THE EFFECT OF CORPORATE GOVERNANCE MECHANISM ON COMPANY VALUE WITH INCOME QUALITY AS INTERVENING VARIABLES

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Abstrak

This study aims to determine the effect of corporate governance mechanisms on firm value with earnings quality as an intervening variable on transportation companies listed on the Indonesia Stock Exchange in 2014 - 2018.

This research uses a quantitative approach causative research, which is measured using a hypothesis method through t test with Eviews version 10. The population of this study is the transportation companies listed on the Indonesia Stock Exchange in 2014 - 2018. The sample was determined using the Slovin method with purposive sampling technique with a sample size of 20. The data used in this study is in the form of secondary data. Data collection techniques using the method of observation.

The results of this study indicate that independent commissioners affect earnings quality, managerial ownership has no effect on earnings quality, institutional ownership has no effect on earnings quality, audit committee has no effect on earnings quality, independent commissioners have no effect on firm value, managerial ownership has influence on firm value , institutional ownership affects the value of the company, the audit committee does not affect the value of the company. Earnings quality has no effect on firm value, earnings quality is not an intervening variable between independent commissioners on firm value, earnings quality is not an intervening variable between managerial ownership of firm value, earnings quality is not an intervening variable between institutional ownership of firm value, earnings quality is not an intervening variable between audit committee on the value of the company.

Kata Kunci : Komisaris Independen, Kepemilikan Manajerial, Kepemilikan Institusional, Komite Audit

I. INTRODUCTION

Indonesia is one of the developing countries that is actively developing, especially in the economic sector. Based on the increasing economy and causing international and domestic risks, companies must pay attention to all activities where one of the management that must be considered is financial problems that are important for the survival of the company. The finance of a company is related to the source of funds and their use. In order for the funds within the company to be fulfilled sufficiently, it is imperative that the management and determination of the source of funds be appropriate. Good Corporate Governance (GCG) is a series of processes, habits, policies, rules and institutions that affect the direction, management and control of a company or corporation. The main parties in GCG include shareholders, management and the board of directors.

The implementation of GCG requires a commitment from all organizational personalities as a basic code of conduct that must be adhered to and applied by top management as a code of ethics that must be obeyed by all parties in the company. The management will always strive to achieve the main goal of the company, namely maximizing profits so as to improve the welfare of the company owners.

Shareholders' welfare will increase if the share price they own also increases. In addition to managing the company which is oriented towards the welfare of shareholders, management is expected to maintain consistency in the company's growth. Consistent company growth is expected to increase company value. Firm value can be measured from the fair market value of the share price.

For a go public company, the fair market value of its shares is determined by the supply and demand mechanism on the stock exchange, which is reflected in the listing price. The market price is an impact of management decisions and policies, so that the company value is the result of management actions. For potential investors, information from management is needed as a basis for making investment decisions. Information needed by investors before buying, selling, or holding shares is accounting information and other information from companies listed on the stock exchange.

According to Li (2014) in Machdar, Manurung, & Murwaningsari (2017), earnings quality is an important factor in determining the value of a company. According to Dechow & Dichev (2009), companies that have good earnings quality can estimate the characteristics of the earnings process that are relevant for decision making. So, managers as company managers must be able to make an income report in which the financial statements are of good quality. So, managers as company managers must be able to make income reports in financial reports of good quality.

Good earnings quality will automatically affect the company's value which continues to increase. Conversely, if the quality of earnings is poor, the value of the company will decrease. High company value will affect shareholders who will always invest their capital in the company, because later the shareholders will get multiple benefits from this investment Haruman (2008)

II. LITERATURE REVIEW

1. Theory Basis

Corporate Governance

Corporate governance is a series of processes, habits, policies, rules, and institutions that influence the direction, management and control of a company or corporation. Corporate governance also includes the relationship between the stakeholders involved and the objectives of managing the company. The main parties in corporate governance are shareholders, management, and the board of directors. Other stakeholders include employees, suppliers, customers, banks and other creditors, regulators, the environment, and the wider community.

Corporate governance is defined by the World Bank in Hamdani (2016) as standards, regulations, and institutions in the economic sector that manage the behavior of directors, managers and company owners and define the powers, duties and responsibilities of investors (creditors). According to Untung (2014) corporate governance is a series of processes, regulations, and policies that affect the management of corporate companies.

1. Independent Commissioner

The National Committee for Governance Policy (2006) explains that outside the company, independent commissioners are members of commissioners who are not affiliated and are elected openly, have integrity, are competent, and are independent from the interests of themselves and others and are in accordance with corporate governance guidelines. The internal mechanism, namely the role of the board of commissioners in creating Good Corporate Governance (GCG) in the company can be improved by the presence of independent commissioners, Febiani (2012). A large proportion of independent commissioners in the board of commissioners structure will provide better supervision and can limit opportunities for fraud by management so that quality profits can be obtained (Raharjo and Daljono, 2014)

$$\text{Independent Commissioners} = \frac{\text{Number of Independent Commissioners}}{\text{Number of commissioners}}$$

Source: Sadasiha (2014)

2. Managerial Ownership

Susanti and Mildawati (2014) describe managerial ownership as the number of investors from management who are active in determining a decision. Managerial ownership consists of investors who have positions as boards of commissioners or directors. (Jensen and Meckling, 1976) also explained that agency problems can be reduced by ownership of management shares. Management ownership will also be able to create an assumption that company value can increase if managerial ownership increases so that it can create effectiveness in monitoring company activities.

$$\text{Managerial Ownership} = \frac{\text{Total shares owned by Management}}{\text{Number of shares outstanding at the end of the year}}$$

Source : Thesarani (2016)

3. Institutional Ownership

Susanti and Mildawati (2014) explain that institutional ownership indicates that the majority of shares are owned by bank, insurance, investment, and other institutional ownership. Institutional ownership is the largest shareholder so that it becomes a means of overseeing management. Ahmed and Duellman (2007) explain that with the increase in institutional ownership, institutional investors can strengthen the supervisory function of the board in companies so that the interests of investors can be protected. Increased institutional ownership has also led to greater oversight of management and greater pressure for information disclosure.

$$\text{Institutional Ownership} = \frac{\text{Institutional share ownership}}{\text{The number of shares outstanding}}$$

Source: Kusumaningtyas, Titah Kinanti (2015)

4. Audit Committee

The Audit Committee is a party that has a duty to assist independent commissioners in improving financial reports and improving the quality of internal and external audits. Suryanto (2016)
The minimum number of audit committees is an independent commissioner and outside the company there are at least two members who are responsible for the board of commissioners. The audit committee is responsible for determining the organization to enforce statutory regulations in accordance with applicable regulations, implement business ethics, and conduct oversight to minimize conflicts of interest and fraudulent acts of FCGI company employees (2002).

$$\text{Audit committee} = \frac{\text{Number of outside audit committee members}}{\text{The total number of members of the audit committee}}$$

Source: Ananta (2017)

The Value Of The Company

The company value report is the investor's perception of the company which is often associated with stock prices. High corporate value is the desire of company owners, because high values indicate that the prosperity of shareholders is also high, Hemastuti (2014).

According to Harmono (2017) indicators that affect firm value can be done by using:

a. PBV *(Price Book Value)*

Price Book Value is one of the variables considered by an investor in determining which shares to buy. Firm value can provide maximum benefit for shareholders if the company's share price follows. The higher the share price, the higher the shareholder's wealth.

$$\text{PBV} = \frac{\text{Price of the Share Sheet}}{\text{Book Value of common stock}}$$

b. PER *(Price Earning Ratio)*

Price Earning Ratio is the price per share, this indicator has practically been applied in the final part of the income statement and has become a standard form of financial reporting for public companies in Indonesia. This ratio shows how much investors assess the stock price against the multiple of earnings Harmono (2015)

$$\text{PER} = \frac{\text{Stock market price}}{\text{Earnings per share}}$$

c. EPS *(Earning Per Share)*

Earning Per Share or income per share is a form of giving benefits to shareholders from each share owned by Fahmi (2014)

$$\text{EPS} = \frac{\text{Profit after tax}}{\text{The number of shares outstanding}}$$

d. Tobin’s Q

Tobin's Q analysis is also known as the Tobin's Q ratio.This ratio is a valuable concept because it shows current financial market estimates of the return value of each dollar of future investment Smisthers and Wright (2007) in Prasetyorini (2013)

$$\text{Tobin's Q} = \frac{\text{MVE} + \text{Debt}}{\text{TA}}$$

Profit Quality

According to Ummi (2015) explains that: "The quality of earnings shows the level of closeness of reported earnings with hicksian income, which is economic profit, namely the amount that can be consumed in one period by keeping the company's ability at the beginning and end of the period the same."

Based on the above definition, it can be concluded that earnings quality is net income that is reported correctly and accurately describes the company's operational profitability and reflects the actual company's performance in a certain period.

Factors - Factors Affecting Earnings Quality

Jun (2009) in Ummi (2015) states that earnings quality is influenced by several factors, namely:

1) Accounting Standards

Differences in accounting standards in a company can cause differences in earnings quality. Webster and Thornton in Ummi (2015) found differences in earnings quality that can be seen from discreationary accruals in companies that adhere to GAAP and companies that adhere to IAS.

2) Company Characteristics

Company characteristics that can affect earnings quality are the composition of shareholders, the presence of controlling shareholders and the size of the company. Several studies have found that earnings management measures can be reduced in companies that have a higher institutional holder composition.

3) Characteristics of Commissioners and Audit Committee

The supervisory function inherent in the board of commissioners is able to improve earnings quality by limiting earnings management actions taken by company management. Dechow et al (2002) in Ummi (2015) revealed that the existence of independent commissioners can reduce management practices in a company. Meanwhile, Vafeas (2005) proved that the number of audit committee meetings has a positive relationship with earnings quality.

4) Managerial Characteristics

Managerial characteristics that can affect earnings quality include: compensation, reputation, gender, turnover rate, age and so on. Kalyta and Magnan (2008) in Ummi (2015) reveal that cash compensation, bonus plans and company pension plans can influence managers to carry out earnings management.

2. Hyphotesis Development

The research hypothesis proposed as a temporary answer to the formulation of this research problem is as follows:

1. H1: The Independent Commissioner has a positive effect on the Profit Quality of transportation listed on the IDX in 2014-2018.

2. H2: Managerial Ownership has a positive effect on the Profit Quality of transportation listed on the IDX in 2014-2018.

3. H3: Institutional ownership has a positive effect on the Profit Quality of transportation listed on the IDX in 2014-2018.

4. H4: The Audit Committee has a positive effect on the Profit Quality of transportation listed on the IDX in 2014-2018.

5. H5: Profit quality has a positive effect on the value of transportation companies listed on the IDX in 2014-2018.

6. H6: The Independent Commissioner has a positive effect on the value of transportation companies listed on the IDX in 2014-2018.

7. H7: Managerial Ownership has a positive effect on the value of transportation companies listed on the IDX in 2014-2018.

8. H8: Institutional ownership has a positive effect on the value of transportation companies listed on the IDX in 2014-2018.

9. H9: The Audit Committee has a positive effect on the Value Quality of companies listed on the IDX in 2014-2018.

10. H10: Effect of Earnings Quality as an Intervening Variable between Independent Commissioners on the Value of transportation companies listed on the IDX in 2014-2018.

11. H11: Effect of Earning Quality as an Intervening Variable between Managerial Ownership and Value of transportation companies listed on the IDX in 2014-2018.

12. H12: Effect of Earning Quality as an Intervening Variable between Institutional Ownership and Value of transportation companies listed on the IDX in 2014-2018.

13. H13: The Effect of Earning Quality as an Intervening Variable between the Audit Committee on the Value of transportation companies listed on the IDX in 2014-2018.

Based on these theories and studies, the research model looks as follows:

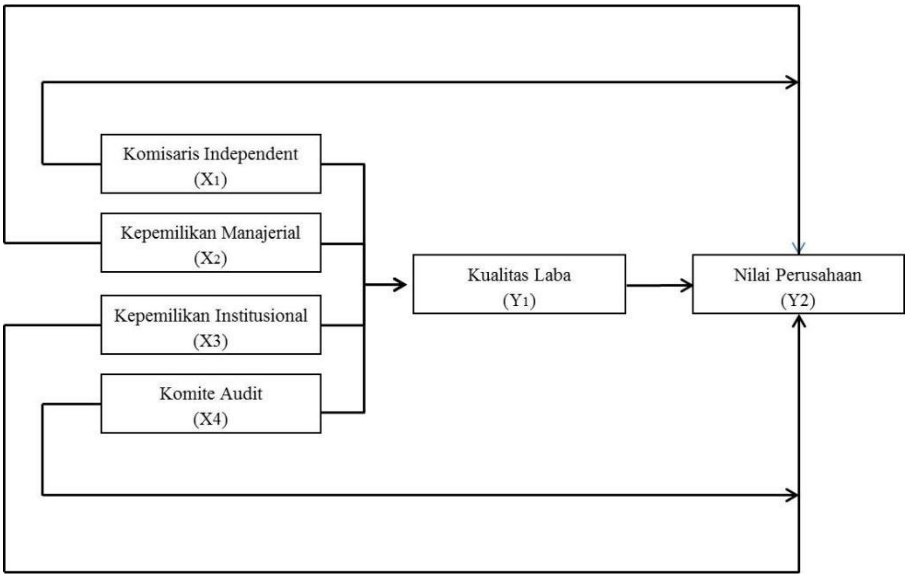


Figure 1
Research Framework

III. RESEARCH METHODS

Based on its approach, this research is included in ex-post facto research, namely research on events that occurred in the past to trace the factors that caused these events. Based on the type of data used, this research is a quantitative study because it uses data in the form of numbers. Based on the characteristics of the problem, research is grouped into causative research. Causative research is research that aims to determine the causal relationship between variables through hypothesis testing. This study examines the effect of the relationship between corporate governance mechanisms (with the proxies of Independent Commissioners, Managerial Ownership, Institutional Ownership, Audit Committee) on Firm Value and Earnings Quality as an intervening variable.

The data analysis technique used in this research is the classical assumption test, the hypothesis test with the panel data regression analysis method, and the sobel test. The general form of hypothesis testing used in this study are:

The Sobel Test is calculated using the following formula:

$$S_{ab} = \sqrt{b^2 sa^2 + a^2 sb^2 + sa^2 sb^2} \quad \textbf{(3.5)}$$

Keterangan :

Sa = Standar error koefisien a

Sb = Standar error koefisien b

b = Koefisien variabel mediasi

a = Koefisien variabel bebas

IV. RESEARCH RESULT

Descriptive Statistics

he results of descriptive statistics can be seen in Table 1 below:

Table 1 Descriptive Statistics

	NPER	IDPN	MNJR	INST	KAUD	DACC
Mean	2.757	0.380	0.052	0.673	0.334	0.006
Maximum	10.542	0.667	0.989	0.989	0.5	0.021
Minimum	0.245	0.167	0	0.085	0.2	-0.006
Std. Dev.	2.382	0.967	0.119	0.22	0.064	0.005

Based on the results of the descriptive statistics above, it can be seen that the value of the company is between 0.245 - 10.542 with a mean (average) value of 2.757 and a standard deviation of 2.382. The mean value of 2.757 or above the value of 1 means that companies investing in assets are able to generate profits that provide a higher value than investment expenditures. The company with the lowest Company Value in this study was PT Tanah Laut Tbk in 2016 amounting to 0.245, while the company with the highest Company Value was PT Indo Straits Tbk in 2016 with an NPER value of 10.542.

The Independent Commissioner variable ranges from 0.167 to 0.667 with a mean (average) value of 0.380 and a standard deviation of 0.096. The mean value of 0.380 means that the average Independent Commissioner in a transportation company is 38%. This shows that the sample companies have a fairly good independent board component in the implementation of good corporate governance. The company that has the lowest independent commissioner value in this study is PT Cardig Aero Service Tbk (2016) at 0.167 while the companies with the highest Independent Commissioner value are PT Indo Straits Tbk (2014,2015) and PT Buana Listya Tama (2017,2018) with a value equal to 0.667

Managerial Ownership Variables ranged from 0 - 0.989 with a mean (average) value of 0.052 and a standard deviation of 0.119. The mean value of 0.052 means that the average Managerial Ownership in transportation companies is 5.2%. Companies that have the lowest Managerial Ownership value in this study are PT Berlian Laju Tanker Tbk (2016, 2017, 2018) and PT Eka Sari Lorena Transport Tbk (2014, 2015, 2016, 2017, 2018) at 0, while the companies with the highest

Managerial Ownership value is PT Rimau Multi Putra Pratama Tbk in 2018 with a MNJR value of 0.989.

The Institutional Ownership variable ranges from 0.085 - 0.989 with a mean (average) value of 0.673 and a standard deviation of 0.220. The mean value is 0.673 or means that the average institutional ownership in transportation companies is 67.3%. High institutional ownership can be an effective monitoring tool for management performance. The company that had the lowest Institutional Ownership value in this study was PT Indonesia Transport & Infrastruktur Tbk in 2015 amounting to 0.085 while the company with the highest Institutional Ownership value was PT Rimau Multi Putra Prtama Tbk in 2018 with an INST value of 0.989.

The Audit Committee variable ranges from 0.2 to 0.5 with a mean (average) value of 0.334 and a standard deviation of 0.064. The mean value of 0.334 means that the AUdit Committee in transportation companies holds an average meeting once a year. The company with the lowest Audit Committee value in this study was PT Buana Listya Tama Tbk at 0.2 while the company with the highest Audit Committee value was PT Capitol Nusantara Indonesia Tbk (2014, 2015, 2016, 2017, 2018), PT Rimau Multi Putra Pratama Tbk (2017, 2018) and PT Indonesia Transport & Infrastruktur Tbk (2017, 2018) with a KAUD value of 0.5.

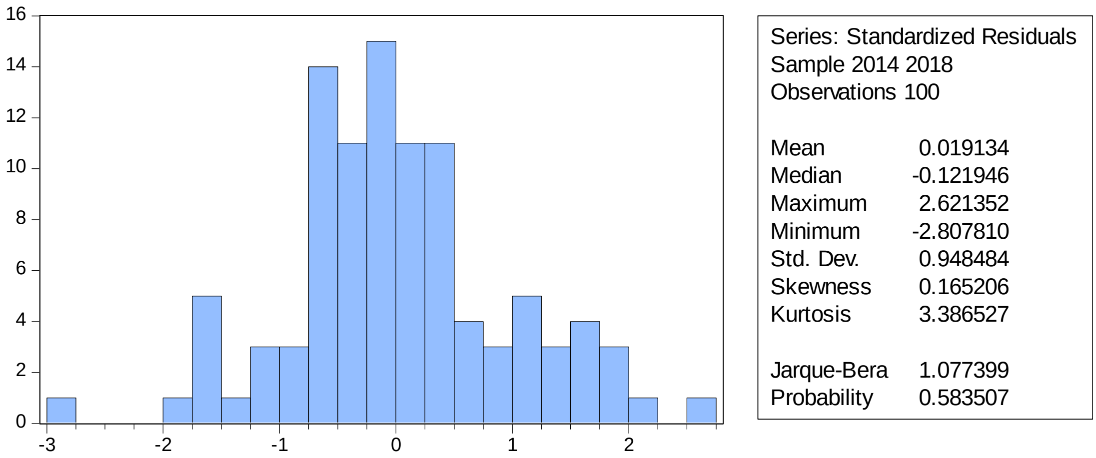
Based on the results of the descriptive statistics above, it can be seen that the value of Earnings Quality ranges from -0.006 - 0.021 with a mean (average) value of 6.676 and a standard deviation of 0.005. The mean DACC value of 0.000 is close to 0 on the index 0-1. The more the DACC value approaches 0, the higher the profit quality. The company with the lowest Profit Quality value in this study was PT Siwani Makmur in 2011 amounting to -0.490, while the company with the highest Lana Quality value was PT Alumindo Light Metal Industry in 2013 with a DACC value of 0.509.

Classic Assumption Test

The results of the classic assumption test can be seen in Table 2 below :

Graph 1

Data Normality Test



Looking at the histogram graph and the Jarque Bera statistical test (JB-Test) based on graph 4.1 the normality test can be seen that the probability value is 0.583507 where the probability value is greater than 0.05, namely 0.583507> 0.05, it can be concluded that the residual is normally distributed and vice versa, if the value is smaller, there is not enough evidence to state that the residuals are normally distributed

Regression Equations

Table 2
Results of Panel Data
CG on Earnings Quality

Dependent Variable: KUALITAS_LABA
Method: Panel Least Squares
Date: 02/04/20 Time: 11:58
Sample: 2014 2018
Periods included: 5
Cross-sections included: 20
Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
KOMISARIS_INDEPENDEN	-0.009950	0.003695	-2.692888	0.0084
KEP_MANAJERIAL	0.003133	0.003595	0.871380	0.3857
KEP_INSTITUSIONAL	0.002485	0.001968	1.262618	0.2098

KOMITE_AUDIT	-0.009134	0.005438	-1.679672	0.0963
C	0.006439	0.002815	2.287692	0.0244

R-squared	0.094488	Mean dependent var	0.001446
Adjusted R-squared	0.056361	S.D. dependent var	0.003556
S.E. of regression	0.003454	Akaike info criterion	-8.449883
Sum squared resid	0.001133	Schwarz criterion	-8.319625
Log likelihood	427.4942	Hannan-Quinn criter.	-8.397165
F-statistic	2.478241	Durbin-Watson stat	2.445420
Prob(F-statistic)	0.049194		

Sumber : Hasil Output Regresi Data Panel Eviews 10)

Based on the table of panel data regression analysis above, the panel data regression equation can be formulated as follows:

Profit Quality = 0.006439 - 0.009950 Independent Commissioner + 0.003133 Managerial Ownership + 0.002485 Institutional Ownership - 0.009134 Audit Committee

Based on table 2 above, the results of the t test hypothesis testing can be taken as follows:

a. The first hypothesis in this study is that independent commissioners have a negative effect on earnings quality. The result of the statistical test shows that the value of t is greater than t table (-2.692888> 1.985251) and the probability result is smaller than the significance level (0.0084 <0.05). So it can be concluded that independent commissioners have no negative effect on earnings quality. Based on the test results above, it can be concluded that **H1** which states that independent commissioners have no negative effect on earnings quality is accepted.

b. The second hypothesis in this study is that managerial ownership has no negative effect on earnings quality. The results of statistical tests show that the value of t count is smaller than t table (-0.871380 <1.985251) and the probability results are greater than the significance level (0.3857> 0.05). So it can be concluded that managerial ownership has no negative effect on earnings quality. Based on the test results above, it can be concluded that **H2** which states that managerial ownership has a negative effect on earnings quality, is rejected.

c. The third hypothesis in this study is that institutional ownership has no positive effect on earnings quality. The results of the t statistical test show that the t-count value is smaller than t table (1.262618 <1.985251) and the probability result is greater than the significance level (0.2098> 0.05). So it can be concluded that institutional ownership has no positive effect on earnings quality. Based on the test results above, it can be concluded that **H3** which states that institutional ownership has no positive effect on earnings quality, is rejected.

d. The fourth hypothesis in this study is that the audit committee has no negative effect on earnings quality. The results of the t statistical test show that the t-count value is smaller than the t-table (-1.679672 <1.985251) and the probability result is greater than the significance level (0.0963> 0.05). So it can be concluded that the audit committee has a negative effect on earnings quality. Based on the test results above, it can be concluded that **H4** which states that the audit committee has a negative effect on earnings quality, is rejected.

Table 3

Results of Panel Data

CG on The Value of Company

Dependent Variable: NILAI_PERUSAHAAN
Method: Panel Least Squares
Date: 02/04/20 Time: 12:05
Sample: 2014 2018
Periods included: 5
Cross-sections included: 20
Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
KOMISARIS_INDEPENDEN	1.794204	2.232763	0.803580	0.4241
KEP_MANAJERIAL	11.85386	4.636791	2.556480	0.0126
KEP_INSTITUSIONAL	3.738662	1.678915	2.226832	0.0289
KOMITE_AUDIT	7.078346	3.876123	1.826141	0.0718
C	-3.432627	2.349619	-1.460929	0.1482

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.837568	Mean dependent var	2.757155
Adjusted R-squared	0.788410	S.D. dependent var	2.382347
S.E. of regression	1.095853	Akaike info criterion	3.226506
Sum squared resid	91.26794	Schwarz criterion	3.851747

Log likelihood	137.3253	Hannan-Quinn criter.	3.479553
F-statistic	17.03855	Durbin-Watson stat	1.850618
Prob(F-statistic)	0.000000		

Sumber : Hasil Output Regresi Data Panel Eviews 10)

Based on the table of panel data regression analysis above, the panel data regression equation can be formulated as follows:

Company Value = -3.432627 + 1.794204 Independent Commissioner + 11, 85386 Managerial Ownership + 3, 738662 Institutional Ownership + 7, 078346 Audit Committee

Based on table 3 above, the results of the t test hypothesis testing can be taken as follows:

a. The fifth hypothesis in this study is that independent commissioners have no positive effect on firm value. The result of the statistical test shows that the value of t is greater than t table (0.803580 <1.985251) and the probability result is smaller than the significance level (0.4241> 0.05). So it can be concluded that the independent committee has no positive effect on firm value. Based on the test results above, it can be concluded that **H5** which states that the independent committee has no positive effect on firm value, is rejected.

b. The sixth hypothesis in this study is that managerial ownership has a positive effect on firm value. The results of statistical tests show that the value of t count is smaller than t table (2.556480> 1.985251) and the probability result is greater than the significance level (0.0126 <0.05). So it can be concluded that managerial ownership has a positive effect on firm value. Based on the test results above, it can be concluded that **H6** which states that managerial ownership has a positive effect on firm value is accepted.

c. The seventh hypothesis in this study is that institutional ownership has a positive effect on firm value. The results of the t statistical test show that the t-count value is smaller than the t-table (2.226832> 1.985251) and the probability result is greater than the significance level (0.0289 <0.05). So it can be concluded that institutional ownership has a positive effect on firm value. Based on the test results above, it can be concluded that **H7** which states that institutional ownership has a positive effect on firm value is accepted.

d. The eighth hypothesis in this study is that the audit committee has no positive effect on firm value. The results of the statistical test show that the t-count value is smaller than the t-table (1.826141 <1.985251) and the probability result is greater than the significance level (0.0718> 0.05). So it can be concluded that the audit committee has a positive effect on firm value. Based on the test results above, it can be concluded that **H8** which states that the audit committee has a positive effect on firm value, is rejected.

Table 3
Results of Panel Data
Regression Analysis Profit Quality Against Company Value

Dependent Variable: NILAI_PERUSAHAAN
Method: Panel Least Squares
Date: 02/04/20 Time: 12:02
Sample: 2014 2018
Periods included: 5
Cross-sections included: 20
Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
KUALITAS_LABA	2.800735	37.26358	0.075160	0.9403
C	2.753106	0.126959	21.68501	0.0000

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.814170	Mean dependent var	2.757155
Adjusted R-squared	0.767124	S.D. dependent var	2.382347
S.E. of regression	1.149655	Akaike info criterion	3.301079
Sum squared resid	104.4148	Schwarz criterion	3.848164
Log likelihood	144.0539	Hannan-Quinn criter.	3.522494
F-statistic	17.30594	Durbin-Watson stat	1.711000
Prob(F-statistic)	0.000000		

Sumber : Hasil Output Regresi Data Panel Eviews 10)

Based on the table of panel data regression analysis above, the panel data regression equation can be formulated as follows:

Firm Value = 2.753106 + 2,800735 Earnings Quality

Based on table 4 above, the results of the t test hypothesis testing can be taken as follows:

a. The ninth hypothesis in this study is that earnings quality has no positive effect on firm value. The result of the statistical test shows that the value of t is greater than t table (0.075160 <1.985251) and the probability result is smaller than the significance level (0.9403> 0.05). So it can be concluded that earnings quality has no positive effect on firm value. Based on the test results above, it can be concluded that **H9** which states that earnings quality has no positive effect on firm value, is rejected.

Table 5
Sobel and Bootstrapping Test

	Sa	sb	A	b
Komisaris Independen (X1)	0.003695	67.68249	-0.00995	1.600522
kep_manajerial	0.003595	67.68249	0.003133	1.600522
kep_institusional	0.001968	67.68249	0.002485	1.600522
komite_audit	0.005438	67.68249	-0.009134	1.600522
	sa2	sb2	a2	b2
Komisaris Independen (X1)	1.3653E-05	4580.919	9.9E-05	2.561671
kep_manajerial	1.2924E-05	4580.919	9.82E-06	2.561671
kep_institusional	3.873E-06	4580.919	6.18E-06	2.561671
komite_audit	2.9572E-05	4580.919	8.34E-05	2.561671
		Sab	axb	t=ab/sab
Komisaris Independen (X1)	0.51610086	0.718402	-0.015925	-0.02217
kep_manajerial	0.10420191	0.322803	0.005014	0.015534
kep_institusional	0.04604014	0.21457	0.003977	0.018536
komite_audit	0.5177279	0.719533	-0.014619	-0.02032

Sumber : Hasil Output Regresi Data Panel Eviews 10)

Based on table 5 above, the results of the t test hypothesis testing can be taken as follows:

a. The tenth hypothesis in this study shows that the value of t count is greater than t table (-0.02216754 <1.985251004). So it can be concluded that **H10** which states that the earnings quality variable is not an intervening variable between independent commissioners and firm value, is rejected.

b. The eleventh hypothesis in this study shows that the value of t count is greater than t table (0.015534033 <1.985251004). So it can be concluded that **H11** which states that the earnings quality variable is not an intervening variable between managerial ownership and firm value, is rejected.

c. The twelfth hypothesis in this study shows that the value of t is greater than t table (0.018536158 <1.985251004). So it can be concluded that **H12** which states that the earnings quality variable is not an intervening variable between institutional ownership and firm value, is rejected.

d. The twelfth hypothesis in this study shows that the value of t is greater than t table (-0.02031758 <1.985251004). So it can be concluded that **H13** which states that the earnings quality variable is not an intervening variable between the audit committee and firm value, is rejected.

Disscusion

The Effect of Independent Commissioners on Earnings Quality

The first hypothesis states that independent commissioners have an effect on the quality of earnings listed on the IDX in 2014-2018. After calculating with Evies version 10, the regression coefficient value is -0.009950, which indicates that independent commissioners on earnings quality are negative and the t-count value of -2692888 is lower than t table at the 5% significance level of 1.98525 (-269288 < 1,98525). The significance probability value of 0.0084 indicates a value greater than the predetermined significance value of 0.05 (0.0084> 0.05). Therefore, it can be concluded that independent commissioners have no effect on earnings quality so that the first hypothesis in this study is accepted.

Effect of Managerial Ownership on Earnings Quality

The second hypothesis states that Managerial Ownership has no effect on the quality of earnings listed on the IDX in 2014-2018. After calculating with Eviews version 10, the regression coefficient value is 0.003133, which indicates that managerial ownership of earnings quality is positive and the tcount value of -0.871380 is lower than t table at the 5% significance level of 1.98525 (-0 , 871380 <1.98525). The significance probability value of 0.3857 indicates a value greater than the predetermined significance value of 0.05 (0.3857> 0.05). Therefore, it can be concluded that Managerial Ownership has no effect on Earning Quality so that the first hypothesis in this study is rejected.

The Effect of Institutional Ownership on Earnings Quality

The third hypothesis states that institutional ownership has an effect on the quality of earnings listed on the IDX in 2014-2018. After calculating with Eviews version 10, the regression coefficient value is 0.002485, which indicates that institutional ownership of earnings quality is positive and the tcount value of 1.262618 is lower than t table at the 5% significance level of 1.98525 (1.262618 <1,98525). The significance probability value of 0.2098 indicates a value greater than the predetermined significance value of 0.05 (0.2098> 0.05). Therefore, it can be concluded that institutional ownership has no effect on earnings quality so that the first hypothesis in this study is rejected.

The Effect of the Audit Committee on Earnings Quality

The fourth hypothesis states that the audit committee has no effect on the quality of earnings listed on the IDX in 2014-2018. After calculating with Eviews version 10, the regression coefficient value is -0.009134 which indicates that the audit committee on earnings quality is negative and the tcount value is -1.679672 lower than t table at the 5% significance level of 1.98525 (- 1.679672 <1.98525). The significance probability value of 0.0963 indicates a value greater than the predetermined significance value of 0.05 (0.0963> 0.05). Therefore, it can be concluded that the audit committee has no effect on earning quality so that the first hypothesis in this study is rejected.

The Influence of Independent Commissioners on Company Value

The fifth hypothesis states that independent commissioners have no effect on the value of companies listed on the IDX in 2014-2018. After calculating with Eviews version 10, the regression coefficient value is 1.794204, which indicates that the independent commissioner of the company value is positive and the t-count value is 0.803580 lower than t table at the 5% significance level of 1.98525 (0.803580 <1,98525). The significance probability value of 0.4241 indicates a value greater than the predetermined significance value of 0.05 (0.4241> 0.05). Therefore, it can be concluded that independent commissioners have no effect on earnings quality so that the first hypothesis in this study is rejected.

The Effect of Managerial Ownership on Firm Value

The sixth hypothesis states that managerial ownership has an effect on the value of companies listed on the IDX in 2014-2018. After calculating with Eviews version 10, the regression coefficient value is 11.85386, which indicates that managerial ownership has a positive effect on firm value and the tcount value of 2.556480 is lower than t table at the 5% significance level of 1.98525 (2, 556480> 1,98525). The significance probability value of 0.0126 indicates a value greater than the predetermined significance value of 0.05 (0.0126 <0.05). Therefore, it can be concluded that managerial ownership has an effect on firm value so that the first hypothesis in this study is accepted.

The Effect of Institutional Ownership on Firm Value

The seventh hypothesis states that institutional ownership affects the value of companies listed on the IDX in 2014-2018. After calculating with Eviews version 10, the regression coefficient value is 3.738662, which indicates that institutional ownership of firm value is positive and the tcount value of 2.226832 is lower than t table at the 5% significance level of 1.98525 (2.556480 > 1,98525). The significance probability value of 0.0289 indicates a value greater than the predetermined significance value of 0.05 (0.0289 <0.05). Therefore, it can be concluded that institutional ownership has an effect on firm value so that the first hypothesis in this study is accepted.

The Effect of the Audit Committee on Firm Value

The future hypothesis states that the audit committee has no effect on the value of companies listed on the IDX in 2014-2018. After calculating with Eviews version 10, the regression coefficient value is 7.078346, which indicates that the audit committee on firm value is positive and the tcount value is 1.826141 lower than t table at the 5% significance level of 1.98525 (1.826141 <1,98525). The significance probability value of 0.0718 indicates a value greater than the predetermined significance value of 0.05 (0.0718> 0.05). Therefore, it can be concluded that the audit committee has no effect on firm value so that the first hypothesis in this study is rejected.

The Effect of Earnings Quality on Firm Value

The ninth hypothesis states that earnings quality has no effect on the value of companies listed on the IDX in 2014-2018. After calculating with Eviews version 10, the regression coefficient value is 2,800735 which indicates that the earnings quality to firm value is positive and the tcount value is 0.075160 lower than t table at the 5% significance level of 1.98525 (0.075160 <1,98525). The significance probability value of 0.09403 indicates a value greater than the predetermined significance value of 0.05 (0.09403> 0.05). Therefore, it can be concluded that earnings quality has no effect on firm value so that the first hypothesis in this study is rejected.

he Effect of Earnings Quality as an Intervening Variable between Independent Commissioners on Firm Value

The tenth hypothesis states that earnings quality has no effect as an intervening variable between independent commissioners on the value of companies listed on the IDX in 2014-2018. After calculating with Eviews version 10, the tcount value is -0.02216754, lower than the t table at the 5% significance level of 1.98525 (-

0.02216754 <1.98525). Therefore, it can be concluded that earnings quality has no effect as an intervening variable between independent commissioners on firm value is rejected.

The Effect of Earnings Quality as an Intervening Variable between Managerial Ownership and Firm Value

The eleventh hypothesis states that earnings quality has no effect as an intervening variable between managerial ownership and the value of companies listed on the IDX in 2014-2018. After calculating with Eviews version 10, the tcount value is 0.015524033 which is lower than the t table at the 5% significance level of 1.98525 (0.015524033 <1.98525). Therefore, it can be concluded that earnings quality has no effect as an intervening variable between managerial ownership and firm value.

The Effect of Earnings Quality as an Intervening Variable between Institutional Ownership and Firm Value

The twelfth hypothesis states that earnings quality has no effect as an intervening variable between Institutional ownership and the value of companies listed on the IDX in 2014-2018. After calculating with Eviews version 10, the tcount value is -0.018536158, lower than the t table at the 5% significance level of 1.98525 (-0.018536158 <1.98525). Therefore, it can be concluded that earnings quality has no effect as an intervening variable between institutional ownership and firm value.

The Effect of Earning Quality as an Intervening Variable between the Audit Committee on Firm Value

The thirteenth hypothesis states that earnings quality has no effect as an intervening variable between the audit committee on the value of companies listed on the IDX in 2014-2018. After calculating with Eviews version 10, the tcount value is -0.02031758 lower than the t table at the 5% significance level of 1.98525 (-0.02031758 <1.98525). Therefore, it can be concluded that earnings quality has no effect as an intervening variable between the audit committee on firm value is rejected.

V. CONCLUSION

Based on the data analysis that has been done, the following conclusions can be drawn:

1. Independent commissioners have a negative effect on earnings quality, this is indicated by the coefficient value of -0.009950 with a significant value of 0.0084 at a significant level of 5%, which means that if the premium income increases by 1 unit it will reduce the quality of earnings by 0 , 009950.
2. Managerial ownership has no positive effect on earnings quality, this is indicated by a coefficient value of 0.003133 with a significant value of 0.3857 at a significant level of 5%, which means that if premium income increases by 1 unit, it will increase earnings quality by 0 , 003133.
3.Institutional ownership has no positive effect on earnings quality, this is indicated by the coefficient value of 0.002485 with a significant value of 0.2098 at a significant level of 5%, which means that if premium income increases by 1 unit, it will increase earnings quality by 0 , 002485.
4. The Audit Committee has no negative effect on the quality of earnings, this is indicated by the coefficient value of -0.009134 with a significant value of 0.0963 at a significant level of 5%, which means that if the premium income increases by 1 unit it will reduce the earnings quality by 1 unit. -0.009134.
5. Independent commissioners have no positive effect on firm value, this is indicated by the coefficient value of 1.79204 with a significant value of 0.4241 at a significant level of 5%, which means that if the premium income increases by 1 unit, it will increase the company value by 1. , 79204.
6. Managerial ownership has a positive effect on firm value, this is indicated by the coefficient value of 11.85386 with value
significant amounting to 0.0126 at a significant level of 5%, which means that if the premium income has increased by 1 unit, it will increase the company value by 11.85386.
7.Institutional ownership has a positive effect on firm value, this is indicated by a coefficient value of 3.738662 with a significant value of 0.0289 at a significant level of 5%, which means that if the premium income increases by 1 unit it will increase the company value by 3, 738662.
8. The audit committee has no positive effect on firm value, this is indicated by a coefficient value of 7.078346 with a significant value of 0.0718 at a significant level of 5%, which means that if the premium income increases by 1 unit it will increase the company value by 7 , 078346.
9. Earnings quality does not have a positive effect on firm value, this is indicated by a coefficient value of 7.078346 with a significant value of 0.0718 at a

significant level of 5%, which means that if the premium income increases by 1 unit, it will increase the company value by 7 , 078346.

10. Earnings quality is not an intervening variable between independent commissioners on the value of companies listed on the IDX in 2014-2018. After calculating with Eviews version 10, the tcount value is -0.02216754, lower than the t table at the 5% significance level of 1.98525 (-0.02216754 <1.98525). Therefore, it can be concluded that earnings quality is not an intervening variable between independent commissioners and firm value.

11. Earning quality is not an intervening variable between managerial ownership and the value of companies listed on the IDX in 2014-2018. After calculating with Eviews version 10, the tcount value is 0.015524033 which is lower than the t table at the 5% significance level of 1.98525 (0.015524033 <1.98525). Therefore, it can be concluded that earnings quality is not an intervening variable between managerial ownership and firm value

12. Earnings quality is not an intervening variable between Institutional ownership and the value of companies listed on the IDX in 2014-2018. After calculating with Eviews version 10, the tcount value is -0.018536158, lower than the t table at the 5% significance level of 1.98525 (-0.018536158 <1.98525). Therefore, it can be concluded that earnings quality is not an intervening variable between institutional ownership and firm value

13. Earnings quality is not an intervening variable between the audit committee and the value of companies listed on the IDX in 2014-2018. After calculating with Eviews version 10, the tcount value is -0.02031758 lower than the t table at the 5% significance level of 1.98525 (-0.02031758 <1.98525). Therefore, it can be concluded that earnings quality is not an intervening variable between the audit committee on firm value.

Sugestion

Based on the above conclusions, suggestions that can be taken regarding the research results are as follows:

1. In further research, it is hoped that a more varied type of company will be used so that it will get better results or can use another sample.

2. In further research, it is better to add variables or look for other independent variables that can affect firm value.

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