

ABSTRACT

Company value is defined as market value. Because the value of the company can provide maximum shareholder prosperity if the company's stock price increases. The higher the stock price, the higher the prosperity of shareholders. Maximizing the value of the company is very important for a company, because maximizing the value of the company also means maximizing shareholder prosperity which is the company's goal.

This study aims to examine the effect of the mechanism of Good Corporate Governance on Company Values in consumer goods manufacturing sector companies listed on the Indonesia Stock Exchange. The sampling method uses purposive sampling method with a total sample of 9 companies and a research period of 5 years so that the number of sample units is 40 data. The data analysis technique uses descriptive statistics and hypothesis testing using panel data regression analysis using the Eviews 9 software application.

The test results obtained from this study simultaneously show that the mechanism of Good Corporate Governance has a significant effect on Price to Book Value. Partially managerial ownership has no effect on Price to Book Value, institutional ownership has no influence on Price to Book Value, and Independent commissioners have a positive influence on Price to Book Value.

In the results of this study, it is expected that the next researcher uses independent and dependent variables in addition to the variables present in this study. For companies, it is expected to increase the value of institutional ownership so that the value of price to book value can increase. For investors and potential investors, it is expected to make investment decisions in companies that have a high proportion of independent commissioners, because the value of the company will increase so that the return generated by the company will be high.

Keywords: Firm Value; Institutional Ownership; Independent Commissioner; Managerial Ownership