The Influence Of Managerial Ownership And Firm Size On Firm Value In Manufacturing Companies Listed On The Indonesia Stock Exchange For The Period 2019–2023

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Abstract: This study explores the influence of managerial ownership and firm size on firm value among manufacturing companies listed on the Indonesia Stock Exchange. The research adopts a quantitative approach by utilizing secondary data derived from annual financial statements published over a span of several years. Managerial ownership is represented by the proportion of shares held by managers, directors, and commissioners, while firm size is measured using the natural logarithm of total assets. Firm value is assessed through the Tobin's Q ratio, which reflects market perception of a firm's performance and growth potential. The panel data regression analysis is employed using a structured model selection process, including fixed effect and random effect model evaluations. The findings reveal that both managerial ownership and firm size positively and significantly influence firm value. These results highlight the strategic importance of aligning internal ownership structures and scaling firm operations to enhance corporate value and attract investor confidence.

Keywords: Managerial Ownership, Firm Size, Firm Value, Manufacturing Companies, Panel Data Regression

INTRODUCTION

In today's dynamic and competitive business environment, companies are constantly challenged to demonstrate their true value to investors and stakeholders. This is especially relevant for publicly listed companies, where the perception of firm value directly impacts investor confidence and share price. The ability of a company to enhance its value depends not only on its financial performance but also on internal governance and ownership structures that align management objectives with shareholder interests (Jensen & Meckling, 1976).

One of the key internal factors that influence firm value is managerial ownership. When managers hold equity stakes in the companies they run, they are more likely to act in ways that enhance long-term value, as their interests are directly aligned with those of shareholders (Wahyudi & Pawestri, 2006). However, the extent to which managerial ownership affects firm value remains debated, as some studies suggest a positive impact, while others reveal no significant effect or even a negative relationship (Sukirni, 2012).

Another critical factor is firm size, which reflects a company's market reach, resource capacity, and operational complexity. Larger firms tend to have more stable earnings, better access to capital, and stronger reputations in the marketplace. These characteristics often make them more attractive to investors, potentially increasing firm value (Ngurah, 2016). Conversely, some studies have found that firm size does not always lead to higher valuation, especially when not accompanied by efficiency and innovation (Akhmad, 2016).

In Indonesia, the manufacturing sector plays a vital role in national economic development. This sector contributes significantly to GDP and employment, making it an important focus for investment analysis. Manufacturing firms, particularly those in the consumer goods industry, often operate under high levels of scrutiny from regulators and investors, making firm value a critical performance indicator (Herawaty, 2008). Despite its importance, the literature on how managerial ownership and firm size influence firm value in Indonesian manufacturing firms remains limited. Prior research has produced mixed results, possibly due to differences in industry structure, governance practices, and macroeconomic conditions (Kartika, 2020). This inconsistency highlights the need for further empirical investigation, particularly using recent data and more robust analytical methods.

From a theoretical perspective, this study is grounded in agency theory, which suggests that conflicts of interest between managers and shareholders can be mitigated through ownership structures that align their goals (Schroeder, 2010). Managerial ownership, in this context, acts as a mechanism to reduce agency costs and promote value-enhancing behavior. At the same time, stakeholder theory emphasizes that firm value is not only driven by financial outcomes but also by how well a firm manages relationships with its key stakeholders (Gray, 2016).

This study also acknowledges the unique institutional environment in emerging markets like Indonesia, where corporate governance structures may differ from those in developed economies. Regulatory frameworks, investor protection laws, and cultural norms can all influence how ownership and size translate into value (Indayani & Hastuti, 2020). Therefore, understanding these relationships in the Indonesian context provides valuable insights for investors, regulators, and corporate leaders. In measuring firm value, this study adopts Tobin's Q, a widely used proxy that compares a company's market valuation to its replacement cost (Perwito et al., 2023). This metric reflects market sentiment and investor expectations regarding a firm's future performance. It also captures both tangible and intangible aspects of value, making it a comprehensive indicator in financial analysis.

The significance of this research lies in its potential to clarify the role of managerial ownership and firm size in shaping firm value, especially during a period of economic recovery and transformation. By focusing on manufacturing companies listed on the Indonesia Stock Exchange, this study offers both theoretical contributions and practical implications for corporate governance and strategic management. Given the conflicting findings in prior research and the growing importance of corporate transparency and accountability, this study aims to re-examine the impact of managerial ownership and firm size on firm value using the most recent data and panel regression methods. In doing so, it seeks to fill a critical gap in the literature and support evidence-based decision-making in corporate policy and investment strategies.

RESEARCH METHOD

This research adopts a quantitative approach, aiming to examine the influence of managerial ownership and firm size on firm value among manufacturing companies listed on the Indonesia Stock Exchange. A quantitative design was chosen because it allows for objective measurement and statistical validation of relationships between variables. The use of numerical data ensures that the findings can be interpreted systematically and generalized within the defined population.

The population of this study consists of manufacturing firms operating in the consumer goods sector, as these companies are directly influenced by market perceptions and investor sentiment. This sector was selected because of its significant contribution to the national economy and the transparency of its financial disclosures. To narrow down the sample, the researchers applied purposive sampling, selecting only firms that consistently published complete annual reports and disclosed managerial ownership data over the observation period.

The final sample includes companies that met specific criteria: being listed on the IDX from the beginning to the end of the observation period, presenting financial statements in Indonesian Rupiah, and having available data on all variables used in this study. By applying these filters, the researchers ensured the reliability and consistency of the dataset, ultimately yielding a panel of firms observed over several years.

The data used in this research are secondary data obtained from publicly available financial reports and annual disclosures published on the official website of the Indonesia Stock Exchange (www.idx.co.id)

and each firm's corporate website. These documents provided essential figures such as total assets, shareholding structures, and stock market performance, which were then processed into measurable variables based on established formulas. Managerial ownership was measured as the percentage of shares held by managers, directors, and commissioners compared to total shares outstanding. Firm size was proxied using the natural logarithm of total assets to account for differences in scale while minimizing data skewness. Firm value, the dependent variable, was assessed using the Tobin's Q ratio, a widely accepted metric that compares a firm's market value with its total assets.

To analyze the data, the study employed panel data regression analysis using the EViews software. The panel regression approach was deemed suitable because it combines time series and cross-sectional data, allowing for a more robust understanding of variable behavior across firms and over time. Prior to the main analysis, the data were tested using several model selection tools, including the Chow Test, Hausman Test, and Lagrange Multiplier Test, to determine whether a fixed effect, random effect, or common effect model was most appropriate. In addition, several classical assumption tests were conducted to ensure the validity and reliability of the regression model. These included tests for normality, multicollinearity, heteroskedasticity, and autocorrelation. Only after passing these tests was the regression model used to assess the impact of the independent variables on firm value.

By employing a structured methodological approach, this study aims to generate findings that are not only statistically sound but also relevant for decision-makers. The integration of theory, rigorous sampling, and robust statistical analysis positions this research as a meaningful contribution to the literature on corporate governance and financial performance in emerging markets.

RESULT AND DISCUSSION
Overview of the Research Object
The sample selection, as determined in Chapter 3, consists of manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange (IDX). The selected companies consistently published annual financial reports as of December 31 each year during the period from 2020 to 2024, reported in Indonesian Rupiah, and fulfilled their income tax obligations during the same period.

The population of this study includes 83 companies listed on the IDX from 2020 to 2024. The research uses secondary data obtained from official sources such as the IDX website (www.idx.co.id) and www.saham.ok. The sample was finalized through an elimination method based on the set criteria.

Table 1. List of Company Names (Population)

No.	Company Code	Company Name
1	AALI	Astra Agro Lestari Tbk
2	ADES	Akasha Wira International Tbk
3	AGAR	Asia Sejahtera Mina Tbk
4	AISA	Tiga Pilar Sejahtera Food Tbk
5	ALTO	Tri Banyan Tirta Tbk
6	AMRT	Sumber Alfaria Trijaya Tbk
7	ANDI	Andira Agro Tbk
8	ANJT	Austindo Nusantara Jaya Tbk
9	BEEF	Estika Tata Tiara
10	BISI	Bisi International Tbk
11	BMWT	Eagle High Plantations Tbk
12	BOBA	Formosa Ingredient Factory Tbk
13	BTEK	Bumi Teknoultra Unggul Tbk
14	BUDI	Budi Starch & Sweetener Tbk
15	CAMP	Campina Ice Cream Industry Tbk
16	CEKA	Wilmar Cahaya Indonesia Tbk
17	CLEO	Sariguna Primatirta Tbk

No.	Company Code	Company Name
18	COCO	Wahana Interfood Nusantara Tbk
19	CPIIN	Charoen Pokphand Indonesia Tbk
20	CPRO	Central Proteina Prima Tbk
21	CSRA	Cisadane Sawit Raya Tbk
22	DAYA	Duta Intidaya Tbk
23	DLTA	Delta Djakarta Tbk
24	DMND	Diamond Food Indonesia Tbk
25	DPUM	Dutra Putra Utama Makmur Tbk
26	DSFI	Dharma Samudera Fishing Industries
27	DSNG	Dharma Satya Nusantara Tbk
28	DVLA	Darya Varia Laboratoria Tbk
29	ENZO	Morenzo Abadi Perkasa Tbk
30	EPMT	Enseval Putera Megatrading Tbk
31	FAPA	FAP Agri Tbk
32	FISH	FKS Multi Agro
33	FLMC	Falmaco Nonwoven Industri Tbk
34	FOOD	Sentra Food Indonesia Tbk
35	GGRM	Gudang Garam Tbk
36	GOLL	Golden Plantation Tbk
37	GOOD	Garudafood Putra Putri Jaya Tbk
38	GZCO	Gozco Plantations Tbk
39	HERO	DFI Retail Nusantara Tbk
40	HMSP	Hanjaya Mandala Sampoerna Tbk
41	HOKI	Buyung Poetra Sembada Tbk
42	ICBP	Indofood CBP Sukses Makmur Tbk
43	IKAN	Era Mandiri Cemerlang Tbk
44	INAF	Indofarma (Persero) Tbk
45	INDF	Indofood Sukses Makmur Tbk
46	IPPE	Indo Pureco Pratama Tbk
47	ITIC	Indonesia Tobacco Tbk
48	JAWA	Jaya Agra Wattie Tbk
49	JPFA	Japfa Comfeed Indonesia Tbk
50	KAEF	Kimia Farma (Persero) Tbk
51	KEJU	Mulia Boga Raya Tbk
52	KINO	Kino Indonesia Tbk
53	KLBF	Kalbe Farma Tbk
54	KMDS	Kurniamitra Duta Sentosa Tbk
55	KPAS	Cottonindo Ariesta Tbk
56	LSIP	PP London Sumatra Indonesia Tbk
57	MAGP	Multi Agro Gemilang Plantation Tbk
58	MAIN	Malindo Feedmill Tbk
59	MBTO	Martina Berto Tbk
60	MERK	Merck Indonesia Tbk
61	MGRO	Mahkota Group Tbk
62	MIDI	Midi Utama Indonesia Tbk
63	MLBI	Multi Bintang Indonesia Tbk

No.	Company Code	Company Name
64	MPPA	Matahari Putra Prima Tbk
65	MRAT	Mustika Ratu Tbk
66	MYOR	Mayora Indah Tbk
67	PANI	Pratama Abadi Nusa Industri Tbk
68	PCAR	Prima Cakrawala Abadi Tbk
69	PEHA	Phapros Tbk
70	PSDN	Prasidha Aneka Niaga Tbk
71	PSGO	Palma Serasih Tbk
72	PYFA	Pyridam Farma Tbk
73	RMBA	Bentoel International Investama Tbk
74	ROTI	Nippon Indosari Corpindo Tbk
75	SIDO	Industri Jamu & Farmasi Sido Muncul Tbk
76	SKBM	Sekar Bumi Tbk
77	SKLT	Sekar Laut Tbk
78	STTP	Siantar Top Tbk
79	TCID	Mandom Indonesia Tbk
80	TSPC	Tempo Scan Pacific Tbk
81	ULTJ	Ultra Jaya Milk Industry & Trading Co. Tbk
82	UNVR	Unilever Indonesia Tbk
83	WIIM	Wismilak Inti Makmur Tbk

Description of Population and Sample
The following presents a summary of the sample selection process based on the predefined criteria, as outlined in the data table below.

Table 2. Sample Selection Criteria

No.	Indicator	Criteria Violation	Final Sample
1	Consumer non-cyclicals sector companies listed on the IDX for the 2020–2024 period	–	83
2	Companies that did not publish annual reports and financial statements during 2020–2024	-2	81
3	Companies that did not use Rupiah currency in their financial statements during 2020–2024	-1	80
4	Financial statements lacking data and information required for the variables in this study	-18	62
	Total number of observations over 5-year research period (2020–2024)		**62 × 5 = 310**

Table 2 shows that the total number of manufacturing companies in the consumer non-cyclicals sector listed on the Indonesia Stock Exchange from 2020 to 2024 is 83. After applying the sample selection criteria, the researcher identified 62 companies that met the requirements and were eligible to be used as research samples. The companies selected as research samples are as follows:

Table 3. Company Samples

No.	Company Code	Company Name
1	ADES	Akasha Wira International Tbk
2	AMRT	Sumber Alfaria Trijaya Tbk
3	ANDI	Andira Agro Tbk
4	BEEF	Estika Tata Tiara
5	BISI	Bisi International Tbk
6	BOBA	Formosa Ingredient Factory Tbk
7	BTEK	Bumi Teknoultra Unggul Tbk
8	BUDI	Budi Starch & Sweetener Tbk
9	CAMP	Campina Ice Cream Industry Tbk
10	CEKA	Wilmar Cahaya Indonesia Tbk
11	CLEO	Sariguna Primatirta Tbk
12	CPIIN	Charoen Pokphand Indonesia Tbk
13	CPRO	Central Proteina Prima Tbk
14	CSRA	Cisadane Sawit Raya Tbk
15	DAYA	Duta Intidaya Tbk
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25	FISH	FKS Multi Agro Tbk
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31	HMSP	Hanjaya Mandala Sampoerna Tbk
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38	JPFA	Japfa Comfeed Indonesia Tbk
39	KEJU	Mulia Boga Raya Tbk
40	KLBF	Kalbe Farma Tbk
41	KMDS	Kurniamitra Duta Sentosa Tbk
42	LSIP	PP London Sumatra Indonesia Tbk
43	MAIN	Malindo Feedmill Tbk
44	MERK	Merck Indonesia Tbk
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No.	Company Code	Company Name
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51	PCAR	Prima Cakrawala Abadi Tbk
52	PSGO	Palma Serasih Tbk
53	PYFA	Pyridam Farma Tbk
54	ROTI	Nippon Indosari Corpindo Tbk
55	SIDO	Industri Jamu dan Farmasi Sido Muncul Tbk
56	SKLT	Sekar Laut Tbk
57	STTP	Siantar Top Tbk
58	TCID	Mandom Indonesia Tbk
59	TSPC	Tempo Scan Pacific Tbk
60	ULTJ	Ultra Jaya Milk Industry & Trading Company Tbk
61	UNVR	Unilever Indonesia Tbk
62	WIIM	Wismilak Inti Makmur Tbk

This section presents the results of the study, focusing on statistical calculations to test the research hypotheses. The hypotheses are tested using multiple regression analysis, examining the influence of the independent variables (Firm Size and Managerial Ownership) on the dependent variable (Firm Value).

Panel Data Regression Model Selection

Based on the previously described panel data method, the next step involves determining the most appropriate model to use: Common Effect Model (CEM), Fixed Effect Model (FEM), or Random Effect Model (REM). Each model is evaluated using statistical tests, namely the Chow Test, Hausman Test, and Lagrange Multiplier Test.

These tests are conducted to decide whether the panel regression analysis should proceed with the common effect, fixed effect, or random effect model. The following section presents the relevant model selection test results in table form.

Chow Test

Table 4. Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.406296	(61,246)	0.0376
Cross-section Chi-square	92.737366	61	0.0055

a. H_0: If the probability value > 0.05, the appropriate model is the Common Effect Model
b. H_1: If the probability value < 0.05, the appropriate model is the Fixed Effect Model

Based on the Chow test results shown in Table 4.4, the probability value of the Cross-section Chi-Square is 0.0055, which is less than 0.05. This indicates that H_1 is accepted, meaning the Fixed Effect Model is more appropriate to use than the Common Effect Model in this study.

Hausman Test

Table 5. Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	1.774966	2	0.4117

Based on the results in Table 4.5, the Hausman test shows a cross-section random probability value of 0.4117, which is greater than 0.05. This means H₀ is accepted, indicating that the Random Effect Model (REM) is more appropriate to use than the Fixed Effect Model (FEM) in this study.

Lagrange Multiplier Test

Table 6. Lagrange Multiplier Test Results

Test Type	Cross-section (p-value)	Time (p-value)	Both (p-value)
Breusch-Pagan	2.847824 (**0.0000**)	1.942730 (0.1634)	4.790554 (**0.0286**)
Honda	1.687550 (0.0457)	-1.393818 (0.9183)	0.207699 (0.4177)
King-Wu	1.687550 (0.0457)	-1.393818 (0.9183)	-0.931621 (0.8242)
Standardized Honda	1.918318 (0.0275)	-1.205936 (0.8861)	-5.402734 (1.0000)
Standardized King-Wu	1.918318 (0.0275)	-1.205936 (0.8861)	-4.110670 (1.0000)
Gourieroux, et al.	–	–	2.847824 (0.1059)

Based on Table 6, the probability value is 0.0000, which is less than 0.05. Therefore, the result of the Lagrange Multiplier Test indicates that H₁ is accepted, and it can be concluded that the Random Effect Model is the most appropriate model to use.

Classical Assumption Test

The classical assumption test is performed in linear regression analysis using the Ordinary Least Squares (OLS) approach. This includes several key tests, such as the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

Normality Test

Residual normality testing was conducted using the Jarque-Bera (J-B) method at a specified significance level. The decision rule is based on the J-B probability value, with the following criteria:
a.   If the probability value is greater than 0.05, the normality assumption is fulfilled.
b.   If the probability value is less than 0.05, the normality assumption is not fulfilled.
The results and explanation of the normality test in this study are presented in the following section.
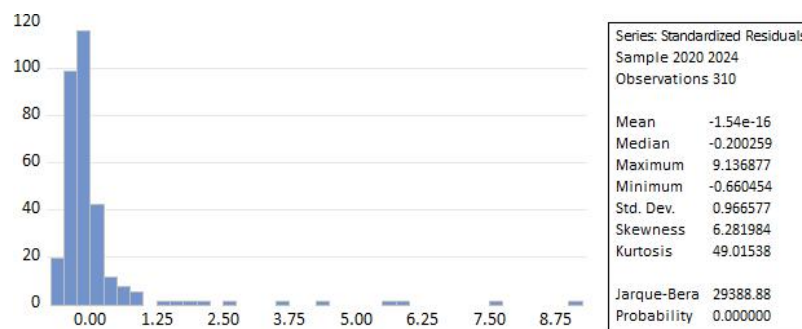

Figure 1. Normality Test Results

Based on the results shown in Figure 4.1, the Jarque-Bera value is 29388.88 with a probability (p-value) of 0.0000, which is less than 0.05. This indicates that H₁ is accepted, meaning the residuals are not normally distributed. Thus, the data sample in this study does not follow a normal distribution. However, hypothesis testing can still proceed because the sample size includes 310 observations, which meets the minimum requirement for large-sample studies, typically more than 100 observations.

According to Gujarati and Porter (2012:127), the purpose of the normality test is to determine whether the residuals in the regression model are normally distributed. As stated by Santoso (2012:393), the decision-making criteria are:
a.   If the probability > 0.05, the regression model is normally distributed.

b.   If the probability < 0.05, the regression model is not normally distributed.

Gujarati and Porter (2012:123) also note that in studies with large samples, the normality assumption can be relaxed. In panel data analysis, which combines cross-section and time series observations, normality testing becomes less critical.

Multicollinearity Test

Table 7. Multicollinearity Test Results

Variance Inflation Factors
Date: 05/14/25   Time: 17:27
Sample: 1 310
Included observations: 310

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
SER02	9.75E-05	18.80444	1.000215
SER03	4.88E-05	2.423038	1.000215
C	0.061805	20.37459	NA

Based on Table 7, the multicollinearity test results show that both Firm Size and Managerial Ownership have VIF (Variance Inflation Factor) values of 1.000215, which are below the threshold of 10. This indicates that the regression equation is free from multicollinearity issues and can proceed to the next analysis stage.

Heteroscedasticity Test
Table 8 Heteroscedasticity Test Results

Heteroskedasticity Test: White
Null hypothesis: Homoskedasticity

F-statistic	1.579987	Prob. F(5,304)	0.1654
Obs*R-squared	7.851813	Prob. Chi-Square(5)	0.1646
Scaled explained SS	184.8731	Prob. Chi-Square(5)	0.0000

Based on Table 8, the Chi-Square probability value of Obs*R-Squared is 0.1646, which is greater than 0.05. This means H₀ is accepted, indicating that the regression model meets the assumption of no heteroscedasticity. In other words, heteroscedasticity is not present, and the analysis can proceed.

Autocorrelation Test
Table 9. Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:
Null hypothesis: No serial correlation at up to 2 lags

F-statistic	0.801789	Prob. F(2,305)	0.4495
Obs*R-squared	1.621342	Prob. Chi-Square(2)	0.4446

Based on Table 9, the Chi-Square(2) probability value from the Breusch-Godfrey Serial Correlation LM Test is 0.4446, which is greater than 0.05. Therefore, H₀ is accepted, indicating that there is no autocorrelation or serial correlation in the tested regression model.

Multiple Linear Regression Test

Multiple linear regression analysis is used to evaluate the effect of independent variables on the dependent variable. Therefore, conducting multiple linear regression analysis is essential. The results of the analysis are presented as follows:

Table 10. Results of Multiple Linear Regression Test.

Dependent Variable: Y
Method: Least Squares
Date: 05/14/25   Time: 17:46
Sample: 1 310
Included observations: 310

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	-0.000692	0.009875	-0.070123	0.9441
X2	-0.025123	0.006987	-3.595488	0.0004
C	0.679793	0.248605	2.734430	0.0066

Firm Value = 2.734430 – 0.070123 X_1 – 3.595488 X_2 + €
Where:
X_1 = Firm Size
X_2 = Managerial Ownership
Y = Firm Value
€ = Error term

Interpretation:
a. The constant value (α) is 2.734430, indicating that if both firm size and managerial ownership are zero, the firm value is 2.734430.
b. The regression coefficient for firm size (X_1) is -0.070123, meaning a one-point increase in firm size will decrease the firm value by 0.070123, assuming managerial ownership remains constant.
c. The regression coefficient for managerial ownership (X_2) is -3.595488, indicating that a one-point increase in managerial ownership will decrease the firm value by 3.595488.

Coefficient of Determination (R^2) Test

The coefficient of determination (R^2) test is used to determine how well the independent variables explain the variation in the dependent variable in a regression model. A higher R^2 indicates a stronger contribution of independent variables in explaining the dependent variable, while a lower R^2 suggests a weaker relationship.

Table 11. Results of Coefficient of Determination (R^2) Test.

R-squared	0.040409	Mean dependent var	0.427287
Adjusted R-squared	0.034157	S.D. dependent var	0.986719
S.E. of regression	0.969721	Akaike info criterion	2.786013
Sum squared resid	288.6899	Schwarz criterion	2.822173
Log likelihood	-428.8320	Hannan-Quinn criter.	2.800468
F-statistic	6.463920	Durbin-Watson stat	1.940819
Prob(F-statistic)	0.001779		

Based on the results shown in Table 11, the Adjusted R-Square value is 0.034157, which means that the independent variables, namely Firm Size (X1) and Managerial Ownership (X2), can explain only 3.42% of the variation in the dependent variable, Tax Aggressiveness (Y). The remaining 96.58% is influenced by other factors not included in the model.

F-Test (Simultaneous Test)

The F-test is used to evaluate whether all independent variables simultaneously have a significant effect on the dependent variable. This test is considered significant if the p-value < 0.05 or F-count > F-table, and not significant if the p-value > 0.05 or F-count < F-table. Before making conclusions, the F-table value is calculated using the following degrees of freedom (df):
a. df1 = k – 1 = 3 – 1 = 2
b. df2 = n – k = 62 – 3 = 59

Where:
a. k is the total number of variables (independent + dependent)
b. n is the total number of observations
Using a significance level of 0.05 and df1 = 2 and df2 = 59, the F-table value is 3.15.

Table 12. F-Test (Simultaneous Test) Results.

R-squared	0.040409	Mean dependent var	0.427287
Adjusted R-squared	0.034157	S.D. dependent var	0.986719
S.E. of regression	0.969721	Akaike info criterion	2.786013
Sum squared resid	288.6899	Schwarz criterion	2.822173
Log likelihood	-428.8320	Hannan-Quinn criter.	2.800468
F-statistic	6.463920	Durbin-Watson stat	1.940819
Prob(F-statistic)	0.001779		

According to Table 12, although the probability value is greater than 0.05, the F-Statistic value of 6.463920 exceeds the F-table value of 3.15. This indicates that Firm Size and Managerial Ownership jointly influence the Firm Value, thus hypothesis H3 is accepted.

T-Test (Partial Test)
The T-test is used to analyze the individual effect of each independent variable on the dependent variable. The T-test result indicates a partial contribution if:
a. probability < 0.05, indicating a significant partial effect
b. probability > 0.05, indicating no significant partial effect

Table 13 presents the results of this partial test.

Dependent Variable: Y
Method: Least Squares
Date: 05/14/25   Time: 17:46
Sample: 1 310
Included observations: 310

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	-0.000692	0.009875	-0.070123	0.9441
X2	-0.025123	0.006987	-3.595488	0.0004
C	0.679793	0.248605	2.734430	0.0066

a. Hypothesis H1 – Effect of Firm Size on Firm Value
The t-test result shows a significance value of 0.9441 (> 0.05), indicating no significant effect. Therefore, H1 is rejected.
b. Hypothesis H2 – Effect of Managerial Ownership on Firm Value
The t-test result shows a significance value of 0.0004 (< 0.05), indicating a significant effect. Thus, H2 is accepted.
c. Hypothesis H3 – Joint Effect of Firm Size and Managerial Ownership on Firm Value
The test shows a probability of 0.0066 < 0.05 and an F-statistic of 6.464920 > 3.15, indicating a simultaneous significant influence. Hence, H3 is accepted.

Based on the hypothesis testing using panel data regression with E-Views 12, the best model identified is the random effect model. The findings are discussed as follows:
a. Effect of Firm Size on Firm Value
The first hypothesis (H1) is rejected, as the significance value for firm size is 0.9441 (> 0.05). This indicates that firm size does not have a significant effect on firm value.
b. Effect of Managerial Ownership on Firm Value
The second hypothesis (H2) is accepted, as the significance value is 0.0004 (< 0.05). This confirms that managerial ownership has a significant influence on firm value, implying that firms with higher levels of managerial ownership tend to manage their value more actively.
c. Joint Effect of Firm Size and Managerial Ownership on Firm Value
Simultaneous testing using the F-test yields an F-statistic of 6.464920, which is greater than the F-

table value of 3.15. This supports hypothesis H_3, showing that firm size and managerial ownership together significantly affect firm value.

CONCLUSION

This study examined the influence of firm size and managerial ownership on firm value within the primary consumer goods sector listed on the Indonesia Stock Exchange. Utilizing panel data regression analysis and selecting the random effect model as the best-fit model, the findings reveal a significant distinction between the effects of the two independent variables. While firm size does not show a statistically meaningful impact on firm value, managerial ownership demonstrates a significant and positive influence. This suggests that companies with greater managerial ownership tend to be more proactive in optimizing their value, likely due to the alignment of managerial and shareholder interests.

Moreover, when both variables are considered simultaneously, they collectively exert a significant effect on firm value. This indicates that although firm size alone does not play a critical role, its presence alongside managerial ownership enhances the model's explanatory power. The study reinforces the importance of internal corporate governance mechanisms, especially managerial ownership, in shaping firm value.

The results are consistent with previous empirical findings, emphasizing that ownership structure, particularly when held by internal stakeholders, contributes to better valuation outcomes. These insights offer practical implications for policymakers, investors, and corporate leaders in strengthening governance frameworks to improve firm performance and long-term sustainability.

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