding. Company depreciation is used in replacing a fixed asset that can later be used to finance the company even though it has a limited time until the time of replacement. The amount of depreciation in each period depends on the depreciation method that the company has used.

2. External sources

This external source company funding is funding that comes from outside the company. Usually these funds are sourced from creditors and the owners themselves. Funds derived from creditors are a debt to the company and the capital derived from the creditor is foreign capital

Company Values

Qodariyah (2013) explained that company value is a certain condition that has been achieved by the company as an illustration of public trust in the company.

RESEARCH METHODOLOGY

The object of this study is the use of financial statements of *retail* companies go-public on the Indonesia Stock Exchange in 2016-2021. In this study using secondary data sources, where the data was obtained by studying the literature or documents related to the research. The data is taken in data that has been published by go-public retail companies on the Indonesia Stock Exchange. The published data is in the form of a company profile or an overview of the company, the company's financial statements containing the company's balance sheet and income statement from 2016 to 2021. The data in this study is data sourced from company data records that have been published on the Indonesia Stock Exchange and the Indonesian Capital Market Directory (ICMD) 2021. . The data analysis method in this study is used to analyze and test the data that has been obtained and then interpreted so that the resulting report is easy to understand. The method used in the analysis of this study used the Smart PLS 3.3.9 program. On the Indonesia Stock Exchange there are 26 retail companies that have been listed but of these there are only 11 companies that meet the criteria for the sample.

Table 3.1 Company samples

No.	Company Code	COMPANY NAME
1.	AMRT	PT. Source Alfaria Trijaya Tbk.
2.	HERO	PT. Hero Supermarket Tbk.
3.	LPPF	Matahari Department Store Tbk.
4.	MIDI	PT. Midi Utama Indonesia Tbk.
5.	MPPA	PT. Matahari Putra Prima Tbk.
6.	RANC	Supra Boga Lestari Tbk.
7.	ACES	PT. Ace Hardware Indonesia Tbk.
8.	CSAP	PT. Chess Sentosa Adiprana Tbk.
9.	ERAA	PT. Erajaya Swasembada Tbk.
10.	RALS	Ramayana Lestari Sentosa Tbk.
11.	TELE	PT. Tiphone Mobile Indonesia Tbk.

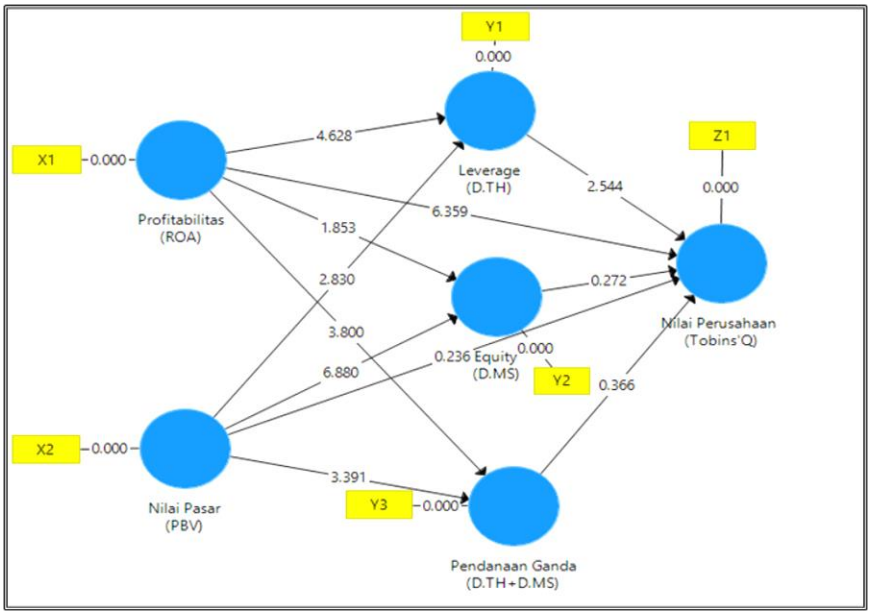
Source : http://www.idx.co.id

DISCUSSION AND RESEARCH RESULTS

Match Test Between Variables

Inner Test After Boostrapping

Figure 4.1 Inner Test Results after Boostrapping



Source : *Testing Boostrapping* Smart Pls 3.3.9

It can be seen from the picture that:

1. **There is an influence between Profitability (ROA) and Leverage (D.TH)**, because in the Algorithm test picture above, it can be seen that the effect value between Profitability

(*ROA*) and *Leverage* (D.TH) is 4,628. The value is greater than 1.96 so it can be interpreted if there is an influence between Profitability (*ROA*) and *Leverage*.

2. **There is no effect between Profitability (ROA) and Equity (D.MS**), because in the Algorithm test picture above, it can be seen that the value of the influence between Profitability (*ROA*) and *Equity* (D.MS) is only 1,853. The value is smaller than 1.96, so it can be interpreted if there is no influence between Profitability (*ROA*) and Equity (D.MS).
3. **There is an influence between Profitability (ROA) and Double Funding (D.TH + D.MS), because in the** *Algorithm* test picture above, it can be seen that the value of the influence between Profitability (*ROA*) and Double Funding (D.TH + D.MS *)* is 3,800. The value is greater than 1.96, so it can be interpreted if there is an influence between Profitability (*ROA*) and Double Funding (D.TH + D.MS).
4. **There is an influence between Market Value (PBV) and Leverage (D.TH**), because in the Algorithm test picture it can be seen if the influence value between market value (PBV) and leverage (D.TH) is 2,830. The value is greater than 1.96, so it can be interpreted if there is an influence between market value (PBV) and leverage (D.TH).
5. **There is an influence between Market Value (PBV) and Equity (D.MS), because in the** *Algorithm* test picture it can be seen if the influence value between market value (PBV) and Equity (D.MS) is 6,880. The value is greater than 1.96, so it can be interpreted if there is an influence between market value (PBV) and Equity (D.MS).
6. **There is an influence between Market Value (PBV) and Double Funding (D.TH + D.MS), because in the** *Algorithm* test picture above it can be seen that the influence value between Market Value (PBV) and Double Funding (D.TH + D.MS) is 3,391. The value is greater than 1.96, so it can be interpreted if there is an influence between market value (PBV) and Double Funding (D.TH + D.MS).
7. **There is an Influence between Profitability (***ROA*) and Company Value (Tobins'Q), because in the *Algorithm* test picture above, it can be seen that the effect value between Profitability (*ROA*) and Company Value (Tobins'Q), is 6,359. The value is greater than 1.96, so it can be interpreted if there is an influence between Profitability (*ROA*) and Company Value (Tobins'Q).
8. **There is no Influence between Market Value (PBV) and Company Value (Tobins'Q), because in the test image the** *Algorithm* can be seen if the influence value between market value (PBV) and Company Value (Tobins'Q), which is only 0.236. Where the value is less than 1.96, it can be interpreted if there is no influence between market value (PBV) and Company Value (Tobins'Q).
9. **There is an influence between Leverage (D.TH) and Company Value (Tobins'Q), because in the** *Algorithm* test picture it can be seen if the influence value between leverage (D.TH) and Company Value (Tobins'Q) is 2,544. Where the value is greater than 1.96, it can be interpreted if there is an influence between leverage (D.TH) and Company Value (Tobins'Q).
10. **There is no Influence between Equity (D.MS) and Company Value (Tobins'Q), because in the** *Algorithm* test picture it can be seen if the influence value between Equity (D.MS) and Company Value (Tobins'Q) is 0.272. Where the value is less than 1.96, it can be interpreted if there is no influence between Equity (D.MS) and Company Value (Tobins'Q).
11. **There is no Influence between Dual Funding (D.TH+D.MS) and Company Value (Tobins'Q), because in the** *Algorithm* test picture it can be seen that the influence value between Double Funding (D.TH+D.MS) and Company Value (Tobins'Q) is 0.366. Where the value is less than 1.96, it can be interpreted if there is no influence between Double Funding (D.TH + D.MS) and Company Value (Tobins'Q).

Test Hypotheses After *Bootstrapping Testing*

Test the Direct Influence Hypothesis

Figure 4. 2 Direct Influence Hypothesis Test Results

Koefisien Jalur

Mean, STDEV, T-Values, P-Value... | Keyakinan Interval | Keyakinan Interval Bias-Dikore... | Sampel | Salin ke Clipboard: | Format Excel | For

	Sampel Asli (O)	Rata-rata Sam...	Standar Devias...	T Statistik (| O/...	P Values
Equity_(D.MS) -> Nilai Perusahaan _(Tobins'Q)	-2.886	-3.366	10.621	0.272	0.786
Leverage_(D.TH) -> Nilai Perusahaan _(Tobins'Q)	-0.324	-0.332	0.127	2.544	0.011
Nilai Pasar_(PBV) -> Equity_(D.MS)	-0.669	-0.655	0.097	6.880	0.000
Nilai Pasar_(PBV) -> Leverage_(D.TH)	-0.370	-0.358	0.131	2.830	0.005
Nilai Pasar_(PBV) -> Nilai Perusahaan _(Tobins'Q)	0.046	0.079	0.195	0.236	0.813
Nilai Pasar_(PBV) -> Pendanaan Ganda_(D.TH+D.MS)	0.606	0.576	0.179	3.391	0.001
Pendanaan Ganda_(D.TH+D.MS) -> Nilai Perusahaan _(Tobins'Q)	-3.876	-4.456	10.601	0.366	0.715
Profitabilitas_(ROA) -> Equity_(D.MS)	0.290	0.258	0.156	1.853	0.065
Profitabilitas_(ROA) -> Leverage_(D.TH)	0.483	0.464	0.104	4.628	0.000
Profitabilitas_(ROA) -> Nilai Perusahaan _(Tobins'Q)	-0.984	-0.997	0.155	6.359	0.000
Profitabilitas_(ROA) -> Pendanaan Ganda_(D.TH+D.MS)	-0.378	-0.373	0.099	3.800	0.000

Source: Processed Secondary Data, 2022

From the table above, it can be concluded that:

1. From the table above, it can be seen that the effect of Profitability (ROA) on Leverage (D.TH) has a Statistical T Value of 4.628 and is greater in value than 1.96 and for the P Value owned which is 0.000 or less than 0.05, then from these results it can be concluded that Profitability (*ROA*) has a positive influence on *Leverage* (D.TH). So for **hypothesis 1 it is acceptable** because there is a positive and significant influence between profitability (ROA) and Leverage (D. TH). This is in accordance with the Trade-off theory where profitability has a positive relationship with laverage, so that if profitability is higher, the laverage will be high as well. Jensen (1986) also explained that there is a positive relationship between Profitability and laverage if the market is able to control the company well. In addition, Harjito (2011) with his research and stated that profitability affects the debt ratio. In accordance with the opinions of Jensen (1986) and Harjito (2011), Shyam-Sunder and Myers (1999) argue that profitability and leverage have a consistent negative relationship to pecking orders and are inconsistent with the trade-off model. So in this study, it can be concluded that retail companies in Indonesia tend to adhere to and use the Trade-off theory.
2. From the table above, it can be seen that the effect of Profitability (ROA) on Equity (D.MS) has a Statistical T Value of 1.853 and its value is smaller than 1.96 and for the P Value it has which is 0.065 or greater than 0.05, then from these results it can be concluded that Profitability (*ROA*) has a negative influence on *Equity* (D.MS). So that **hypothesis 2 is rejected or not accepted** because there is a negative and insignificant influence between profitability (ROA) and *Equity* (D. MS). This can be interpreted to mean that for funding retail companies in Indonesia, they prefer and like funding using debt rather than equity. Therefore, it can be concluded that retail companies in Indonesia tend to use the trade-off theory compared to the packing order theory.
3. From the table above, it can be seen that the effect of Profitability (ROA) on Double Funding (D.TH + D. MS) has a Statistical T Value of 3,800 and where the value is greater than 1.96 and for the P Value it has which is 0.000 or less than 0.05, then from these results it can be concluded that Profitability (*ROA*) has a positive influence on Double Funding (D.TH + D. MS). So for **hypothesis 3 it is acceptable** because there is a positive and significant influence between profitability (ROA) and Double Funding (D.TH + D. MS). The use of

double funding in the company will increase along with the company's profitability. In retail companies in Indonesia tend to use a trade-off strategy where the company will choose funding through debt and equity, this is because the deviation of the target from the accumulated profit and loss will be offset and the resulting debt raiso will be able to approach the target or not exceed far from the target.

4. From the table, it can be seen that the influence of Market Value (PBV) on laverage (D.TH) has a Statistical T Value of 2.830 and where the value is greater than 1.96 and for the P Value owned which is 0.005 or the value is smaller than 0.05, then from these results it can be concluded that Market Value (PBV) has a positive influence on laverage (D.TH). So that **hypothesis 4 is acceptable** because there is a positive and significant influence between Market Value (PBV) and laverage (D.TH). This is consistent with Stulz (1990) who explained that if the growth of a company's market-to-book value is high, the company will be able to have a low debt ratio target, on the other hand, if the company's market-to-book value growth is low, the company's debt ratio target will be high. So it can be concluded that the high and low market value of the company will affect the high and low debt ratio of a company.
5. From the table, it can be seen that the influence of Market Value (PBV) on Equity (D.MS) has a Statistical T Value of 6,680 and where the value is greater than 1.96 and for the P Value owned which is 0.000 or the value is less than 0.05, then from these results it can be concluded that Market Value (PBV) has a positive influence on Equity (D.MS). So that **hypothesis 5 is acceptable** because there is a positive and significant influence between Market Value (PBV) and Equity (D.MS). According to Stulz (1990), companies with high market-to-book value growth will tend to have a low debt ratio, and if companies with low market-to-book value growth will tend to have a high debt ratio. Companies with a high market-to-book value will have a low debt ratio target and the company will be more likely to issue equity than issue debt. Therefore, the high and low market value greatly affects the high low equity of the company.
6. From the table, it can be seen that the influence of Market Value (PBV) on Double Pandanaan (D.TH +D.MS) has a Statistical T Value of 3.391 and where the value is greater than 1.96 and for P Value owned which is 0.001 or the value is less than 0.05, then from these results it can be concluded that Market Value (PBV) has a positive influence on Double Funding (D.TH +D.MS) So that **hypothesis 6 is acceptable** because there is a positive and significant influence between Market Value (PBV) and Dual Funding (D.TH+D.MS). The higher the PBV value, the negative the market reaction will be by selling. If the company increases debt, then the market reaction will also be negative, this is because investors' assessment of the increase in debt is an increase in the amount of risk that will be borne by the company. And this is not liked by investors and is in accordance with the theory of Packing Order. With this, many give a message to the company's management to pursue funding with a double funding policy, and what investors and potential investors will do with this policy is to "*wait and see"*. Therefore, from this explanation, if the market value is high, the company's management should carry out a leveraged financing policy.
7. From the table, it can be seen that the effect of Profitability (ROA) on Company Value (Tobins'Q) has a Statistical T Value of 6.359 and where the value is greater than 1.96 and for P Value it has, which is 0.000 or the value is less than 0.05, then from these results it can be concluded that Profitability (ROA) has a positive influence on Company Value (Tobins'Q) So that for **hypothesis 7 it is acceptable** because there is a positive and significant influence between Profitability (ROA) and Company Value (Tobins'Q). The high and low value of a company can be influenced by the high and low profitability value of the company as well. If the company experiences an increase in profit, it can reflect that the company has a good performance, so that it can cause a positive view from investors. In

addition, an increase in profit will make the company's stock price increase and will increase the value of the company as well.

8. From the table, it can be seen that the effect of Market Value (PBV) on Company Value (Tobins'Q) has a Statistical T Value of 0.236 and where the value is less than 1.96 and for P Value owned which is 0.813 or the value is greater than 0.05, then from these results it can be concluded that Market Value (PBV) has a negative influence on Company Value (Tobins'Q) So for **hypothesis 8 it cannot be accepted or rejected** because there is a negative and insignificant influence between Market Value (PBV) and Company Value (Tobins'Q). Although many state that market value can affect company value, but in this retail company's research, market value does not show its effect on company value. The negative effects arising from this test can occur due to lack or loss of active market application which causes the achievement of market value to decrease and this affects the decline of the company's company value. In addition, the low stock price can also have a bad influence on the value of the company so that it will result in unfavorable assumptions from investors to the company.
9. From the table, it can be seen that the effect of Leverage (D.TH) on Company Value (Tobins'Q) has a Statistical T Value of 2.544 and where the value is greater than 1.96 and for P Value owned which is 0.011 or the value is less than 0.05, then from these results it can be concluded that Leverage (D.TH) has a positive influence on Company Value (Tobins'Q) So that for **hypothesis 9 it is acceptable** because there is a positive and significant influence between Leverage (D.TH) on Company Value (Tobins'Q). The high and low leverage of a company can affect the value of a company. High leverage can be utilized to obtain higher income. By using funding derived from debt or assets, the company can optimally run its business and the profit obtained will also increase. This is because with leverage in calculating taxes, interest will be deducted by debt first which can cause relief in tax deductions so that the profit or income earned will increase.
10. From the table, it can be seen that the effect of Equity (D.MS) on Company Value (Tobins'Q) has a Statistical T Value of 0.272 and where the value is smaller than 1.96 and for P Value owned which is 0.786 or the value is greater than 0.05, then from these results it can be concluded that Equity (D.MS) has a negative influence on Company Value (Tobins'Q) So for **hypothesis 10 it cannot be accepted or rejected.** Because there is a negative and insignificant influence between Equity (D.MS) on Company Value (Tobins'Q). Negative effects arise because companies that apply the Trade-off theory will prefer debt as a source of funding in helping to increase the value of the company. Low equity with low cash can result in the company being inclined to issue debt in order to help increase the value of the company.
11. From the table, it can be seen that the effect of Double Funding (D.TH + D.MS) on Company Value (Tobins'Q) has a Statistical T Value of 0.366 and where the value is smaller than 1.96 and for P Value owned which is 0.715 or the value is greater than 0.05, then from these results it can be concluded that Double Funding (D.TH + D.MS) has a negative influence on Company Value (Tobins'Q) So for **hypothesis 11 it cannot be accepted or rejected** because there is a negative and insignificant influence between Dual Funding (D.TH+D.MS) on Company Value (Tobins'Q). The negative effects arising between double funding and company value are usually due to both elements (Debt and Equity) that have no effect together on the value of the company. Or just one element that is able to influence and have less influence on the value of the company. This can be because low equity or too high debt can cause this double funding to have no influence on the value of the company. Or the company only chooses 1 source of funding that is considered capable of increasing the value of the company.

Test the Indirect Influence Hypothesis

Figure 4.3. Indirect Influence Hypothesis Test Results

Efek Tidak Langsung Spesifik

Mean, STDEV, T-Values, P-Value... | Keyakinan Interval | Keyakinan Interval Bias-Dikore... | Sampel | Salin ke Clipboard: | Format Excel | Format R

	Sampel Asli (O)	Rata-rata Sam...	Standar Devias...	T Statistik (| O/...	P Values
Nilai Pasar_(PBV) -> Equity_(D.MS) -> Nilai Perusahaan _(Tobins'Q)	1.930	2.286	6.917	0.279	0.780
Profitabilitas_(ROA) -> Equity_(D.MS) -> Nilai Perusahaan _(Tobins'Q)	-0.836	-0.943	2.458	0.340	0.734
Nilai Pasar_(PBV) -> Leverage_(D.TH) -> Nilai Perusahaan _(Tobins'Q)	0.120	0.122	0.074	1.610	0.108
Nilai Pasar_(PBV) -> Pendanaan Ganda_(D.TH+D.MS) -> Nilai Perusahaan ...	-2.349	-2.738	6.945	0.338	0.735
Profitabilitas_(ROA) -> Pendanaan Ganda_(D.TH+D.MS) -> Nilai Perusaha...	1.465	1.563	2.475	0.592	0.554
Profitabilitas_(ROA) -> Leverage_(D.TH) -> Nilai Perusahaan _(Tobins'Q)	-0.156	-0.154	0.070	2.244	0.025

Source: Processed Secondary Data, 2022

It can be seen from the table above that there is only 1 influence of indirect effects contained in this study. Where this indirect effect is caused by the placement of intervening variables between free variables and elevated variables. The effect of Profitability (ROA) on the value of the company with the intervening variable used, namely this leverage has a statistical T value of 2.244 which is greater than 1.96 and has a value value of 0.025 which is smaller than 0.05. So for the hypothesis of indirect effects caused by this intervening variable is acceptable. This is because the intervening variables in this variable test affect the free variables and bound variables.

For the influence of Market Value (PBV) on Company Value (Tobin'Q) with the intervening variable used is equity (D.MS) this has a statistical T value of 0.279 where the value is smaller than 1.96 and has a value value of 0.780 where the value is greater than 0.05. Therefore, from these results, it can be concluded that the hypothesis of indirect effects caused by this intervening variable is rejected. This is because the intervening variables in this variable test have no effect on free variables and bound variables.

For the effect of Profitability (ROA) on Company Value (Tobins'Q) with the intervening variable used is equity (D.MS) this has a statistical T value of 0.340 where the value is smaller than 1.96 and has a value value of 0.734 where the value is greater than 0.05. Therefore, from these results, it can be concluded that the hypothesis of indirect effects caused by this intervening variable is rejected. This is because the intervening variables in this variable test have no effect on free variables and bound variables.

For the influence of Market Value (PBV) on Company Value (Tobin'Q) with the intervening variable used is Leverage (D.TH) this has a statistical T value of 1.160 where the value is less than 1.96 and has a value value of 0.108 where the value is greater than 0.05. Therefore, from these results, it can be concluded that the hypothesis of indirect effects caused by this intervening variable is rejected. This is because the intervening variables in this variable test have no effect on free variables and bound variables.

For the influence of Market Value (PBV) on Company Value (Tobin'Q) with the intervening variable used is Double Funding (D.TH + D.MS) this has a statistical T value of 0.338 where the value is smaller than 1.96 and has a value value of 0.735 where the value is

greater than 0.05. Therefore, from these results, it can be concluded that the hypothesis of indirect effects caused by this intervening variable is rejected. This is because the intervening variables in this variable test have no effect on free variables and bound variables.

As for the effect of Profitability (ROA) on Company Value (Tobins'Q) with the intervening variable used is Double Funding (D.TH + D.MS) this has a statistical T value of 0.592 where the value is smaller than 1.96 and has a value value of 0.554 where the value is greater than 0.05. Therefore, from these results, it can be concluded that the hypothesis of indirect effects caused by this intervening variable is rejected. This is because the intervening variables in this variable test have no effect on free variables and bound variable.

CONCLUSION

Conclusion

1. There is an Effect between Profitability (*ROA)* and *Leverage* (D.TH), **Hypothesis 1 Accepted.**
2. No Effect between Profitability (*ROA)* and *Equity* (D.MS), **Hypothesis 2 Rejected.**
3. There is an Influence between Profitability (*ROA)* and Double Funding (D.TH+D.MS), **Hypothesis 3 Accepted.**
4. There is an Influence between Market Value (PBV) and Leverage (D.TH), **Hypothesis 4 Accepted.**
5. There is an Influence between Market Value (PBV) and Equity (D.MS), **Hypothesis 5 Accepted.**
6. There is an Influence between Market Value (PBV) and Double Funding (D.TH+D.MS), **Hypothesis 6 Accepted.**
7. There is an Influence between Profitability (*ROA)* and Company Value (Tobins'Q), **Hypothesis 7 Accepted.**
8. No Influence between Market Value (PBV) and Company Value (Tobins'Q), **Hypothesis 8 Rejected.**
9. There is an Effect between Leverage (D.TH) and Company Value (Tobins'Q), **Hypothesis 9 Accepted.**
10. No Influence between Equity (D.MS) and Company Value (Tobins'Q), **Hypothesis 10 Rejected.**
11. No Effect between Double Funding (D.TH+D.MS) and Company Value (Tobins'Q), **Hypothesis 11 Denied.**
12. There is an influence of the variable intervening laverage on the effect of profitability (ROA) on Company Value (Tobins'Q). **The hypothesis of this indirect effect is acceptable.**
13. There is no effect of the Variable Intervening Equity (D.MS) on the effect of Market value (PBV) on Company Value (Tobins'Q). **The hypothesis of an indirect effect on this variable is rejected.**
14. There is no effect of the Intervening Equity Variable (D.MS) on the effect of profitability (ROA) on Company Value (Tobins'Q). **The hypothesis of an indirect effect on this variable is rejected.**
15. There is no effect of Variable Intervening Leverage (D.TH) on the effect of Market value (PBV) on Company Value (Tobins'Q). **The hypothesis of an indirect effect on this variable is rejected.**
16. There is no effect of the Double Funding Intervening Variable (D.TH+D.MS) on the effect of Market value (PBV) on Company Value (Tobins'Q). **The hypothesis of an indirect effect on this variable is rejected.**
17. There is no effect of the Double Funding Intervening Variable (D.TH+D.MS)) on the effect of Profitability (ROA) on Company Value (Tobins'Q). **The hypothesis of an indirect effect on this variable is rejected.**

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