

ABSTRACT

Firm value can be indicated as a parameter of success in company performance assessed from the view of investors and also reflected in the level of the company's share price. The higher the share price will attract investor confidence in investing capital for a company which can increase the company's value. Maximizing company profits which has an impact on the welfare of shareholders is the goal of company value.

This study was conducted which aims to determine the effect of institutional ownership (KI), leverage (DER) and liquidity (CR) on firm value as indicated by Tobin's Q in insurance sub-sector companies listed on the Indonesia Stock Exchange for the period 2017-2022.

The population in this study are insurance sub-sector companies listed on the Indonesia Stock Exchange for the period 2017-2022. The sampling technique was carried out using purposive sampling and the sample data obtained was 78 samples of companies consisting of 13 companies with a research period of 6 years in 2017-2022. However, there are outlier data that have excessive values so that the final results obtained are 72 samples of companies consisting of 12 companies. This research was analyzed using panel data regression analysis using the Eviews 12 software application.

The results of this study indicate that institutional ownership, leverage and liquidity simultaneously have a significant effect on firm value. Partially institutional ownership has no effect on firm value, while leverage and liquidity have a significant effect with a positive direction on firm value.

For academics, it is expected to be an addition to new knowledge related to company value with the object of research in the insurance sub-sector. For further researchers it is recommended to add other independent variables related to firm value. For companies, especially insurance sub-sector companies, it is hoped that they can present complete and comprehensive financial reports to increase company value. For investors, it is advisable to be more selective in determining insurance sub-sector companies as a place to invest by seeing that the company has good company value and can provide welfare for shareholders.

Keywords: Institutional Ownership, Firm Value, Leverage, Liquidity