The Moderating Role of Good Corporate Governance on the Influence of Profitability, Leverage and Exchange Rates on Firm Value in Food and Beverage Companies Listed on the Indonesia Stock Exchange

By

Trisa Indrawati
Program Doctor Management Science High School of Economics Indonesian (STIESIA) Surabaya

Budiyanto
Program Doctor Management Science High School of Economics Indonesian (STIESIA) Surabaya

Suhermin
Program Doctor Management Science High School Of Economics Indonesian (STIESIA) Surabaya

Abstract

Competition for food and beverage consumer goods companies has become increasingly tight since the legalization of the World Trade Organization. With the formation of the World Trade Organization (WTO) in 1994, world markets tended to be more open and barrier-free. The development of a country's industry can be used to see national developments in that country. This development can be seen from both the quality of the products produced and the performance of the industry that dominates the companies listed on the Indonesia Stock Exchange (IDX). Competition makes every company try to improve company performance to achieve company goals. In implementing the ASEAN Economic Community (AEC), Indonesia is required to have a highly competitive domestic industry so that it does not just become a market for neighboring countries. One sector that can become a mainstay for the future and still has prospects for development is the food and beverage industry (mamin). The data analysis technique in this study used PLS (Partial Least Square) analysis with an analysis process assisted by the warpPLS application program. The PLS method can be used for any type of data scale (nominal, ordinal, interval, ratio) as well as more flexible assumption requirements. PLS is also used to measure the relationship of each indicator with its latent variables. PLS analysis has two models, namely the inner model and the outer model. The outer model is also known as the outer relation or measurement model which specifies the relationship between latent variables and their indicators. Meanwhile, the inner model, which is also known as the inner relation or structural model, shows the specification of the relationship between research variables. Prior to conducting PLS analysis, descriptive statistical analysis was first carried out. Profitability directly has a significant positive effect on firm value. This means that the higher the profitability, the better the company is in managing capital to make a profit. This means that Food and Beverage companies can use capital effectively and efficiently to generate net profit. Negative leverage is not significant to firm value. This means that excessive use of debt reduces the benefits received from using debt because the benefits received are not proportional to the costs incurred, so that a low proportion of debt will increase the value of the company and an increase in debt will reduce the value of the company. Negative exchange rates are not significant to company value. This means that changes in the rupiah exchange rate do not affect sales volume at Food and Beverage companies so that they do not affect company value. Good Corporate Governance moderates the influence of profitability on firm value. This means that the mechanism of Good Corporate Governance as measured by Independent Commissioners and audit committees shows that the role of the manager as well as the owner minimizes agency conflicts in generating profits so that Good Corporate Governance is able to moderate the effect of profitability on firm value. Good Corporate Governance moderates the effect of leverage on firm value. This means that management is careful in using debt because later debt will burden the profits earned by shareholders. The better the debt management of the company, the more investor confidence will increase which can increase the value of the company. Good Corporate Governance does not moderate the effect of exchange rates on firm value. This means that Good Corporate Governance is not able to strengthen the effect of exchange rates on firm value.

Keyword: Moderation of Good Corporate Governance, Profitability, Leverage, Exchange Rates, Corporate Values

Introduction

As the number and income of the population in Indonesia increase, the volume of demand for food and beverages continues to increase. This is because the food and beverage industry sector is one of the business sectors that continues to experience growth. The tendency of the Indonesian people to enjoy ready-to-eat food has led to the emergence of many new businesses in the food and beverage sector. Therefore the competition between companies is getting stronger. With increasingly strong competition requires companies to strengthen finances so that companies can compete with similar companies and if this is not addressed with the right strategy will result in failure.

Competition for food and beverage consumer goods companies has become increasingly tight since the legalization of the World Trade Organization. With the formation of the World Trade Organization (WTO) in 1994, world markets tended to be more open and barrier-free. The development of a country's industry can be used to see national developments in that country. This development can be seen from both the quality of the products produced and the performance of the industry that dominates the companies listed on the Indonesia Stock Exchange (IDX). Competition makes every company try to improve company performance to achieve company goals.

In implementing the ASEAN Economic Community (AEC), Indonesia is required to have a highly competitive domestic industry so that it does not just become a market for neighboring countries. One sector that can become a mainstay for the future and still has prospects for development is the food and beverage industry (mamin).

In 2015 industrial growth in Indonesia was supported by investment in the food and beverage sector of around 4 (four) to 5 (five) percent which spurred an increase in business actors in businesses in the food and beverage sector (Ministry of Industry, 2015). The high growth of the food and beverage industry shows that the food and beverage market in Indonesia is growing positively and tends to attract foreign investors.

The food and beverage industry is one of the mainstay manufacturing sectors in making a major contribution to national economic growth. Its performance achievements so far have been consistently positive, starting from its role in increasing productivity, investment, exports to employment. "The potential for the food and beverage industry in

Indonesia can become a champion, because there are many supplies and users. For this reason, one of the keys to competitiveness in this sector is food innovation and security," said Minister of Industry Airlangga Hartarto in a statement, Wednesday (20/2019). 2/2019).

Until 2021, the performance of the food and beverage industry has experienced positive growth (year on year) of 2.97 percent. Even though it still shows positive performance and is better than several other industrial sectors that are experiencing negative performance, the growth of the food and beverage industry in 2021 (until semester 3) is still smaller than the growth of the food and beverage industry in 2019 and before.

Management's main goal is to consider the risks and timing associated with forecasting earnings per share to maximize shareholder wealth by maximizing the company's stock price. In other words, the prosperity of company owners or shareholders can be realized by maximizing the value of the company with the assumption that the company owners or shareholders will prosper if their wealth increases. Increased wealth can be seen from the increasing stock prices, which means that the value of the company also increases (Brigham and Houston, 2013: 150).

Shareholder value will increase if the company value increases which is indicated by a high rate of return on investment to shareholders. For companies that have not yet gone public, the company's value is determined by an appraisal agency or an appraisal company. So that a good company must be able to control its financial and non-financial potential in increasing the value of the company for the existence of the company in the long term.

According to Sartono (2010: 487) company value is the selling value of a company as an operating business. The existence of excess sales value over liquidation value is the value of the management organization that runs the company. According to Harmono (2009: 233) company value is the company's performance which is reflected by the share price formed by the demand and supply of the capital market which reflects the public's assessment of the company's performance.

The value of the company can provide maximum shareholder prosperity if the stock price increases. The higher the stock price of a company, the higher the prosperity of shareholders. Firm value is an important concept for investors, because it is an indicator for the market to assess the company as a whole. Firm value can describe the overall condition of the company, by showing good company value, the company will be viewed favorably by potential investors, and vice versa. Firm value is the investor's perception of the company, which is often associated with the stock market price. The market price of stocks can be higher or lower than their book value. Stock prices tend to be high when the company has many opportunities to invest considering that this will increase shareholder income. High stock prices make the company value also high. Firm value can be measured by Price Earnings Ratio (PER) and Price Book Value (PBV).

As a research phenomenon, the value of food and beverage companies listed on the Indonesia Stock Exchange in 2015-2020 is described as 29 companies, out of 29. The PER ratio (Price Earnings Ratio) is the most basic thing in an indicator of a stock. PER is also often used by investors to determine the value of a share owned. Using price to book value is also one way to analyze financial ratios in companies. This ratio is also useful in reviewing a company's financial problems and as a barometer in projecting its financial position in the future. If the value of the company is higher, the profit that will be received by the owner will be greater.

This shows that the company has succeeded in creating effective value for shareholders. Business people use price to book value as a measuring tool for the price of outstanding shares. The price to book value ratio conveys that the market price of shares is in line with the company's book value. The book value of this company can be calculated by subtracting assets from debts or liabilities. A company that has a high price to book value ratio can be said to have its share price overvalued, while a company with a low PER value can also have a low stock price. If the condition of the price to book value ratio is lower, especially those below one, then there is a possibility that the stock will experience undervalued. It can be said that the stock price is traded at a lower price compared to the value of the company's assets.

While these price-to-book value ratios can help investors identify which companies may be overvalued or undervalued, they also have limitations.

This leverage ratio illustrates the extent to which capital owners can cover debts to outsiders. The higher this ratio, the greater the amount of loan capital used in generating profits for the company. This ratio can describe the capital structure owned by the company, so that it can be seen the level of debt risk. In addition to this financial leverage ratio shows some part of the overall need for funds that are financed with debt, or some part of the equity used to guarantee debt. The lower this ratio, the smaller the risk faced. The higher the financial leverage value of a company means that the higher the level of company spending provided by shareholders and the greater the level of creditor protection from loss of money invested in the company, the effect on company performance.

External conditions are conditions that exist outside the company that affect the company's operational activities, for example the economic conditions of the country where the company operates. Some of the economic conditions that affect company activities are inflation conditions, currency exchange conditions and interest rate conditions (Brigham, 1996; 254). The exchange rate or exchange rate is the price of one currency against another currency, or the price of one unit of foreign currency in domestic currency or the price of one unit of domestic currency in foreign currency. The degree of stability in the exchange rate of a country's currency is considered to indicate the economic situation of the country concerned, and can influence the confidence of investors, especially those from abroad, to invest in that country. A strengthening of the Rupiah exchange rate (IDR) against foreign currencies will provide a positive signal for the development of the Indonesian economy or vice versa, a weakening of the IDR value can signal a worsening of the national economy (Tandelilin, 2010:2).

From the results of previous studies it can be seen that: (1). There are several research results that contradict and do not support the existing theory, which indicates a research gap, which of course can raise doubts among users of research results, especially investors, capital market players or those with an interest in research results, (2). The results of previous studies generally show separate relationships and influences between microeconomic variables, macroeconomic variables, Good Corporate Governance (GCG), and Corporate Values, (3). GCG is one of the keys to a company's success to grow and be profitable in the long term while winning global business competition, and the economic crisis in the Asian and Latin American regions which is believed to have arisen due to the failure of GCG implementation, so that with increasingly dynamic business, a company required to have good governance or what is called GCG (Good Corporate Governance), (4). Even though the analysis technique used can carry out simultaneous analysis, the research results generally still describe a single relationship and influence.

Said that when making decisions investors and potential investors need complete, accurate and timely information so that the results obtained are as expected. This information can be non-financial in nature where this non-financial information is thought to affect company value, namely Good Corporate Governance (GCG). In addition, the management of a company that divides ownership into two, namely managers from management and investors as investors also gives an indication of the importance of Good Corporate Governance (GCG) where this management should be able to be supervised by investors so that the company can achieve its company goals, namely to maximize company value. Therefore, in this study Good Corporate Governance (GCG) is used as a moderating variable which is thought to strengthen the influence of profitability on firm value.

This study limits the variables that will be used and analyzes their effect on firm value. The selection of these variables is based on the theory that firm value is an investor's perception of a company which is often associated with stock prices. High stock prices make the company value also high. This relates to the profit that will be obtained by the company, the company's profit will affect the profit that will be distributed to shareholders, with the profit that will be distributed will increase the value of the company. So the selection of variables based on the closeness of the effect on firm value. Some of the variables studied have an effect on firm value, including profitability and leverage and exchange rates. While good corporate governance as a moderating variable to see strengthen or weaken the effect of profitability, leverage and exchange rates on firm value.

Research Method

This research is an explanatory research, namely research that explains the causal relationship between several variables through hypothesis testing. The data used in this study is secondary data obtained from the Indonesia Stock Exchange (IDX), the Indonesian Capital Market Directory (ICDM) and the 2015-2020 annual report.

The data analysis technique in this study used PLS (Partial Least Square) analysis with an analysis process assisted by the warpPLS application program. The PLS method can be used for any type of data scale (nominal, ordinal, interval, ratio) as well as more flexible assumption requirements. PLS is also used to measure the relationship of each indicator with its latent variables. PLS analysis has two models, namely the inner model and the outer model. The outer model is also known as the outer relation or measurement model which specifies the relationship between latent variables and their indicators. Meanwhile, the inner model, which is also known as the inner relation or structural model, shows the specification of the relationship between research variables. Prior to conducting PLS analysis, descriptive statistical analysis was first carried out.

Results and Discussion

Data Analysis and Results

At this stage the evaluation is carried out through several criteria of Model Fit & Quality Indices. The table below shows a summary of the results of several Model Fit & Quality Indices criteria.

Table 1: *Model Fit Criteria and Results*

Criteria Model Fit	*Rule of Thumb*	Results	Description
APC	p-value≤ 0,05	0,005	Fit
ARS	p-value≤ 0,05	0,001	Fit
AARS	p-value≤ 0,05	0,001	Fit
VIF	acceptable if≤ 5, ideally≤3,3	2.523	Fit
AFVIV	acceptable if≤ 5, ideally≤3,3	2,703	Fit
Tenenhause GOF	small ≥ 0.1, medium≥ 0.25, large≥0.36	0,668	Large
SPR	acceptable if≥ 0.7, ideally = 1	0,714	Fit
RSCR	acceptable if≥ 0.7, ideally = 1	0,897	Fit
SSR	acceptable if≥ 0.7	1,000	Fit
NLBCDR	acceptable if ≥ 0.7	0,857	Fit

Based on Table 1 it can be seen that all the criteria for the Fit & Quality Indices Model have been met. After the evaluation stage of the SEM-PLS modeling is completed, it is continued with testing the research hypothesis.

Table 2: *Hypothesis Testing Results*

Hypothesis	Coefficient	p-value	Description
Profitability → Firm Value	0,245	0,011	Accepted
Leverage → Firm Value	-0,165	0,065	Rejected
Nilai Tukar → Firm Value	-0,024	0,414	Rejected
GCG * Profitability → Firm Value	0,368	0,001	Accepted
GCG * Leverage → Firm Value	0,775	0,001	Accepted
GCG * Exchange Rate → Firm Value	-0,021	0,425	Rejected

Source*:* attachment

Based on Table 2 it can be explained as follows:

1. The profitability variable has a significant effect on the firm value variable with a p-value of 0.011 and a coefficient of 0.245 so that the hypothesis which states that profitability has an effect on firm value is accepted.
2. The leverage variable has no effect on the firm value variable with a p-value of 0.065 and a coefficient of -0.165 so that the hypothesis which states that leverage has an effect on firm value is rejected.
3. The exchange rate variable has no effect on the firm value variable with a p-value of 0.414 and a coefficient of -0.024 so the hypothesis which states that the exchange rate has an effect on firm value is rejected.
4. The GCG variable moderates the effect of profitability on firm value with a p-value of 0.001 and a coefficient of 0.368 so that the hypothesis that GCG moderates profitability on firm value is accepted. According to the classification of moderating variables, it can be determined that the type of moderation in this study is pure moderation
5. The GCG variable moderates the effect of leverage on firm value with a p-value of 0.001 and a coefficient of 0.775 so that the hypothesis that GCG moderates the effect of leverage on firm value is accepted. According to the classification of moderating variables, it can be determined that the type of moderation in this study is absolute moderation.
6. The GCG variable does not moderate the effect of the exchange rate on firm value with a p-value of 0.425 and a coefficient of -0.221 so that the hypothesis that GCG

moderates the exchange rate on firm value is rejected. According to the classification of moderating variables, it can be determined that the type of moderation in this study is homogolyser moderation.

After an explanation of the results of the statistical analysis, in this section a more detailed discussion of the results of the research associated with the results of the statistical analysis is carried out. The explanation is divided into several sub-chapters as follows

Descriptive Statistical Results of Research Variables

In the early stages, a discussion was carried out regarding the results of descriptive statistics. The discussion is carried out for each variable, namely as follows.

Profitability Variable

The results of the descriptive statistical analysis in Table show that the indicator with the highest average value is ROA, which is equal to 0.36. This shows that the company has been quite effective in utilizing its assets to generate operating profits. This average value is above the ROA standard of 30%. This achievement must of course always be maintained and even improved. Companies that dominate the highest ROA values are companies with the code “MLBI”.

The indicator with the smallest average value is NPM, which is equal to 0.1, meaning that there needs to be an increase in sales so that the income earned is also higher. The NPM indicator is a reflection of how much the company earns profit that has been deducted by various costs such as cost of goods sold, operational costs, interest, taxes and so on. This average value is below the NPM standard of 20% (Kasmir, 2018: 186). The company with the lowest NPM is the company with the code "SKBM", with an NPM of 0.000455.

GPM and ROA indicators have been above the average achievement. This needs to be maintained and even increased, bearing in mind that this indicator is a reflection of the development of a company, in terms of production efficiency and profits. The higher the GPM and ROA, the better because the company is able to manage cost of goods sold efficiently to generate high gross profit. Cost of goods sold, among others, includes the cost of basic materials, production costs and direct labor costs.

While the other 2 indicators, namely OPM and ROI, have values below the average profitability variable, so there is a need for improvement and special attention to these two indicators. A low OPM value indicates that the company's operational activities are not yet efficient, while a low ROI value indicates that the profit from the rate of return on investment in a company is still low, but the ROI data in this study has no negative value, meaning there is no loss from the investment that has been made. Company.

Using signaling theory, information is in the form of ROA or level return on assets or also how much profit is obtained from assets used, thus if the ROA is high then it will be a good signal for investors, because with high ROA If the company's performance is good, investors will be interested to invest their funds in the form of securities or shares. A lot of demand for shares, the price of shares will increase. High profitability shows good company prospects Investors will respond positively to these signals and the company's value will increase increase.

Agency theory is an implementation in modern organizations. Agency theory emphasizes that company owners (shareholders) hand over the management of the company to professional staff called agents who have a better understanding of how to run a business. As it is known that the company's goal is to maximize shareholder wealth, which is interpreted as the share price. Although goals are rational from the point of view of company operations, it has been known for a long time that company managers have their own goals and often conflict with the goal of maximizing shareholders. Real management the company is given the power by the shareholders to take decisions that may create a so-called conflict of interest with agency theory or agency theory.

Based on the results of descriptive statistics obtained from several profitability indicators, it shows that the company is quite efficient and effective in utilizing its assets, but the company is still not efficient in its production process, so this needs improvement and more attention from the company. The largest data variance is also found in the ROA indicator, meaning that the ability of one company to another in obtaining profits from assets has the most diverse values compared to other indicators.

Leverage Variables

Shows that DER is an indicator with the highest average value of 1,109, meaning that most of the financing in the company uses debt rather than equity, so the company bears considerable risk. The DER standard is 90%. The company with the highest DER value is the company with the code "MLBI". In addition to the DER indicator, the CDER indicator also has a value above the average leverage variable, which is 0.773. This indicates that most of the operational activities carried out by the company originate from debt. Companies with the highest CDER score are companies with the code “MLBI”.

Two other indicators have values below the average, namely the debt ratio and LDER, with values of 0.435 and 0.331 respectively, meaning that companies have stable finances, because they have lower overall debt. The standard is the debt ratio and LDER of 2.9 and 1.7. This shows that the company with the lowest indicator value has a good level of financial independence, so it must be maintained and improved. Company code "ULTJ" is a company that has the lowest debt ratio and LDER value.

If viewed from several indicators that measure the leverage ratio, it can be indicated that the company's sources of financing also come from debt, although not all aspects of financing are dominated by debt. The percentage of each debt is quite high for some indicators. The biggest data standard deviation is found in the DER indicator, which means that the amount of risk due to the debt that must be borne between one company and another has a high variation.

Signaling theory has a relationship with the leverage ratio proxied by the debt ratio. Debt ratios are used to determine the extent to which a company can pay off its debts, both short and long term, or to measure the amount of funds originating from debt. Higher use of debt indicates the possibility that the company will have difficulty repaying or repaying debt. The lower the level of debt ratio will be a good signal from the company to investors.

The agency theory in this research can be linked to the financial statements, it can be seen the assets, profits and debts owned by the company. If in the financial statements there is a high debt ratio compared to the company's assets, then it is indicated that the company must pay its obligations in the future. Companies can have high debt ratios, possibly due to errors on the part of agents or management which are indicated to have been carried out deliberately according to their own interests and ignoring the interests of the principal.

Exchange Rate Variables

The results of the descriptive statistical analysis in Figure 5.1 show that the average dollar exchange rate from 2015 to 2020 tends to appreciate. On the other hand, the rupiah exchange rate has continued to weaken over the last 5 years. Figure 5.1 also shows that the dollar exchange rate against the rupiah weakened in 2016, namely IDR 13,436, and experienced the highest increase in 2018, namely IDR 14,481. The average dollar exchange rate is IDR 13,728. Over the past 5 years, only in 2016 and 2017 was the exchange rate below average.

The weakening of the rupiah exchange rate will certainly have an impact on economic instability in Indonesia, one of which will cause a decrease in stock prices in several companies. According to the general chairman of the Indonesian Food and Beverage Entrepreneurs Association (Gapmmi) Adhi S Lukman said the domestic processed food and beverage (mamin) industry still depends on the supply of imported raw materials, some even have to import raw materials up to 100%. This dependence is caused by a number of factors, including supply from within the country that does not meet the provisions in terms of standards or types, specifications. This of course will also indirectly have an impact on company value.

Determination of the rupiah exchange rate against foreign currencies is an important matter for capital market players in Indonesia. Because the foreign exchange rate greatly affects the amount of costs that must be incurred, and the amount of costs that will be obtained in stock and securities transactions on the capital market exchange. Unstable exchange rate fluctuations will reduce the level of confidence of foreign investors in the Indonesian economy. This will certainly have a negative impact on stock trading in the capital market, foreign investors will tend to withdraw capital.

The exchange rate is an exchange price of a country's currency with other countries. Movements in exchange rates affect the value of future payments (receipts) of a company denominated in foreign currencies. So that when the exchange rate of a currency rises against other currencies, or it can be called a weakening of the exchange rate, it becomes a negative signal for investors, and will affect transactions in the capital market. In accordance with agency theory, management must take action to reduce the negative impact of changes in exchange rates. In accordance with the signal theory where information on exchange rate depreciation gives a negative signal to investors in the capital market, so that it can reduce demand for company shares.

Good Corporate Governance Variables

The greater the institutional ownership, the greater the power of voice and encouragement from these financial institutions to oversee management and consequently will provide greater impetus for management to optimize company performance and align management interests with shareholders or stakeholders. Table 5.4 shows that institutional ownership is an indicator with the highest average value of 69.29%, meaning that the monitoring and supervision process within the company is quite effective. This condition must be maintained and improved. The company with the highest institutional ownership value is the company with the code "SKLT". The independent commissioner size indicator has the second highest average, which is 40%. This condition must be improved and cannot be left alone, because the role of an independent commissioner is quite strategic in a company, one of which is ensuring the implementation, company strategy, supervision of company management in managing the company. Companies with the highest proportion of independent commissioners are companies with the code “MLBI”. The highest standard deviation is found in the audit committee size indicator, meaning that one company has a more diverse proportion of audit committees compared to institutional ownership.

The existence of an audit committee is very important for the management of the company. The audit committee is a new component in the company's control system. In addition, the audit committee is considered as a liaison between shareholders and board of commissioners with management in solving problems control. Based on the BEI Circular Letter, SE-008/BEJ/12-200, the membership of the audit committee consists of at least. at least 3 (three) people including the chairman of the audit committee. In this study, the audit committee size indicator has an average of 3 people, meaning that several companies already have an audit committee, although the number is not too large. This needs to be maintained and improved. Almost all companies in this study have an audit committee of 3 people, only companies with the code "BUDI" have 2 members.

If viewed from several indicators that measure GCG, it can be indicated that companies are quite good at implementing external mechanisms. A large enough percentage of institutional ownership can minimize agency conflicts that occur between managers and shareholders. Increasing optimal supervision can also be carried out with institutional ownership. Supervision and direction of company management through independent commissioners still needs to be improved, because one of the roles of independent commissioners as stated in Article 1 number 5 of Law No. 1 of 1995 concerning Limited Liability Companies states that commissioners are company organs whose job is to carry out general supervision and or and provide advice to the directors in running the company. An audit committee as a check on the implementation of the board of directors' functions also exists in every company. The existence of an audit committee is considered very important to evaluate the examination of the implementation of the board of directors' functions in managing the company.

Firm Value Variables

The results of the descriptive statistical analysis in Table show that the indicator with the highest average value is PER, which is 23.804. This achievement must always be maintained and even improved. Companies that dominate the highest PER values are companies with the code “SKBM”.

Another indicator is PBV which has a lower average of 8,423. Even though it has a lower value compared to PER, the PBV ratio obtained by several companies is quite high, this must be maintained and further improved because according, the greater the PBV value, the higher the investor's assessment compared to the funds invested in the company so that the greater the opportunity for investors to buy company shares

Based on the results of the descriptive statistics obtained from the two indicators, it shows that the company already has good value in the eyes of investors. A relatively high PER ratio can be an alternative in making investor decisions to invest, it means that the higher the PER value, the more likely the company is to be able to increase its value. The PBV obtained by several companies is quite high, so that investors have an optimistic or favorable view of the company. The biggest data variance is also found in the PBV indicator, meaning that the ratio of PBV ratings between companies has a more diverse value than the PER indicator.

Conclusion

This study analyzes the moderating role of good corporate governance in the effect of profitability, leverage and exchange rates on firm value. Based on the analysis of research results and discussion using Warp PLS software using moderating variables, conclusions and suggestions can be put forward as follows.

1. Profitability directly has a significant positive effect on firm value. This means that the higher the profitability, the better the company is in managing capital to make a profit. This means that Food and Beverage companies can use capital effectively and efficiently to generate net profit.
2. Negative leverage is not significant to firm value. This means that excessive use of debt reduces the benefits received from using debt because the benefits received are not proportional to the costs incurred, so that a low proportion of debt will increase the value of the company and an increase in debt will reduce the value of the company.
3. Negative exchange rates are not significant to company value. This means that changes in the rupiah exchange rate do not affect sales volume at Food and Beverage companies so that they do not affect company value.
4. Good Corporate Governance moderates the influence of profitability on firm value. This means that the mechanism of Good Corporate Governance as measured by Independent Commissioners and audit committees shows that the role of the manager as well as the owner minimizes agency conflicts in generating profits so that Good Corporate Governance is able to moderate the effect of profitability on firm value.
5. Good Corporate Governance moderates the effect of leverage on firm value. This means that management is careful in using debt because later debt will burden the profits earned by shareholders. The better the debt management of the company, the more investor confidence will increase which can increase the value of the company.
6. Good Corporate Governance does not moderate the effect of exchange rates on firm value. This means that Good Corporate Governance is not able to strengthen the effect of exchange rates on firm value.

References

Bintara. 2018. Pengaruh Profitabilitas, Growth Opportunity, Dan Struktur Modal Terhadap Nilai Perusahaan Dengan Good Corporate Governance Sebagai Variabel Pemoderasi (Studi Empiris Pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2012-2015). Profita: Komunikasi Ilmiah Akuntansi dan Perpajakan. 11(2): 306-328. https://garuda.kemdikbud.go.id/documents/detail/1724697

Brigham, E.F.dan L.C. Gapenski. 1996. Intermadiate finance management. 5th ed. Harbor Drive.The Dryden Press. Japan. https://rjoas.com/issue-2018-06/article_32.pdf

Brigham dan Houston. 2013. Fundamental of Financial Management : Dasar-dasar Manajemen Keuangan. Buku 1 Edisi 11. Salemba Empat. Jakarta

Beckmann, J., & Czudaj, R. (2017). Exchange rate expectations and economic policy uncertainty. European Journal of Political Economy, 47, 148–162. https://doi.org/10.1016/j.ejpoleco.2016.06.003

Chen, Z., Harford, J., & Kamara, A. (2019). Operating leverage, profitability, and capitala structure. Journal of Financial and Quantitative Analysis, 54(1), 369–392. https://doi.org/10.1017/S0022109018000595

Chin, W.W. 2010. How to write up and report PLS analyses, "In Vinzi V.E., Chin W.W., Henseler, J., and Wang, H (Eds.), Handbook of partial least squares : Concepts, methods and applications in Marketing and Related Fields (pp. 655-690). Springer. Berlin, Heidelberg. https://link.springer.com/chapter/10.1007/978-3-540-32827-8_29

Choi, D., P.M. Choi.,J.H. Choi dan C.Y. Chung. 2020. Corporate Governance and Corporate Social Responsibility : Evidence from the Role of the Largest Institutional Blockholders in the Korean Market. Journal Sustainability. 12(1) : 1 - 15 https://www.mdpi.com/2071-1050/12/4/1680

Cohen, J. 1988. Statistical power analysis for the behavioral sciences. Hillsdale, Lawrence Erlbaum Associates. New Jersey https://www.utstat.toronto.edu/~brunner/oldclass/378f16/readings/CohenPower.pdf

Dewi,A.S.M. dan A.Wirajaya. 2013. Pengaruh Struktur Modal, Profitabilitas dan Ukuran Perusahaan pada Nilai Perusahaan. E-Jurnal Akuntansi Universitas Udayana. 4(2): 358-372. https://ojs.unud.ac.id/index.php/Akuntansi/article/view/6233

Dewi Sartika, U., Siddik, S., & Choiriyah, C. (2019). Pengaruh Inflasi, Suku Bunga, Nilai Tukar, Dan Produk Domestik Bruto Terhadap Nilai Perusahaan. Jurnal Ilmu Manajemen, 8(2), 75. https://doi.org/10.32502/jimn.v8i2.1821

Eng, L. L., & Mak, Y. T. (2003). Corporate governance and voluntary disclosure. Journal of Accounting and Public Policy, 22(4), 325–345. https://doi.org/10.1016/S0278-4254(03)00037-1

Effendi, M.A. 2008. The Power of Good Corporate Governance: Teori dan Implementasi. Edisi 2. Salemba Empat. Jakarta

Fahmi, I. 2013. Analisis Laporan Keuangan. Cetakan ke -2. Alfabeta. Bandung

Ghozali. 2021. Partial Least Squares; Konsep, Metode dan Aplikasi Menggunakan Program WarpPLS 7.0. Edisi 4. Badan Penerbit UNDIP. Semarang

Hair, Joseph F, C. William Babin dan B.J. Anderson 2014, Multivariate Data Analysis, Seventh Edition. Essex Pearson Education,. New Jersey.

Harmono. 2009. Manajemen Keuangan Berbasis Balanced Scorecard (Pendekatan Teori, Kasus, dan Riset Bisnis). Edisi 1. Bumi Aksara. Jakarta

Irawati,S. 2006. Manajemen Keuangan. Cetakan Pertama. PT Pustaka. Bandung

Kasmir, 2010. Bank dan Lembaga Keuangan lainnya. Edisi Revisi 11. Rajawali Pers. Jakarta

Padmodiningrat. 2019. Pengaruh Kebijakan Dividen, Ukuran Perusahaan, Tingkat Suku Bunga Dan Nilai Tukar Terhadap Nilai Perusahaan Dengan Harga Saham Sebagai Variabel Intervening Pada Perusahaan Sektor Perbankan Yang Tercatat Di Bursa Efek Indonesia Tahun 2014 – 2018 . Jurnal IKRA-ITH Ekonomika. 2(3): 157-171. https://journals.upi-yai.ac.id/index.php/IKRAITH-EKONOMIKA/article/view/664

Rahayu, M dan B. Sari. 2018. Faktor-Faktor Yang Mempengaruhi Nilai Perusahaan. Journal IKRITH-Humaniora.2(1):65-76. https://journals.upi-yai.ac.id/index.php/ikraith-humaniora/article/view/73

Ramadan, I.Z. 2015. Leverage and the Jordanian Firms' Value: Empirical Evidence. International Journal of Economics and Finance. 7(4): 75-81. https://ccsenet.org/journal/index.php/ijef/article/view/46777

Sartono, A. 2010. Manajemen Keuangan Teori dan Aplikasi. Edisi 4. BPFE. Yogyakarta

Sadono,L.B. dan W.Suprapto. 2016. Analisis Penerapan Prinsip Good Corporate Governance PT Berkat Cakra Indonesia. Jurnal AGOR. 4(2): 226-314. https://media.neliti.com/media/publications/57419-ID-none.pdf

Sucuahi, W dan J.M. Cambarihan. 2016. Influence of Profitability to the Firm Value of Diversified Companies in the Philippines. Journal Accounting and Finance Research. 5(2): 149-153. https://www.sciedu.ca/journal/index.php/afr/article/view/9564

Tandelilin, E. 2010. Portofolio dan Investasi: Teori dan Aplikasi. Edisi 1. Kanisius. Yogyakarta

Yulianto dan Widyasari. 2020. Analisis Faktor-Faktor Yang Mempengaruh Nilai Perusahaan. Jurnal Multiparadigma Akuntansi Tarumanegara. 2(2):576-585. https://journal.untar.ac.id/index.php/jpa/article/viewFile/7622/5114

Suherman Suhermin