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The effect of profitability, managerial ownership and funding decisions on the company value of pt. Media nusantara citra tbk

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Abstract

This study aims to determine: 1) Is there an effect of Profitability on Firm Value at PT. Media Nusantara Citra Tbk period 2011-2021? 2) Is there any influence of Managerial Ownership on Company Value at PT. Media Nusantara Citra Tbk period 2011-2021? 3) Is there any influence of the Funding Decision on the Company Value at PT. Media Nusantara Citra Tbk period 2011-2021 ? 4) Is there any influence of Profitability, Managerial Ownership and Funding Decisions on Company Value at PT. Media Nusantara Citra Tbk period 2011-2021? 5) How big is the influence of Profitability, Managerial Ownership and Funding Decisions on Company Value at PT. Media Nusantara Citra Tbk period 2011-2021 ? The research methodology used is descriptive qualitative and descriptive quantitative approaches. The research results are; 1) Partially, there is an influence between profitability on the firm value of PT. Media Nusantara Citra in 2011 – 2021. 2) Partially, there is no influence between managerial ownership on the company value of PT. Media Nusantara Citra, Tbk in 2011 – 2021. 3) Partially, there is no influence between funding decisions on the company value of PT. Media Nusantara Citra Tbk in 2011 – 2021. 4) Simultaneously, there is no influence of profitability, managerial ownership and funding decisions on the company value of PT. Media Nusantara Citra in 2011 – 2021. 5) The magnitude of the influence of profitability, managerial ownership and funding decisions on firm value is 61.5%. While the remaining 38.5% .

Keywords: Profitability, Managerial Ownership, Funding Decisions, Firm Value

INTRODUCTION

Company value is the main focus in decision making by investors to invest in a company or not. To attract investors, the company expects that financial managers will do the best for the company by maximizing the value of the company so that the

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prosperity (welfare) of shareholders can be achieved. The value of the company not only reflects how intrinsic the value is at the moment but also reflects the prospects and expectations or ability of the company to increase the value of its wealth in the future.

Every company has goals set, both short-term goals and long-term goals. With regard to long-term goals, companies that have gone public will always strive to maximize the value of the company. The value of the company is related to the stock price so it can be said that with the increase in the value of the company will also have an impact on increasing the prosperity of shareholders (Nurlela dan Islahudin, 2008). The value of the company can basically be measured through several aspects, one of which is by the market price of the company's stock because the market price of the company's stock reflects the investor's overall assessment of each equity held. The rise and fall of stock prices in the capital market is an interesting phenomenon to talk about related to the issue of the rise and fall of the value of the company itself. There are so many companies that have experienced a decline in stock prices caused by several factors. One of the companies that experiences fluctuations (ups and downs) in stock prices is PT. Media Nusantara Citra Tbk which is one of the largest companies in Indonesia engaged in the media sector and based in Jakarta. MNC Media has 3 tv channels in Indonesia, namely RCTI, MNCTV, and GTV. In 2009, MNC Media listed its shares on the Indonesia Stock Exchange and in 2010 MNC Media managed to increase revenue growth compared to the previous year. This sector is growing in the long term as the Indonesian economy grows. This sector also has the potential to influence the ups and downs of economic growth in Indonesia, especially in the industrial sector. The company is also able to process finances and can support the company in maintaining and developing the business and being able to compete with competitors.

According to Fahmi (2015) Profitability is a ratio that measures the overall effectiveness of management proposed by the size of the level of profit obtained in relation to sales and investments. Profitability is important in trying to maintain its long-term survival, because profitability indicates whether the company has good prospects in the future. Thus, every company will always try to increase its profitability, because the higher the level of profitability of a company, the more guaranteed the survival of the company.

Managerial ownership is the size of the shares owned by management from the total outstanding shares. Large shareholdings in terms of economic value have incentives to align management and principal interests. Managerial ownership can also be said to be a situation in which the manager as well as the shareholder of the company is indicated by the percentage of ownership of the company's shares by the

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manager. Increased managerial ownership helps to connect the interests of internal parties and shareholders, and leads to better decision-making and increased company value. Thus, the company's activities can be supervised through large managerial ownership (Endraswati, 2012). Both through debt and capital that will be allocated to support the company's operating activities, both in working capital investment and fixed assets. Funding decisions indicate how the company finances its operations or how the company finances its assets. Murtini (2008) stated that Funding Decisions are a way how a company can optimally fund its operations, and also how the company composes an optimal source of funds that must be maintained. According to Haruman (2008) states that funding can increase the value of the company.

Objectives

Based on the background and problems stated above, the objectives to be achieved in this research are :

1. To determine the effect of Profitability on Company Value in PT. Media Nusantara Citra Tbk for the period of 2011-2021.
2. To determine the effect of Managerial Ownership on Company Value in PT. Media Nusantara Citra Tbk for the period of 2011-2021.
3. To determine the effect of Funding Decisions on Company Value in PT. Media Nusantara Citra Tbk for the period of 2011-20201.
4. To determine the effect of Profitability, Managerial Ownership and Funding Decisions on Company Value in PT. Media Nusantara Citra Tbk for the period of 2011-2021.
5. To find out how much influence profitability, managerial ownership and funding decisions have on the value of the company in PT. Media Nusantara Citra Tbk for the period of 2011-2021.

Conceptual Framework

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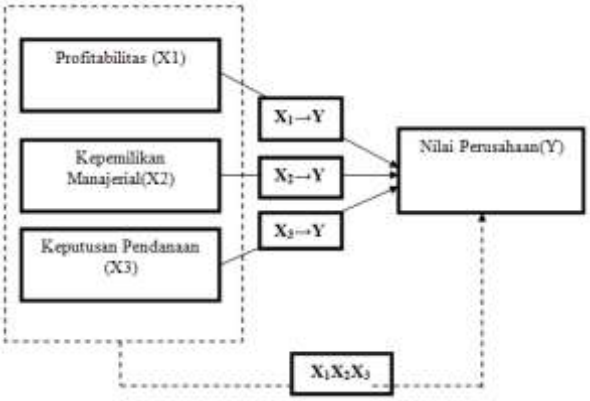


Figure 1: Conceptual Framework

METHOD

Data Types

According to Sugiono (2012) secondary data is data obtained by reading, studying and understanding through other media sourced from literature, books, and documents.

Data Sources

The data used in this study is sourced from :

1. IDX Site (www.idx.co.id)
2. Official website of PT. Media Nusantara Citra Tbk (http://www.mnc.co.id) listed on the Indonesia Stock Exchange (IDX).
3. Literature relating to this research problem.

DISCUSSION

Description of the object of study

PT Media Nusantara Citra Tbk, or better known as MNC Media or MNC only, is a company engaged in the media sector based in Jakarta, Indonesia. The company was founded on June 17, 1997 under the name PT Panca Andika Mandiri, owned by Sutijati, M. Tahir, Chairil Amri and Yenny Kandou.

RESULTS

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Table 1 : Multiple Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2,769	1,443		-1,919	,096
	X1	2,167	,813	,716	2,664	,032
	X2	,305	,289	,283	1,055	,326
	X3	,477	,464	,275	1,029	,338

a. Dependent Variable: Y

From the table above, a model of the multiple linear regression equation can be obtained as follows:

Y = -2,769 + 2,167X1 + 0,305X2 + 0,477X3

Keterangan :

1. The value of the constant is -2.769 meaning that if the variables profitabilas, managerial ownership and funding decisions are of constant value then the value of the company decreases by 2,769.
2. The value of the profitability regression coefficient is 2.167 indicating that any increase in the profitability value of 1 percent will increase the value of the company by 2.167 assuming the other variables are fixed.
3. The value of the managerial ownership regression coefficient of 0.305 indicates that any increase in the value of managerial ownership by 1 percent will increase the value of the company by 0.305 assuming the other variable is fixed.
4. The value of the regression coefficient of funding decisions is 0.477 indicating that any increase in the value of funding decisions by 1 unit will increase the value of the company by 0.477 assuming other variables are fixed.

From the result of the ttabel = 2.36462 and compared with the result of the calculation, the result is obtained:

1. Profitability has a calculated value of 2.664 with a ttable of 2.36462. So counting > ttabel (2.664 > 2.36462), then Ha is accepted and Ho is rejected, meaning that there is an influence between the profitability variables on the value of the PT company. Media Nusantara Citra, Tbk in 2011 – 2021.

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2. Managerial Ownership has a calculated value of 1.055 with a ttabel of 2.36462. So counting < ttabel (1.055 < 2.36462), then Ho is accepted and Ha is rejected meaning that there is no influence between managerial ownership variables on the value of the PT company. Media Nusantara Citra, Tbk in 2011 – 2021.
3. The funding decision has a calculated value of 1.029 with a ttable of 2.36462. So counting < ttabel (1.029 < 2.26462), then Ho is accepted and Ha is rejected meaning that there is no influence between variables Funding decisions on the value of the PT company. Media Nusantara Citra in 2011 – 2021.

Table 2. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,784[a]	,615	,450	,20276

a. Predictors: (Constant), X3, X2, X1

Table 2: Coefficients of Simultaneous Determination

The amount of R Square is 0.615, meaning that the amount given by profitability, managerial ownership and funding decisions to the value of the company is 61.5%. While the remaining 38.5% was influenced by other factors that were not studied in this study.Certain key skills to become a better negotiator includes the following.

Table 3. ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,460	3	,153	3,729	,069[b]
	Residual	,288	7	,041		
	Total	,748	10			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X2, X1

In the table above, it can be seen that the fhitung value is 3.729 and the ftabel value is 4.35, so it can be decided where the calculation is smaller than the ftabel (3,729 < 4.35), namely Ha is accepted and Ha is rejected, which means that there is no effect of profitability, managerial ownership and funding decisions on the value of the PT company. Media Nusantara Citra in 2011 – 2021 jointly or simultaneously.

CONCLUSION

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Based on the description and explanation of the previous chapters, the following conclusions can be drawn:

1. Partially, there is an influence between profitability and the value of PT. Media Nusantara Citra in 2011 – 2021 as evidenced by a calculated value greater than the ttabel value (2.664 > 2.36462).
2. Partially, there is no influence between managerial ownership and the value of the PT. Media Nusantara Citra, Tbk in 2011 – 2021 as evidenced by a calculated value smaller than the ttabel value (1.055 < 2.36462).
3. Partially, there is no influence between funding decisions on the value of the PT. Media Nusantara Citra Tbk in 2011 – 2021 as evidenced by a calculated value smaller than the ttabel value (1.029 < 2.26462).
4. Simultaneously, there is no effect of profitability, managerial ownership and funding decisions on the value of the PT. Media Nusantara Citra in 2011 – 2021 as evidenced by a calculated value smaller than the ftabel value (3,729 < 4.35).
5. The magnitude of the effect of profitability, managerial ownership and funding decisions on the value of the company is 61.5%. While the remaining 38.5% was influenced by other factors that were not studied in this study.

SUGGESTION

It is expected that PT. Media Nusantara Citra, Tbk to be able to attract more investors considering the low funding decision due to the low liability owned by the company. 2. Expected PT. Media Nusantara Citra, Tbk in order to further improve and maintain the company's image, considering that MNC companies are well-known companies in Indonesia It is hoped that subsequent researchers can expand this research with different variable variables.

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