

ABSTRACT

Company value refers to investors' perceptions or responses to the supply and demand of a company, often associated with the stock price that potential investors are willing to pay if the company were to be sold. The stock price traded on the stock exchange becomes an important consideration in determining a company's value.

The objective of this study is to examine the effect of institutional ownership and managerial ownership on firm value in LQ45 companies listed on the Indonesia Stock Exchange (IDX) during the period of 2019–2023.

The population in this study consists of LQ45 companies listed on the IDX from 2019 to 2023. The sampling technique used is purposive sampling, resulting in 200 samples, which include 40 companies over a five-year period. The data analysis method employs panel data regression analysis using EViews 12 software, with several stages of testing.

The results of this study indicate that institutional ownership and managerial ownership simultaneously influence firm value. Partially, institutional ownership has a positive effect, while managerial ownership has a negative effect on firm value.

This study is expected to assist prospective investors in determining firm value by using the Price to Book Value (PBV) approach, taking into account institutional ownership and managerial ownership as independent variables.

Keyword: Firm Value, Institutional Ownership and Managerial Ownership