

ABSTRACT

The main goal of all companies is to increase firm value. High firm value is the desire of the owners of the company. This study aims to examine the effect of ownership structure and leverage on firm value of banking companies listed in Indonesia Stock Exchange (IDX) in 2014-2018. The independent variables in this study are managerial ownership, institutional ownership, foreign ownership, and leverage, while the dependent variable is firm value measured by Tobin's Q. Data collection used in this study is secondary data taken from annual and financial report of banking companies that were listed on the Indonesia Stock Exchange (IDX) in 2014-2018. This study using a purposive sample with a sample of 9 companies. The research used panel data regression analysis with the random-effect model. The significance level used in this study is 5% or 0.05.

The result of this study shows that managerial ownership, institutional ownership, foreign ownership, and leverage simultaneously affect the firm value. Based on the partial test, foreign ownership and leverage have a negative impact on firm value, while managerial ownership and institutional ownership has no significant effect on firm value.

Keyword: Managerial Ownership, Institutional Ownership, Foreign Ownership, Leverage, Firm Value