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The Role of Managerial Ownership as a Moderation of Financial Performance on Firm Value in the Covid-19 Era

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Abstract
This study aims to examine the effect of financial performance proxied by Return On Assets (ROA) and Return On Equity (ROE) on firm value by disclosing managerial ownership as a moderating variable in Property and Real Estate companies listed on the Indonesia Stock Exchange (IDX). The population in this study was obtained using the purposive sampling method for property and real estate companies listed on the Indonesia Stock Exchange during 2019 – 2021. Based on predetermined criteria, a sample of 100 was obtained. The analytical method used is Moderating Regression Analysis (MRA). This study's results indicate that return on assets and return on equity do not affect firm value. The results also show that managerial ownership strengthens the relationship between return on assets and firm value. Managerial ownership weakens the relationship between return on equity and firm value.

Keywords: Firm Value, Managerial Ownership, Return On Asset, Return On Equity

Introduction

Shareholder welfare and issuer value maximization are carried out by management to achieve the goal of maintaining the company's survival (Sulistyan, et al., 2019). The most important thing that must be considered by shareholders when investing in the stock market is to pay attention to the company's value because it reflects the shareholders' wealth. (Siregar, 2019; Rusdianti et al., 2022). In the real estate sector, the stock index has fluctuated from 2019 – 2021, with a significant downward trend. However, the property and real estate sector occupies the lowest level of all performance indicators in 2020 (21.23%). The occurrence of the Covid–19 pandemic and the guidelines for Enforcement of Large-Scale Social Policy (PSBB) issued by the government have depressed the stock prices of companies in the real estate sector (www.cnbcindonesia.com).

Based on the figure 1, it can be seen that the average growth in company value in the property and real estate sectors is listed on the Indonesia Stock Exchange. In the property and real estate sub-sector, there was a decline in company value from 2019 to 2021. The implementation of Large-Scale Social Restrictions resulted in a decrease in people's purchasing power, which caused difficulties in selling the property sector and reduced income and profits. Fundamentally, the development of this sub-sector often attracts investors because of its promising nature, long-term growth, and relatively rapid growth. However, lately, the performance of corporate assets and the real estate subsector has

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decreased. More than 50% of companies in the property and real estate sub-sector experienced a decline in company value.

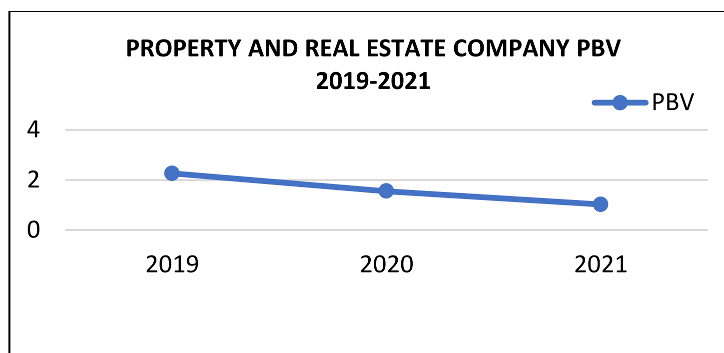

Figure 1. Graph of Company Value in Property and Real Estate Companies for 2019-2021
Source: www.idx.com (processed data)

Pracihara (2016) stated that companies have various goals. The company's primary goal is to maximize profits. The next goal is to prosper the company owner or shareholders. Then the next goal is to increase the company's value, which is reflected in its shares. The objectives, when viewed substantially, are not much different. It's just that each company achieves a different level of concentration.

Firm value is the most important factor because financial management aims to increase company value. If a company does well, the value of the company will increase, which can also be said to increase stock prices. The value of a company can be observed from the company's stock price, which represents investment decisions, expenses, and dividends (Pertiwi & Pratama, 2011).

Several factors, including the financial performance of a company and managerial ownership can influence firm value. Financial performance is the fin a company's financial condition over a certain period, both in terms in funds and channelling funds. Financial performance is usually measured by analyzing financial ratios, including profitability ratios (Ratnasari, 2018). Profitability is a measure used to determine a company's ability to generate profits (profit) from income related to equity, assets, and shares, based on certain measures. The specifics to measure profitability in this study are Return On Assets (ROA) and Return On Equity (ROE). ROA is the ratio that investors pay attention to when analyzing a company's financial performance report. ROA aims to measure the company's effectiveness in obtaining profits by utilizing its assets. ROE is the company's performance in getting profits with its capital. ROE aims to measure the company's effectiveness in getting return for investors (Pertiwi & Pratama, 2011).

Much research has been done on the variables that affect firm value, such as Pertiwi & Pratama (2011) who state that financial performance affects firm value, while Hermawan (2016) say financial performance does not affect firm value. Kusumawati & Rosady (2018) state that managerial ownership has a negative effect and cannot strengthen the relationship between ROA and company value. Pratama & Wirawati (2016) state that ROA has a positive impact, and managerial ownership can strengthen the relationship between ROA and firm value.

The researchers attempted to re-examine the inconsistent results of previous studies. This research was conducted to determine whether financial performance affects firm value and whether managerial ownership can strengthen the relationship between financial performance and firm value. As well as re-examining the differences in the research results that previous researchers have conducted. It can also be used to compare one financial item with another. As well as comparing one company with another to invest.

Theoretical basis

Agency Theory

Agency theory can be used to represent managerial ownership in companies. Jensen and Meckling (1976) stated in Sari and Wahidahwati (2018) that agency theory is a contract between the manager (agent) and the owner (principal). So a good work agreement between principal and agent is a work agreement that describes the obligations that must be carried out by managers in managing investment funds and the process of dividing the returns and risks obtained. The owner delegated decision-making authority to management to make this relationship work. Managerial ownership relates to how investors believe that management will benefit them, that management will not steal or

embezzle or invest in unprofitable businesses related to funds or capital invested by investors, and how investors monitor managers.

Signalling Theory

Signal theory is an incentive for companies to share information with outsiders. The signal theory emerged because of the problem of information asymmetry between management and external parties. To reduce the information asymmetry that arises, companies must disclose all available information, both financial and non-financial. One of the facts that can be used as a signal is the disclosure of an issuer. Good signals and bad signals can be received based on the level of profit reported in the income statement. A good signal is obtained if the profit reported by the company increases. Conversely, a bad signal is obtained if the reported earnings are not in good condition (Pracihara, 2016).

Firm Value

Company value is the selling value of the company in its business. The selling price above the liquidation price has the advantage that the value comes from the management structure that runs the company (Santono 2017). According to Noerirawan and Muid (2012), company value is a condition that has been achieved by a company as a view of the form of public trust in the company after going through a process of activities carried out for several years, namely since a company was founded until now. Firm value is an investor's perception of a public company, which is often associated with stock prices. The value of the company is reflected in the high price of shares which attracts investors to invest their shares in the company. Investment opportunities greatly influence company value, which is formed by the value per share indicator (Dewi & Tarnia, 2019).

Shareholders use financial ratios to determine company value. This ratio provides a signal of shareholder assessment to management about the company's past performance and prospects. One of the ratios used to assess the company is PBV. Price to book value is the ratio of the stock price to the book value of the company's equity, which measures the value provided by the market to management and the organization as a company that continues to grow. Company value can also be influenced by the level of profitability produced by the company (Mushofa & Susetyo, 2021).

Financial Performance

Financial performance is an analysis that applies good and correct financial rules, with the aim of knowing how well the company has complied with these rules. Therefore, it can be concluded that financial performance is work performance carried out by a company for a certain period of time and reported in the company's financial statements in accordance with the requirements of financial accounting standards. One way to measure financial performance is to analyze financial reports using financial ratios. Financial ratio analysis is the basis for analyzing and assessing company performance or company success. Analyzing financial ratios allows financial managers and stakeholders to assess the company's financial health (Dewi & Tarnia, 2019).

In this study, the analytical method used to measure financial performance is ratio analysis. The financial ratio used is the profitability ratio. Profitability ratios are used by management to compare current performance levels with future earnings. As for investors, this ratio helps ensure the company's success and ability to generate profits. This is because investors expect dividends and market prices from shares (Dewi & Tarnia, 2019).

Return On Asset (ROA)

Return On Assets is the company's ability to generate profits. The higher the profit earned by the company, the more it can attract investors to invest in it. A negative Return On Assets cannot increase stock returns because the lower the Return On Assets, the less the company can utilize its assets, so it cannot increase company profit (Kurniawan, 2021). Return On Assets is a ratio that measures a company's ability to generate profits by using the total assets owned by the company after adjusting for the costs to fund these assets. It can be concluded that the purpose of the company's assets is to generate income and also to generate profit for the company (Ulfa & Asyik, 2018).

Return On Equity (ROE)

Return on equity (ROE) is the ratio of net income to total equity. The greater the ROE, the more efficiently the company uses its capital to earn profits or net income. ROE is used to measure the

company's return on investment or the company's efficiency in generating profits using company capital (equity) (Ulfa & Asyik, 2018). Working capital to obtain the profit from operating profit is needed to calculate the return on capital, after deducting foreign interest on capital and corporate taxes or income tax (EAT) [Riyanto dalam Nugroho (2016)].

Managerial Ownership

Managerial ownership is one of the elements of good corporate governance, which is believed to influence management to carry out the best interests of shareholders. Ownership control is also the best control mechanism for managing agency problems that may arise between principals and agents because managers also act as shareholders in the company. Management has an equity interest or is also a shareholder. The existence of management discretion to participate in share ownership is intended to equate managerial interests with the interests of shareholders. This agency problem arises due to conflicts arising from the separation of ownership between managers and investors, resulting in poor returns (Afidah, 2014).

Managerial ownership can be used to control the unobservable behaviour of managers to reconcile the differing interests of principals and agents. Managerial ownership in this study is measured by using a dummy variable to indicate whether there is managerial ownership. If there is managerial ownership, then it is given a score of 1, and 0 if there is no managerial ownership. Managerial ownership in question is the director's share ownership in the company (Aprianingsih, 2016).

Hypothesis Development

The Effect of Return On Assets on Firm Value

The theory stated by Utami (2011) revealed that the earnings power of company assets could determine company value. The positive results show that higher profitability means more efficient asset turnover and higher profit margins. This affects the value of the company. The company's performance is getting better and will provide a signal for the company's growth prospects in the future. This can be seen from the increase in a company's profits. The results of research conducted by Sari and Abundanti (2014), Zurriah (2021), Sondakh (2019), Erlinda and Idayati (2022), and Putri and Sunarto (2022) state that ROA has a positive effect on company value. Based on these results, the hypothesis proposed in this study is as follows:

H1: Return on Assets has a positive effect on firm value.

The Effect of Return On Equity on Firm Value

Return on equity is something that investors see because it can be seen how the company generates profits with its own capital. The higher the return on assets in a company, the greater the profitability that the company will obtain, which will be a positive signal for investors to invest and obtain certain returns (Ulfa & Asyik, 2018). He results of research conducted by Triagustina (2015), Hariyanto (2016), Sondakh (2019), Listyawati and Kristiana (2020), and Lubis (2017) state that ROE has a positive effect on company value. Based on these results, the hypothesis proposed in this study is as follows:

H2: Return on Equity has a positive effect on firm value.

The Effect of Managerial Ownership Moderates Return On Assets on Firm Value

Return on assets (ROA) is a ratio that shows the return on total assets or assets used in the company. In addition, the return on investment shows the productivity of all company funds, both debt, and equity. The smaller this ratio, the worse for the company, and vice versa. In this study, researchers also included moderating variables. Good corporate governance reflects management's commitment to managing assets and capital properly to attract investors and shareholders (Ulfa & Asyik, 2018). He relationship between financial performance can be strengthened by managerial ownership because the existence of managerial ownership in management companies will tend to be more active for shareholders. With this motivation, managers will maximize the value of the company. Jensen and Mekling (1976) in Kusumawati and Rosady (2018) stated that for companies that have managerial ownership in the company, management has two roles, namely as an agent and as a principal, resulting in a pooling of interests between shareholders and management. Poerwati et al. (2020) stated that managerial ownership could moderate the relationship between Return On Assets and company value. Based on these results, the hypothesis proposed in this study is as follows:

H3: Managerial Ownership strengthens the relationship between Return on Assets and firm value.

The Effect of Managerial Ownership Moderates Return On Equity on Firm Value

Several studies have been conducted on the factors that influence firm value. Some have examined how firm performance influences firm value, and many have examined the opposite. According to agency theory, managerial ownership relates to investors' trust in managing the funds or capital invested by investors. Researchers use managerial ownership as a moderating variable. This is because management with firm ownership control has less incentive to engage in selfish behaviour. Share ownership by management is an action that can be taken to overcome agency conflicts between various existing interest groups (Ulfa & Asyik, 2018). The results of research conducted by Afidah (2014) and Henrita & Inggarwati (2021) state that managerial ownership can strengthen the relationship between Return On Assets and company value. Based on these results, the hypothesis proposed in this study is as follows:
H4: Managerial Ownership strengthens the relationship between Return On Equity and firm value.

Methods

In this study, the population used was companies listed on the IDX in 2019-2021. This study uses a sample of Property and Real Estate companies. The data collection technique used in this study used purposive sampling. The criteria used to select the sample are (1) Property and Real Estate Companies in 2019-2021. (2) Property and Real Estate companies that publish financial reports for 2019 – 2021. Based on the sampling criteria chosen in this study, a research sample was obtained, which consisted of 48 companies for each year, where the period used in the study was 2019 – 2021. So, the total sample used is 144 samples.

Table 1. Criteria Sample

No	Criteria Sample	Jumlah Perusahaan
1	Property and real estate company (IDX)	83
2	Consecutive Unregistered Companies	-24
3	Companies that do not report financial statements 2019-2021	-11
4	Number of Research Samples per year	48
	Final Sample Amount	**144**

Sources: Data Processed (2022)

Defines Operational Variable
Variable Dependent

Firm value is measured by Price Book Value (PBV), which shows the value given by financial markets to the company as a company that continues to grow (Brigham, 1999). PBV is a ratio often used to determine company value and make investment decisions by comparing the year-end stock market price with the company's book value. The company's book value is obtained by comparing equity with the number of outstanding shares.

$$\text{Price to Book Value} = \frac{\text{Stock Price}}{\text{Book Value}}$$

Variable Independent

Financial performance is the main factor in assessing a company because the company's main direction is profit. This makes financial performance an indicator for assessing a company's financial position by measuring its ability to generate profits (Pramono et al., 2022). Financial performance is measured using data derived from financial reports. The independent variable in this study is financial performance proxied by return on assets (ROA) and return on equity (ROE).

Return On Asset

Return On Assets (ROA) measures a company's ability to generate net income based on certain asset levels. This ratio compares net income to total assets. ROA measures a company's activity in generating profits by utilizing its assets. Ashari and Darsono (2005) state that the formula for Return On Assets can be calculated by:

$$ROA = \frac{\text{Net Income}}{\text{Total Asset}} x100\%$$

Return On Equity

Return On Equity (ROE) is one of the crucial indicators investors use to assess company profitability. Because investors use this ratio to assess the feasibility of the value of shares in a company. ROE is also used to measure a company's ability to generate profits based on specific share capital so that investors can assess the level of return they will get if they invest in their shares. Ashari and Darsono (2005) state that the Return On Equity formula can be calculated by:

$$ROE = \frac{\text{Net Income}}{\text{Total Equity}} x100\%$$

Variable Moderate

Moderating variables are variables that influence either weakening or strengthening the relationship between the independent variable and the dependent variable. The moderating variable in this study is managerial ownership as measured by a dummy variable. A company with managerial ownership will be given a value of 1, and a company that does not have managerial ownership will be given a value of 0.

Data analysis method

The analytical method in this study uses multiple regression analysis to determine the effect of financial performance on firm value. It uses the MRA regression test to describe the effect of ROA and ROE on firm value (price to book value) and whether managerial ownership variables can moderate the effect of financial performance on the dependent variable firm value. The research uses the above methods to provide accurate results on the research variables above.

Descriptive Statistical Analysis

Descriptive statistics are needed to analyze data by describing or describing data collected without the intention of drawing general conclusions or generalizations (Sugiyono, 2018).

Classic assumption test

The classic assumption test used in this study is the normality test and the heteroscedasticity test. The normality test aims to check whether the regression model residuals follow a normal distribution. The regression model can be carried out well if the model with residuals is normally distributed (Ulfa & Asyik, 2018). The heteroscedasticity test aims to test whether there is an unequal variance from one residual observation to another in a regression model. If it varies from observation to observation, it is called heteroscedasticity. A good regression model has homoscedasticity or no heteroscedasticity (Ghozali, 2018). The multicollinearity test aims to explore the relationship between the independent variables in the regression model. Checking the tolerance value and variance Inflation Factor (VIF) is a way to see whether multicollinearity occurs. The cut-off value commonly used to indicate the existence of multicollinearity is a tolerance value <0.10 or the same as a VIF value > 10. Conversely, if VIF is in the range of 0.10 to 10, multicollinearity does not occur between the independent variables (Ulfa & Asyik, 2018). The autocorrelation test aims to test whether there is a correlation between the confounding errors in period t and the confounding errors in period t - 1 in the linear regression model. The Run Test test can be used to detect the presence of autocorrelation (Ulfa & Asyik, 2018).

Moderating Regression Analysis

The hypothesis to be tested in this study is the effect of financial performance on firm value, with financial performance proxied by ROA and ROE on firm value and proxied by PBV with managerial ownership as a moderating variable (KM). In this study, it can be expressed in the regression equation below this:

$$PBV=a+\beta1ROA+ \beta2ROE+\beta3KM+ \beta4ROA*KM+ \beta5ROE*KM+e$$

Description :

PBV	= Price to Book Value
A	= Constanta
β1 + β5	= Model Year Regression Coefficient t
ROA	= Return on Asset year t

ROE	= Return on Equity year t
MO	= Managerial Ownership in t
ROA*MO	= Interaction between Return on Assets and Managerial Ownership
ROE*MO	= Interaction between Return on Equity and Managerial Ownership
e	= error term model (residual variable)

Results and Discussion

Descriptive Analysis

Descriptive analysis aims to explain the data in general without affecting the study's final results. Descriptive analysis was performed for each variable. The analysis includes the minimum, maximum, mean, and standard deviation values.

Table 2. Variable Descriptive Statistics-Research Variables

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
PBV	144	-0.97	40.05	1.6091	4.32378
ROA	144	-0.38	1.00	0.0159	0.10898
ROE	144	-0.55	0.61	0.0087	0.12263
Valid N (listwise)	144				

Sources: Data Processed (2022)

Table 3. Frequency Distribution

Managerial Ownership					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	There is no managerial ownership	72	50.0	50.0	50.0
	There is managerial ownership	72	50.0	50.0	100.0
	Total	144	100.0	100.0	

Sources: Data Processed (2022)

The table shows the distribution of data for the PBV variable. The data distribution shows a minimum value of -0.97, a maximum value of 40.05, an average value of 1.6091, and a standard deviation of 4.32378. These results indicate that the average PBV is relatively small by looking at the proximity of the average and minimum values. While the variance of the data is relatively small by looking at the closeness of the average standard deviation value. This means that PBV decreased in 2019 – 2021.

The distribution of ROA variable data shows a minimum value of -0.38, a maximum value of 1.00, an average value of 0.0159, and a standard deviation of 0.10898. These results indicate that the average ROA is relatively small by looking at the proximity of the average and minimum values. In comparison, the variance of the data is relatively small by looking at the closeness of the average standard deviation value. This means that the return on assets decreased in 2019-2021.

The distribution of ROE variable data shows a minimum value of -0.55, a maximum value of 0.61, an average value of 0.0087, and a standard deviation of 0.10898. These results indicate that the average ROA is relatively small by looking at the proximity of the average and minimum values. In comparison, the variance of the data is relatively small by looking at the closeness of the average standard deviation value. This means that the return on equity decreased in 2019-2021.

Distribution of managerial ownership variables. This variable is measured using a dummy variable, 1 if a company has managerial ownership and 0 for companies that do not. It can be seen in the table that of the 144 samples of property and real estate companies, 72 companies have managerial ownership, and 72 companies do not have managerial ownership.

Moderating Regression Analysis

Table 4. MRA Reporting Result Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.457	0.025		18.457	0.000
ROA	0.272	0.240	0.133	1.134	0.260
ROE	0.007	0.268	0.003	0.025	0.980
ROA*MO	6.285	2.383	0.856	2.638	0.010
ROE*MO	-3.145	1.267	-0.821	-2.483	0.015

Sources: Data Processed (2022)

Regression analysis was carried out to determine the effect of Return On Assets (ROA) and Return On Equity (ROE) on firm value (PBV) based on variable data that is measured and adjusted for managerial ownership disclosures used as a moderating variable.

From the data above, the Moderating Regression Analysis model is obtained as follows:

$$PBV = 0.457 + 0.272ROA + 0.007ROE + 6.285ROA * MO - 3.145ROE * MO + e$$

Table 5. Statistical Test F and Determinant Coefficient (R2)

No	Criteria	Test Results
1	F	2.778
	Sig.	0.013
2	R	0.325
	R Square	0.106

Sources: Data Processed (2022)

Looking at the table above, it can be seen that the calculated F value is 3,778 with a significance of 0.013 <0.05, meaning that the independent variables ROA, ROE, and MO simultaneously have a significant influence on the PBV variable so that the model is declared feasible. From the table above, the R-squared coefficient of determination for the multiple regression equation is 0.106, which means that the variables ROA, ROE, ROA*MO, and ROE*MO can explain the PBV variable by 10.6%. In comparison, the remaining 89.4% is explained by other variables outside the variables of this study.

The calculated t value is 1.134 with a sig value of 0.260 or > 0.05. This shows that ROA does not affect firm value. H1, which states that Return On Assets affects company value, is rejected. The calculated t value is 0.025 with a sig value of 0.0980 or > 0.05. This shows that ROE does not affect firm value. This means that H2, which states that Return On Equity affects firm value, is rejected. The calculated t value is 2,638 with a sig value. 0.010 < 0.05. This shows that managerial ownership strengthens the relationship between ROA and firm value. This means that H3, which states Managerial Ownership, strengthens the relationship between Return on Assets and accepted company value. The t-value is 2.483 with a sig value of 0.015 or <0.05. This shows that managerial ownership weakens the relationship between ROE and firm value. This means that H4, which states that Managerial Ownership strengthens the relationship between Return on Equity and firm value, is rejected.

Discussion

The Effect of Return On Assets on Firm Value

The results of statistical tests in this study gave the results of the (partial) t-test with a significance value of ROA (X1) to firm value (Y) of 0.260 or > 0.05 and a t-value of 1.134. Based on the estimation test, it can be concluded that ROA does not affect firm value. Thus H1, which states that Return On Assets affects firm value, is rejected. This means that the high or low ROA does not affect firm value. This study proves the signal theory which states that if the return on assets of a company is low, it will bring a bad signal. Apart from that, there was an anomaly factor during the research period in the form of Covid-19, which caused many companies to suffer losses. Firm value can also decrease when a high ROA does not affect investors' investments so that it can reduce stock prices. This study's results align with the research results of Muharammah (2021) and Halik (2018), which state that Return On Assets does not affect company value.

Effect of Return On Equity on Firm Value

The results in this study provide t-test results (partial) with a significance value of ROE (X2) to firm value (Y) is 0.980 or > 0.05, and the value of t count is 0.025. Based on the estimation test, it can be concluded that ROE does not affect firm value. Thus H2, which states that Return On Equity affects firm value, is rejected. This means that Return On Equity does not affect the ability of property and real estate companies to maximize company value. The results of this study are supported by the research of Kolamban et al. (2020), Lesmana et al. (2020), and Robiyanto et al. (2020) which state that Return On Equity does not affect firm value. The increase in ROE will decrease even though the company experiences an increase in profits. The company uses this profit as retained earnings and is not distributed to investors. So that investors consider this as a negative signal and have an impact on the company.

Effect of Return On Assets on Firm Value Moderated by Managerial Ownership

The results of this study provide the results of the t-test (partial) with a calculated t-value of 2.638 with a significance value of 0.010 or <0.05. Based on the estimation test, Managerial Ownership can strengthen the relationship between the Return On Assets variable and company value. Thus H3 states that Managerial Ownership strengthens the relationship between Return on Assets and accepted company value. This study's results support Poerwati et al. (2020), which states that managerial ownership can strengthen the relationship between Return On Assets and company value. Following agency theory, managerial ownership is related to investor confidence that management will benefit investors. With managerial ownership, managers are expected to be more careful in making decisions because shareholders will bear the consequences of making decisions.

Effect of Return On Equity on Firm Value Moderated by Managerial Ownership

The results of this study provide the results of the t-test (partial) with a calculated t-value of -2.483 with a significance value of 0.015 or <0.05. Based on the estimation test, it can be concluded that managerial ownership weakens the relationship between the Return On Equity variable. Thus H4, which states that Managerial Ownership strengthens the relationship between Return On Equity and firm value, is rejected. The results of this study support the research of Wulandari (2019), April et al. (2020) and Rahayu (2010) which state that managerial ownership cannot strengthen the relationship between Return On Equity and firm value. The results of this study indicate the agency theory that managerial ownership is related to investor confidence that management will benefit investors. The absence of share ownership by the manager causes the manager to prioritize personal interests over the interests of investors. That managerial ownership may not be appropriate as a moderating variable in this study. The existence of investors who hold concurrent positions as owners also raises agency cost efficiency for investors. Investors do not fully trust management in managing the company because management can make decisions related to company value.

Conclusion

Based on the results of data analysis and discussion conducted, the following conclusions can be drawn: (1) The first hypothesis, which states that return on assets (ROA) has a positive effect on firm value, is rejected. The results showed that the company's low return on assets (ROA) would not affect the increase in firm value. (2) The second hypothesis, which states that return on equity positively affects firm value, is rejected. (3) The third hypothesis, which states that managerial ownership strengthens the relationship between Return on Assets and firm value, is accepted. The study results show that managerial ownership can strengthen the relationship between return on assets and firm value. (4) the fourth hypothesis, which states that managerial ownership strengthens the relationship between Return On Equity and firm value, is rejected. This is because managerial ownership of a company needs to be stronger. Managerial ownership will weaken the relationship between return on equity and firm value.

This study has several limitations (1) this study only sampled property and real estate companies, so the scope is too narrow to determine return on assets, return on equity, managerial ownership, and firm value; (2) the study only uses the ownership variable as the moderating variable. Based on the conclusions above, suggestions that can be given to further researchers are as follows: (1) The use of research objects other than property and real estate companies to see managerial ownership in other

types of industries; (2) adding moderating variables other than managerial ownership so that it can be known what factors can moderate the effect of return on assets and return on equity on firm value.

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