Strength Of Profitability As Moderating Tax And Corporate Governance On Firm Value

Mila Sari¹, Anita Ade Rahma²*
¹²University of Putra Indonesia YPTK, Padang, Indonesia
anita_aderahma@upiyptk.ac.id

*Corresponding author

ABSTRACT

This study aims to determine and estimate the effect of tax planning, managerial ownership, and foreign commissioners on firm value with profitability as a moderating variable in manufacturing companies listed on the Indonesian stock exchange. Based on the results of partial hypothesis testing, it can be concluded that tax planning has no effect on firm value. Managerial ownership has an effect on firm value. The foreign board of commissioners has no effect on the value of the company. In tax planning, managerial ownership, and foreign commissioners simultaneously affect the value of the company. Tax planning has no effect on firm value with profitability as a moderation. Managerial ownership has an effect on firm value with profitability as moderating. Foreign board of commissioners affect the value of the company with profitability as moderating. Profitability has an effect on firm value. The amount of managerial ownership in a company has a very important role in increasing the value of the company. This is of course due to a greater attachment to management and care for the sustainability and progress of the company.

Keywords: Firm value, Foreign board of commissioners, Managerial ownership, Profitability, Tax planning

INTRODUCTION

Rapid competition between companies has colored the current era of globalization, every company will try as much as possible to achieve the goal of increasing company value. The value of the company will show the prosperity of shareholders, if the value of the company is high then the prosperity of shareholders is also high. In order to create the welfare of shareholders, companies must be able to utilize limited resources and optimize productivity levels. One of the efforts made in tax management is tax planning, which is a business that includes tax planning so that the taxes paid by companies are truly efficient, with the aim of finding various loopholes that can be taken in the corridor of tax regulations (loopholes), so that companies can pay taxes in minimal quantities. (Pohan 2013).

Company value is a state of the company's current position as a form of stakeholder trust in the company which is reflected in the value of the company's assets and shares. The value of the company is important to study because it reflects the growth and performance of the company's management. The company's growth can be seen from the high external assessment of the company's assets and also the growth of share value. The value of the company is reflected in the stock price, if the company's share price is high, the company value is also good (Suarmita, 2017). According to Rinnaya (2016), the value of the company can be seen from its share price. Company value reflects the assets owned by the company. The value of the company can be assessed from its stock price which is stable and has increased in the long term. High stock prices make the value of the company also high. The higher the value of the company indicates the prosperity of shareholders. Company value is measured by using the ratio of the stock market price to its book value or often referred to as price to book value (PBV). Price to book value (PBV) is widely used by securities analysts to estimate stock prices in the future. The magnitude of the calculation of the stock market price against the book value shows the comparison between the company's stock
performance in the stock market with its book value. Companies with relatively high returns on equity usually have a stock market price many times greater than book value than companies with low returns on equity. Companies that have a higher PBV indicate that the company's performance in the future is considered more prospective by investors (Suastini, 2016).

Tax planning is an effort made by the company so that the company's payment burden is not too high. Tax planning is done by managing and engineering transactions that occur within the company which aims to maximize profits. Tax planning is quite effective as an effort to reduce the tax burden, besides that tax planning activities are also allowed and do not violate the applicable tax laws and regulations in Indonesia (Yuono, 2016). The results of research by Winanto and Widayat (2013) suggest that tax planning has a negative effect on firm value. This is due to costs that may arise from this tax planning activity in the form of agency costs. Where agency costs arise as a result of the personal interest of management which can reduce the value of the company. Thus, companies that carry out tax planning aim to minimize and streamline the payment of taxes owed, so that tax costs can be reduced.

Managerial ownership is the management who actively participates in making company decisions (managers, directors or commissioners) and is also given the opportunity to participate in owning company shares (shareholders). Managerial ownership is often associated as an effort to increase the value of the company because managers apart from being management as well as owners of the company will feel directly the consequences of the decisions they take so that managers will not take actions that only benefit the manager. Olweny (2012) tries to explain the relationship between managerial ownership and firm value from the contracting theory approach. According to this theory the optimal percentage of managerial ownership to overcome agency problems. The results of research conducted by Rina & Titik (2014) state that if the company has low managerial ownership, the incentives issued to monitor the possibility of manager's opportunistic behavior will increase.

The board of commissioners is a board tasked with supervising and providing advice to the directors of a limited liability company (PT). Members of the board of commissioners and directors with foreign nationalities bring opinions and perspectives from different languages, beliefs, family backgrounds, and professional experiences from one country to another. Foreign board members can help convince foreign investors that the company is professionally managed. The more members of the foreign board of commissioners in a company, the higher the value of the company.

Ilyas & Arifianto (2013) found that foreign members of the Board of Commissioners have a positive effect on firm value. The presence of foreign commissioners is considered capable of improving managerial skills and bringing new values that have a positive impact on company performance. The same thing was also stated by Setyabudhi (2013) who found that the presence of foreign commissioners had a positive effect on the performance of companies listed on the IDX in 2011. This indicates that foreign commissioners have more capabilities, so they can improve company performance.

Profitability is a measure expressed in percentages used to assess the extent to which the company's ability to generate profits at an acceptable level. According to Kasmir (2012), profitability is "the company's ability to seek profit." Profitability is a factor that should receive special attention because to be able to sustain a company's life, the company must be in a favorable condition. Without profit, it will be difficult for a company to attract capital from outside.

**LITERATURE STUDY**

**The Effect of Tax Planning on Firm Value**

Tax planning is an effort made by the company so that the company's payment burden is not too high. Tax planning is done by managing and engineering transactions that occur within the company which aims to maximize profits. Tax planning is quite effective as an effort to reduce the tax burden, besides that tax planning activities are also allowed and do not violate the applicable tax laws and regulations in Indonesia (Yuono, 2016).

This is an Creative Commons License This work is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License
Tax planning (tax planning) is the process of organizing the business of taxpayers, both individuals and business entities in such a way by utilizing various possible gaps that can be taken by companies in the corridor of tax regulations (loopholes), so that companies can pay taxes in a minimum amount (Pohan, 2013). The results of research by Winanto and Widayat (2013) suggest that tax planning has a negative effect on firm value. This is due to costs that may arise from this tax planning activity in the form of agency costs. Where agency costs arise as a result of the personal interest of management which can reduce the value of the company. Thus, companies that carry out tax planning aim to minimize and streamline the payment of taxes owed, so that tax costs can be reduced. 

\[ Ha1 = \text{Tax planning has a significant effect on the value of the company} \]

The Effect of Managerial Ownership on Firm Value

Managerial ownership is the percentage of share ownership owned by directors, managers, and commissioners, which can be seen in the financial statements. With this share ownership, managers will act carefully because they will also bear the consequences of the decisions taken. They are more motivated to improve their performance to manage the company so as to increase the value of the company. Managerial ownership is proxied by MOWN, which is the ratio of the number of shares owned by management to the number of shares outstanding (Sholekah, 2014).

Rina & Titik (2014) states that if the company has low managerial ownership, the incentives issued to monitor the possibility of manager's opportunistic behavior will increase. The company management must be more assertive in making a decision because the decision has an impact on itself because in this case the manager is the owner of the shares. Large managerial ownership will be effective in overseeing the company's activities. Olweny (2012) tries to explain the relationship between managerial ownership and firm value from the contracting theory approach. According to this theory, the percentage of managerial ownership is optimal for overcoming agency problems. The owner of the company compensates the manager in the form of share ownership so that the thinking is in line and the value of the company is always tried to be optimized for the welfare of shareholders. What needs to be done by shareholders is to form an optimal composition of managerial ownership that will increase the value of the company. Managerial ownership has a negative effect on firm value with the explanation that if managerial ownership is large, there will be a tendency for managers to act opportunistically which will benefit themselves.

\[ Ha2 = \text{managerial ownership has a significant effect on firm value} \]

The Influence of Foreign Board of Commissioners on Company Value

Ilyas & Arifianto (2013) found that foreign members of the Board of Commissioners have a positive effect on firm value. The existence of foreign commissioners is considered capable of improving managerial skills and bringing new values that have a positive impact on company performance. The same thing was also stated by Setyabudhi (2013) who found that the presence of foreign commissioners had a positive effect on the performance of companies listed on the Indonesia Stock Exchange in 2011. This indicates that foreign commissioners have more capabilities, so they can improve company performance. Ujungwa (2012) found that foreign commissioners have a significant positive effect on financial performance due to their ability to monitor and have better information. This finding is similar to the research of Choi, Sul & Min (2012) which states that foreign commissioners have more managerial capabilities. Foreign board of commissioners is considered to have a positive impact in increasing the value of the company. This means that foreign boards of commissioners will improve the monitoring mechanism of companies because foreign boards of commissioners are usually independent commissioners and have less conflict.

\[ Ha3 = \text{Foreign board of commissioners has a significant effect on firm value} \]
The Influence of Tax Planning, Managerial Ownership, and Foreign Board of Commissioners on Firm Value

Tax planning is an effort made by the company so that the company's payment burden is not too high. Tax planning is done by managing and engineering transactions that occur within the company which aims to maximize profits. Tax planning is quite effective as an effort to reduce the tax burden, besides that tax planning activities are also allowed and do not violate the applicable tax laws and regulations in Indonesia (Yuono, 2016). Managerial ownership is the management who actively participates in making company decisions (managers, directors or commissioners) and is also given the opportunity to participate in owning company shares (shareholders). Managerial ownership is often associated as an effort to increase the value of the company because managers apart from being management as well as owners of the company will feel directly the consequences of the decisions they take so that managers will not take actions that only benefit the manager.Olweny (2012) tries to explain the relationship between managerial ownership and firm value from the contracting theory approach. According to this theory the optimal percentage of managerial ownership to overcome agency problems. The owner of the company compensates the manager in the form of share ownership so that the thinking is in line and the company's value is always tried to be optimized for the welfare of shareholders. What needs to be done by shareholders is to form an optimal composition of managerial ownership that will increase the value of the company.

Ilyas & Arifianto (2013) found that foreign members of the Board of Commissioners have a positive effect on firm value. The existence of foreign commissioners is considered capable of improving managerial skills and bringing new values that have a positive impact on company performance. The same thing was also stated by Setyabudhi (2013) who found that the presence of foreign commissioners had a positive effect on the performance of companies listed on the Indonesia Stock Exchange in 2011. This indicates that foreign commissioners have more capabilities, so they can improve company performance. Research conducted by Winanto and Widayat (2013) Tax Planning Affects Firm Value, and in line with research conducted by Olweny (2012) states that managerial ownership has a positive and significant effect on firm value. Meanwhile, according to Ujungwa (2012) Managerial Policy and Foreign Board of Commissioners have a Positive Effect on Company Value.

Ha4 = Tax planning, managerial ownership, and foreign board of commissioners have a significant influence on firm value

The effect of tax planning on firm value with firm profitability as a moderating variable

Winanto and Widayat (2013) suggests that tax planning has a negative effect on firm value. This is due to the costs that may arise from this tax planning activity in the form of agency costs. Where agency costs arise as a result of the personal interest of management which can reduce the value of the company. Thus, companies that carry out tax planning aim to minimize or make effective payments of taxes owed, so that tax costs can be reduced. According to Prasetyo (2013), the value of the company is a certain condition that reflects the level of public trust in the company, the higher the value of the company, the more prosperous the owner, and conversely, the lower the value of the company, the public's perception of the company's performance is bad and investors will not interested in the company. In doing how optimal the profit earned by the company in its business can use the profitability ratio, where the Profitability ratio according to Asnawi and Wijaya (2015), is the ability that the company is able to achieve in a certain period. So it can be said to see how the rate of return on investment for the future can be through profitability ratio analysis. Therefore, profitability can also be used as an indicator that whether the tax planning carried out by the company can be truly optimal in order to increase the value of the company. Therefore, the profitability ratio in this study is positioned as a variable that is able to moderate the relationship between tax planning and firm value.

Ha5 = Tax planning has a significant effect on firm value with profitability as moderating
The effect of managerial ownership on firm value with firm profitability as a moderating variable

Profitability is a calculation of the net value of a series of decisions or policies. The combination of the effect of liquidity, wealth management, and debt on operating results can be demonstrated through profitability ratios. The benchmark of whether or not a company is able to generate profits from its business activities can be seen through the profitability ratios in detail, so that later investment can find out whether the company in generating profits has allocated effectively and efficiently (Mardiayati, 2012).

Olwney (2012) tries to explain the relationship between managerial ownership and firm value from the contracting theory approach. According to this theory the optimal percentage of managerial ownership to overcome agency problems. The owner of the company compensates the manager in the form of share ownership so that the thinking is in line and the value of the company is always tried to be optimized for the welfare of shareholders.

What needs to be done by shareholders is to form an optimal composition of managerial ownership that will increase the value of the company. With management's ownership of company shares, when profitability is high it will affect the amount of company's share ownership by management. This is because the higher the profit, the value of the company will increase, so that managers have share ownership who try to carry out their duties as well as possible to increase the value of the company. So, in this study, profitability as a moderating variable is expected to moderate the effect of managerial ownership on firm value.

Ha6 = Managerial ownership has a significant effect on firm value with profitability as moderating.

The effect of foreign board of commissioners on firm value with firm profitability as a moderating variable

The value of a company can be influenced by profitability (Hermuningsih, 2013). An increase in profit will give a positive signal to investors that the company is profitable and is expected to be able to provide welfare to shareholders through high stock returns. Companies that are able to increase their company profits will have more opportunities to expand their business. Expansion is one of the efforts made by the company to increase the size or scale of the company. Company size is considered capable of influencing the value of a company. Ilyas & Arifianto (2013) found that foreign members of the Board of Commissioners have a positive effect on firm value. The existence of foreign commissioners is considered capable of improving managerial skills and bringing new values that have a positive impact on company performance. The same thing was also stated by Setyabuddhi (2013) who found that the presence of foreign commissioners had a positive effect on the performance of companies listed on the Indonesia Stock Exchange in 2011. This indicates that foreign commissioners have more capabilities, so they can improve company performance.

Ha7 = Foreign Board of Commissioners has a significant effect on Company Value with profitability as moderating.

The effect of profitability on firm value

Profitability is the level of net profit obtained by the company when carrying out its operations (Hardiyanti, 2012). High company profitability will reflect good company prospects. The higher the profitability of a company, it will reflect a high level of company efficiency as well, so that the company's performance is also good. According to Kasmir (2016), profitability also has goals and benefits, not only for the business owner or management, but also for parties outside the company, especially for parties who have a relationship or interest with the company. Research conducted by Hermuningsih (2013) which also states that profitability has a significant positive effect on firm value, meaning that when the company experiences an increase in profits, the company's stock price will also increase so that it will increase the value of the company.

Ha8 = Profitability has a significant effect on firm value as a moderator.
METHOD

According to Sugiyono (2016), population is a generalization area consisting of objects or subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions. The population of this study is 164 manufacturing companies listed on the Indonesia Stock Exchange. The required financial reports are annual reports for 2015-2017. This study uses secondary data in the form of company financial statements. The technique used in sampling is purposive sampling. According to Sugiyono (2016), he explained that purposive sampling is a technique for determining the sample of data sources with certain considerations. From the results of determining the criteria, a sample of 112 manufacturing companies listed on the Indonesia Stock Exchange in 2015-2017 were taken after observation and inspection. The technique used in this research is multiple regression analysis using the help of the Eviews program.

RESULT AND DISCUSSION

Result

Before the research variables were analyzed by testing the Eviews 9 statistical formula, the data from each research variable was described first. This is intended to provide an overview of each of the variables studied. Before carrying out a descriptive test or processing using Eviews 9, first the data is transformed through www.graphpad.com. The research data that becomes the dependent variable (Y) is firm value, while the independent variable is tax planning (X1), managerial ownership (X2), foreign commissioners (X3), and profitability (Z). In summary, descriptive statistics are presented in the following table:

<table>
<thead>
<tr>
<th></th>
<th>Y_PBV</th>
<th>X1_ETR</th>
<th>X2_KM</th>
<th>X3_DKA</th>
<th>Z_ROA</th>
</tr>
</thead>
<tbody>
<tr>
<td>mean</td>
<td>1.658394</td>
<td>0.801621</td>
<td>1.254843</td>
<td>3.375121</td>
<td>37.04952</td>
</tr>
<tr>
<td>median</td>
<td>0.154300</td>
<td>0.068100</td>
<td>0.161000</td>
<td>0.600300</td>
<td>0.427190</td>
</tr>
<tr>
<td>Maximum</td>
<td>135.6690</td>
<td>177.9890</td>
<td>154.8080</td>
<td>43.25000</td>
<td>479.8550</td>
</tr>
<tr>
<td>Minimum</td>
<td>0.000100</td>
<td>0.003000</td>
<td>0.001700</td>
<td>0.015300</td>
<td>0.001860</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>9.718604</td>
<td>9.931410</td>
<td>9.775654</td>
<td>7.784098</td>
<td>83.71367</td>
</tr>
<tr>
<td>Observations</td>
<td>336</td>
<td>336</td>
<td>336</td>
<td>336</td>
<td>336</td>
</tr>
</tbody>
</table>

Source: Data Processed, 2020

Based on table 1 above, information is obtained that the number of samples consists of 112 samples and the amount of data entered in this test is 336 data. The firm value variable as the dependent variable has the lowest value of 0.000100 and the highest value was recorded at 135.6690 with an average disclosure of the value of the company 0.154300 with a standard deviation of 9.718604.

The independent variable in this study, namely tax planning (X1) has the lowest value of 0.000100 and the highest value is recorded at 177.9890; with an average variable of 0.801621 and a standard deviation of 9.931410. The managerial ownership variable (X2) has the lowest value of 0.001700 and the highest value of 154.8080, with an average variable of 1.254843 and a standard deviation of 9.775654. The foreign commissioner board variable (X3) has the lowest value of 0.015300 and the highest value is 43.25000 with an average variable of 3.375121 and a standard deviation of 0.7784098. The moderating variable profitability (Z) has the lowest value of 0.001860 and the highest value of 479.8550, with an average variable of 37.04952 and a standard deviation of 83.71367.

Classic assumption test

Normality test

The normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution. There are two ways to see if the data is normally distributed or not. First, if the Jarque-Bera value < 2, then the data is normally distributed. Second, if the probability > a significance value of 0.05, then the data is normally distributed. The following is a
test of the normality of the influence of Tax Planning, Managerial Ownership, and Foreign Board of Commissioners on Firm Value with Profitability as a Moderating Variable.

From figure 1. above it can be seen that the residual data is normally distributed with 336 observations. In the histogram it can be seen where the jarque value- fallow is 2.2191612 and probability 0.334270 is greater than 0.05 so it is considered feasible to perform panel regression test.

**Multicollinearity Test**

Bivariate correlation can be used to detect multicollinearity between independent variables with a standard tolerance of 0.8. If the correlation shows a value less than 0.8 then it is considered that these variables do not have multicollinearity problems. The following table of multicollinearity in this study:

<table>
<thead>
<tr>
<th>Table 2. Multicollinearity Test Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1_ETR</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>X1_ETR</td>
</tr>
<tr>
<td>X2_KM</td>
</tr>
<tr>
<td>X3_DKA</td>
</tr>
</tbody>
</table>

From table 2. above it can be seen that this model is not affected by multicollinearity problems where the interaction value between variables in this study, none of which has a value more than the tolerance limit of 0.8.

**Heteroscedasticity Test**

Heteroscedasticity test aims to test whether in the regression method there is an inequality of variance and residuals from one observation to another. The following table of heteroscedasticity in this study:

<table>
<thead>
<tr>
<th>Table 3. Heteroscedasticity Test Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-statistics</td>
</tr>
<tr>
<td>Obs*R-squared</td>
</tr>
<tr>
<td>Scaled explained SS</td>
</tr>
</tbody>
</table>

The results of the Breush-Pagan-Godfrey, Harvey, and Glejser test show the probability value of F-Statistics (F-Calculate) is greater than Alpha (0.05) which is 0.1889, meaning that the variables of tax planning, managerial ownership, and foreign commissioners greater than Alpha (0.05) so it can be concluded, H1 is rejected and H0 is accepted. There is no heteroscedasticity problem in this data.
Chow Test
Chow test, which is a test to determine the most appropriate fixed effect or random effect model used in estimating panel data. The hypotheses in the chow test are: Common Effect Model or pooled OLS: If the hypothesis is rejected, fixed Effect Mode: if the hypothesis is accepted.

Table 4. Chow-Test . Test Results

<table>
<thead>
<tr>
<th>Effects Test</th>
<th>Statistics</th>
<th>df</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-section F</td>
<td>5.382674</td>
<td>(111,217)</td>
<td>0.0000</td>
</tr>
<tr>
<td>Cross-section Chi-square</td>
<td>444.409941</td>
<td>111</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

Source: Data Processed, 2020

Based on the results of the Chow Test using Eviews 9, the probability is 0.000. Because the probability value is smaller than the significant level (α = 0.05), it can be concluded that the hypothesis is accepted, so the better estimate used in this model is the fixed effect model. Because the selected model is a fixed effect model, the test is continued with the Hausman test.

Hausman Test
This test compares the fixed effect model with the random effect in determining the best model to be used as a panel data regression model. The Hausman test uses a program similar to the Chow test, namely the Eviews program. The selection using the Fixed Effect or Random Effect approach can be seen from the results of the Hausman test output in the following table:

Table 5. Hausman-Test . Test Results

<table>
<thead>
<tr>
<th>Test Summary</th>
<th>Chi-Sq. Statistics</th>
<th>Chi-Sq. df</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Random cross-section</td>
<td>15.460188</td>
<td>7</td>
<td>0.0305</td>
</tr>
</tbody>
</table>

Source: Data Processed, 2020

Based on the results of the Hausman test using Eviews, the probability is 0.0305. The probability value is greater than the significant level (α = 0.05), then the hypothesis for this model is accepted, so the better estimate used in this model is the fixed effect.

Panel Regression Analysis
MRA panel regression analysis was used to see the effect of the independent variable: tax planning (X1), managerial ownership (X2) and foreign commissioners (X3) with profitability (Z) as moderating variable simultaneously on the dependent variable of firm value (Y) assuming other independent variables are considered constant. The following are the results of the estimation table:

Table 6. Panel Regression Estimation Results (Fixed Effect)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 ETR</td>
<td>-0.001342</td>
<td>0.002738</td>
<td>-0.489944</td>
<td>0.6247</td>
</tr>
<tr>
<td>X2 KM</td>
<td>0.001821</td>
<td>0.000909</td>
<td>2.004324</td>
<td>0.0463</td>
</tr>
<tr>
<td>X3 DKA</td>
<td>-0.032146</td>
<td>0.000604</td>
<td>-53.2613</td>
<td>0.0000</td>
</tr>
<tr>
<td>M ROA ETR</td>
<td>9.12E-06</td>
<td>1.82E-05</td>
<td>5.01438</td>
<td>0.0166</td>
</tr>
<tr>
<td>M ROA KM</td>
<td>-0.006869</td>
<td>0.003656</td>
<td>-1.78552</td>
<td>0.0816</td>
</tr>
<tr>
<td>M ROA DKA</td>
<td>8.17E-05</td>
<td>0.000148</td>
<td>5.52069</td>
<td>0.0581</td>
</tr>
<tr>
<td>M ROA</td>
<td>0.001240</td>
<td>0.000586</td>
<td>2.115642</td>
<td>0.0355</td>
</tr>
<tr>
<td>C</td>
<td>1.748348</td>
<td>0.021281</td>
<td>82.15668</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

Effects Specification
Cross-section fixed (dummy variables)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-squared</td>
<td>0.998821</td>
<td>Mean dependent var</td>
<td>145.8223</td>
<td></td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.998179</td>
<td>SD dependent var</td>
<td>475.3431</td>
<td></td>
</tr>
<tr>
<td>SE of regression</td>
<td>4.945815</td>
<td>Sum squared resid</td>
<td>5308.056</td>
<td></td>
</tr>
<tr>
<td>F-statistics</td>
<td>1557.364</td>
<td>Durbin-Watson stat</td>
<td>2.704534</td>
<td></td>
</tr>
<tr>
<td>Prob(F-statistic)</td>
<td>0.000000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Processed, 2020

This is an Creative Commons License This work is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License
Discussion

Effect of tax planning on firm value

From the results of the t test, it is known that the t statistic of the tax planning variable is -0.641597 with a significant level (0.5218 > 0.05) tax planning has no effect on firm value. Thus Ho is accepted and Ha is rejected. The results obtained are in line with the results of research from Ekawati (2016) which says that tax planning has a significant effect on firm value. And also research from Dewanata (2017) who also get the results that taxes have a significant effect on firm value.

Effect of managerial ownership on firm value

From the results of the t test, it is known that the t statistic of the managerial ownership variable is 2.90197 with a significant level (0.0041 < 0.05) managerial ownership has an influence on firm value. Thus Ho is rejected and Ha is accepted. This result is not in line with the results obtained by Suastini (2016) where the research says that managerial ownership has no effect on firm value. And also not in line with research Hapsari (2016) which says that managerial ownership has no effect on firm value.

The influence of foreign board of commissioners on firm value

From the results of the t test, it is known that the t statistic of the foreign commissioner board variable is 0.085624 with a significant level (0.9318 < 0.05) Foreign board of commissioners has no influence on firm value. Thus Ho is accepted and Ha is rejected. This result is not in line with the research Arifianto (2013) which said that foreign board of commissioners had a significant effect on firm value. The result was also obtained by Hidayati (2017) who said that foreign board of commissioners had a significant effect on firm value.

The effect of tax planning on firm value with profitability as moderating

From the results of the t test, it is known that the t statistics of the tax planning variable with profitability as moderating are -0.489944 with a significant level (0.6247 > 0.05) meaning managerial ownership has no effect on firm value with profitability as moderating. Thus Ho is accepted and Ha is rejected.

The effect of managerial ownership on firm value with profitability as moderating

From the results of the t test, it is known that the t statistics of managerial ownership variables with profitability as moderating are 2.004324 with a significant level (0.0463 < 0.05) meaning managerial ownership has a significant influence on firm value with profitability as moderating. Thus Ho is rejected and Ha is accepted.

The influence of foreign board of commissioners on firm value with profitability as moderating

From the results of the t test, it is known that the t statistic of the foreign board of commissioners with profitability as moderating is -53.2613 with a significant level (0.000 < 0.05) meaning that the foreign board of commissioners has a significant influence on firm value with profitability as moderating. Thus Ho is rejected and Ha is accepted.

The effect of profitability on firm value as a moderator

From the results of the t test, it is known that the t statistic of the profitability variable is 21.115642 with a significant level (0.0355 < 0.05) profitability has a significant effect on firm value. Thus Ho is rejected and Ha is accepted.

CONCLUSION

This study aims to determine how strong profitability can moderate firm value. From the results of the tests that have been carried out, it is found that only managerial ownership has an impact on firm value. while the corporate governance variable used, namely the presence of foreign commissioners, has no effect on firm value. This is also due to its small ratio. And tax planning is also not able to affect the value of the company even after being moderated by profitability though. However, it is different with the ability of profitability to moderate the relationship between foreign board of commissioners and firm value, which is proven to have a strong moderating effect. From
the above it can be implied that the existence of good profitability can also provide good changes to the value of the company.

References
Dewanata, 2017. The Effect of Tax Planning on Firm Value with the quality of Corporate Governance as a Moderating variable in manufacturing companies listed on the IDX in 2012-2014. Department of Accounting, Faculty of Economics and Business, Diponegoro University. Volume 6, Number 1, Year 2017, Pages 1-7. ISSN (Online): 2337-3806
Rina, Period. 2014. The Effect of Managerial Ownership, Institutional Ownership and Leverage on Agency Costs in Manufacturing Companies
Yuono, 2016. The effect of tax planning and tax avoidance on the value of companies with financial performance as an Intervening variable listed on the Stock Exchange for the period 2012-2016. Faculty of Economics and Business, Pandanaran University, Semarang.