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by Elen Puspitasari

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The Company's Policy, Firm Performance, and Firm Value: An Empirical Research on Indonesia Stock Exchange

Bambang Sudiyatno

Lecturer

Faculty of Economics

Universitas Stikubank Semarang

Indonesia

Elen Puspitasari

Lecturer

Faculty of Economics

Universitas Stikubank Semarang

Indonesia

Andi Kartika

Lecturer

Faculty of Economics

Universitas Stikubank Semarang

Indonesia

Abstract

This study examined the role of company performance in determining the direction of the relationship between the company's policies to value the company. The goal is to identify where the role of company performance as a variable that is affected by the company's policies and influence the value of the company. Tests carried out in stages to test the effect of the company's policies on corporate performance and corporate value, and examine the effect of company performance on firm value. The study was conducted in Indonesia Stock Exchange (IDX) with a sample of manufacturing firms listed on the IDX in 2008 to 2010 with the purpose of sampling method. The results showed that financial leverage has a significant negative effect on the significance level of less than 1% of the company performance, and a significant positive effect on the level of significance 5% of the value of the company. Incentive managers have a positive effect, but not significant to company performance, and a significant positive effect on the significance level of less than 1% of the value of the company. Capital expenditure has a significant positive effect on the level of significance is less than 1% of the company performance, and a negative effect, but no significant effect on firm value. The company's performance has positive and significant at the significance level of less than 1% of the value of the company.

Keywords: Financial Leverage, Manager Incentives, Capital Expenditure, Corporate Policy, Company Performance, and Corporate Value.

1. Introduction

The business world will always require management to be creative in an effort to improve their performance, they should have the ability and can take advantage of any opportunities to improve company performance. It is important to improve the company performance is to create strategies, techniques and business tools are appropriate and suitable for the company. Accounting statements provide different measurements to measure the firm performance, such as net income (NI), return on assets (ROA) or return on equity (ROE). The firm performance as a barometer of the success of the company will be seen as a benchmark for investors to invest their funds.

High the firm performance will push the company's stock market price increases, as investors will respond positively as a signal to invest funds. As a representation of the firm value, the rising stock market prices show the firm value is also increasing. Therefore, the firm value are the factors that will determine the firm value through stock price increases.

This study assumes that investors are rational, so it is a fundamental aspect of the assessment (basic valuation) primary. This is because the value of the stock reflects the firm value, not only the intrinsic value of a moment, but more important is the expectation of the company's ability to increase the value of future prosperity. This study emphasizes the fundamental factors that are often seen as a micro-important factor that determines the price of the stock.

A variety of research in financial management has been widely performed and contributed useful financial theory to science and management policies, such as the capital structure theory (Modigliani and Miller, 1958 and 1963) and agency theory (Jensen and Meckling, 1976). Theories are built from an empirical research that has been done to address phenomena that occur and develop in business activities. Company's business activities as an object on which to base the problems that arise in business activity, plays a role as the base object of empirical research to produce theories that are then used as the basic foundation of the business in making decisions their business. Therefore, the activities within the company which is the implementation of company policies play an important role in the survival of the company. The objective of the company's policies are generally aimed at the development of the company by increasing the firm performance and the firm value.

2. Literature Review

Research on corporate policies related to capital structure or financial leverage, manager incentives, and capital expenditure have been carried out. Aquino, R (2010), in a study conducted on companies listed and not listed on the Philippine find that financial leverage has positive and significant impact on profitability (ROA). Magpayo, CL (2011), who conducted a study of 1,000 companies in the Philippine in the period in 2009, found that financial leverage has a negative and significant impact on ROA. The results Magpayo, CL (2010) is not in accordance with the study by Li, Donglin (2004) and Aquino R (2010).

Research conducted Anuchitworawong (2000) after the crisis in Thailand, and Guo (2006), found that leverage has a negative and significant effect on ROA. Rayan, K (2008) found financial leverage has a negative and significant effect on firm value. Salehi, M (2009) who conducted research in Iran, also found that financial leverage has a negative impact on corporate performance, ROA (firm performance). While Bhatti, et al (2010), found that high levels of leverage that will create a high systematic risk and high volatility in stock prices.

Several previous studies on the relationship between compensation and company performance has been carried out empirically. Murphy (1985), found that compensation has a positive impact on performance. Kerr and Kren (1992), found that cash compensation had a significant influence on ROA and stock returns. Schulz and Tubbs (2006), found that the Stock Option has a positive and significant impact on ROA.

According to Gill, et al (2008), compensation management (CEO compensation) can take the form of cash compensation, stock compensation, and fringe benefits. Murphy (1998), found a positive relationship between performance of companies with cash compensation manager (CEO cash compensation). Liao, et al (2009) in his research found that there are indications of a positive market reaction to the announcement of stock bonuses. Likewise Eddy Junarsin (2011), found that management compensation has positive and significant impact on ROA at significance level of less than 10%.

Managerial stock-based incentives believed to be a powerful tool for the shareholders can motivate managers (CEO) to work hard to increase the company's profits in the long run (Giancarlo S, 2000). Share-based incentive plan is a long-term incentive plan for management (Abowd, JM., and Kaplan, DS (1999). These include shares granted to the Manager under the assumption that the manager will be shareholders of the company and will act as shareholders (Gill, et al (2008). Granted stock options to the manager (CEO) as a bonus based on their performance and is the largest component of total compensation for managers over the last decade (Gill, et al (2008). According Bebhuck, L (2005), there are indications that equity-based compensation has increased rapidly in both companies on the economic conditions of the past and present.

Equity-based compensation can reduce agency problems and agency costs through a direct relationship between welfare management and company performance. Therefore, the award of stock options to motivate management to take action to improve the company's stock price, which in turn, maximize shareholder value or the value of the company.

A close relationship between corporate performance and stock compensation has been found (Abowd JM and DS Kaplan, 1999). Stock ownership seems likely to act as a substitute for CEO compensation, because it takes less incentive compensation to maximize the value of the shares (Cordeiro JJ, and Veliyath R, 2003). According to Murphy (1998), stock options also indicate a direct relationship between the award given to the management and the appreciation of the share price, since the implementation of the option payments increased in line with rising stock prices. Thus, stock option compensation plan for managers can be considered as the best compensation plan as this will support the company's long-term performance.

Capital expenditure related to investment policy, where the policy is part of the financial policies that have significance to make the value of the company increases. This policy is usually done when the company expanded the business by adding production capacity, modernization or building factories and capital budgeting changes. Woolridge and Snow (1990), has been treated as capital expenditure expansion of production capacity, plant modernization and changes in capital expenditure as capital expenditure.

McConnell and Muscarella (1985) empirical study has been initiated to examine the relationship between capital expenditure announcement stock price. They found that the announcement of an increase (decrease) in capital expenditure is planned to have a positive (negative) with a significant increase in stock returns. This is not consistent with the hypothesis that managers act in the best interests of the shareholders, to maximize the market value of their companies through capital expenditure decisions.

Several studies related to the market reaction to the announcement of capital expenditure has been carried out, among others, by Woolridge and Snow (1990), Chen and Ho (1997), Chung, et al (1998), Burton's (1999), Brailsford and Yeoh (2004) Chen (2006, 2008), Akbar, et al (2008), and Lynn, et al (2011). The results of these studies produced different findings, so it is not consistent, the market reaction varies in response to announcements of capital expenditure.

Woolridge and Snow (1990), found a significant positive abnormal return at the level of 0.71% of the overall investment announcement. They are categorized into several types of investment announcements; joint ventures, R & project, diversify markets / products, and capital expenditure. Significant positive market reaction and long-term investments, the investment is more than 3 years. Difference with previous studies, Chen and Ho (1997) examine the market response to announcements of capital expenditure according to two characteristics of the company, namely free cash flow and investment opportunities. The results showed that companies that have high investment opportunities reacted positively to the announcement of a significant capital expenditure, abnormal return of about 1%. Chung, et al (1998), found significant positive returns to firms that q-ratio is high on the day of the announcement, the abnormal return is less than 1%. The results of Chung, et al (1998) is inconsistent with the findings of Chen and Ho (1997).

Burton's (1999), in particular capital expenditure announcements split into three main categories, such as joint venture, immediate cash-generating expenditures (ICG), and non-immediate cash-generating expenditures (NICG). The results revealed significantly to joint venture investments, but not for immediate cash-generating expenditures (ICG), and non-immediate cash-generating expenditures (NICG), abnormal return of 1.5%.

Li, Donglin (2004), in his study found that investment (PPE) is positively associated with ROA at a significance level of less than 5%. Brailsford and Yeoh (2004), examined the effect of free cash flow and growth opportunities in the Australia capital market of 170 capital expenditure announcements. The results are consistent with previous theory that firms with high growth opportunities will have a higher market reaction following the release of capital expenditure announcements. Unlike before, then they do Randomization approach by classifying the company announced in a four-cash flow ratio based on the ratio of selected growth opportunities. Their findings support the cash flow hypothesis and findings are not consistent with the findings of Chen and Ho (1997) and Chung, et al (1998).

Al Farouque, et al (2005), found a statistically investments tend to have a positive, although not significant influence on corporate performance (ROA). Chen (2006), conducted research on the stock market response to the 246 companies that announced capital investment over the period 1989-1999. The results showed there was a significant and positive reaction of the stock market after the release of capital investment announcements, the abnormal return of about 1%. In 2008, Chen again test the market reaction to the 794 companies that announced its new product strategy. In contrast to previous studies, Chen (2008) use industry characteristics and product characteristics as control variables. The results are consistent with previous studies that there is a significant positive reaction of the capital markets on the company that released the announcement of capital investment.

Akbar, et al (2008), improving research by observing the US stock market reaction to capital expenditure announcements. The results of the study support the findings of McConnell and Muscarella (1985) and Chan, et al (1995) with abnormal return of 0.27% at a significance level of 1%. Announcement of capital expenditure is classified into four categories which include investment in plant and equipment, development, retail stores and others. Furthermore, Lynn, et al (2011). conducting research in Malaysian capital market. The results of the research showed that the Malaysian stock market reaction to the release of significant positive news capex (capital expenditure).

The results Carlson and Bathala (1997), Makaryawati (2002), Ulupui (2007), and Bambang Sudiyatno (2010) found that the ROA has positive and significant effect on firm value. While research conducted by Suranta and Pratana (2004) found that the ROA has a negative and significant effect on firm value.

3. Methodology of Research

This research uses an action research method, the first stage of a review of the empirical models that have been done before. Based on the results of previous studies, and then formulate a model of the influence of the company's policy on corporate performance. Then executed implementation (action) hierarchical model development by placing the variable connecting of company policy in affecting the value of the company. Variable connecting or interface it is the company's performance, because the performance of the company is the result of the implementation of company policies, so that these variables can be developed for a dual connecting variables (intervening).

Population and sample in this study is manufacturing companies that have been listed on the Indonesia Stock Exchange. The sampling method used purposive sampling, using a certain criteria set previously. The data used are secondary data in the form of time series data and cross section period of 2008 until 2010 were taken from the Indonesia Stock Exchange (IDX) - ICMD 2011. The method of analysis as a test of the hypothesis using regression analysis with three models regression equation as follows:

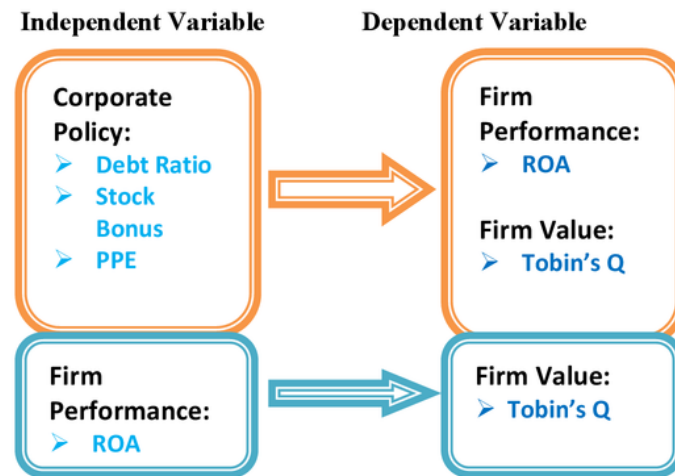
$$\begin{aligned} \text{Kinper} &= a_{11} + b_{11}\text{Levkeu} + b_{12}\text{Inma} + b_{13}\text{Capex} + e_1 \\ \text{Nilper} &= a_{21} + b_{21}\text{Levkeu} + b_{22}\text{Inma} + b_{23}\text{Capex} + e_2 \\ \text{Nilper} &= a_{31} + b_{31}\text{Kinper} + e_3 \end{aligned}$$

Where:

Kinper = Firm Performance
 Levkeu = Financial Leverage
 Inma = Managerial Incentives
 Capex = Capital Expenditure
 Nilper = Firm Value
 a_{11}, a_{21} dan a_{31} = Constanta
 $b_{11}, b_{12}, b_{13}, b_{21}, b_{22}, b_{23}, b_{31}$ = Coeffisien of Regression

Firm performance in this study proxied by the variable Return on Assets (ROA). Company policy proxied by financial leverage with the indicator variable The Debt to Total Assets Ratio (DTA), managerial incentives with dummy variables, capital expenditure was measured using indicator variables Property Plant and Equipment (PPE), and firm value proxied by Tobin's Q.

Empirical model of this study are:



4. Interpretation of Descriptive Results

Descriptive ¹³ statistics Table 1 in the appendix shows the 110 companies sampled in accordance with the criteria as the sample in this study. The mean value of the company amounted to 2.10, with a range of values between the minimum value (0.28) and maximum value (15.00) of 14.72. While the company's performance mean 0.1270, with a range between a minimum value (0.0008) and maximum value (0.4067) of 14.72. This shows that the range of the market capitalization and profits generated by the manufacturing industry companies on the Stock Exchange is quite high.

Skewness value ratio (Zskewness) of the three regression models is less than 2.00, thus, the regression model has no problem with residual normality, which means the data are normally distributed. Multicollinearity and autocorrelation test results of the three regression models show the model is free from the problems multicollinearity and autocorrelation. While heteroscedasticity test, heteroscedasticity occurs in model 2 are located in variable incentive manager and model 3 is the variable firm performance (ROA).

Correlation test using Pearson's Rank Correlation in Table 2 in the appendix shows that the value of the company indicated a moderate positive correlation with the performance of the company and has a low positive relationship with financial leverage, manager incentives and capital expenditure. While the company's performance indicates a moderate positive correlation with the value of the company and has a low positive relationship with the manager incentives and capital expenditure as well as having a weak negative relationship with financial leverage.

Table 3 in the appendix is a summary of the multiple regression analysis. All statistical values VIF model 1, model 2 and model 3 are smaller than 10, so there is no multi-collinearity among the independent variables. Value of Durbin-Watson Test ⁴ statistic located between $4 - d_u$ and $4 - d_u$ or greater than 1.5 and less than 3 thus does not happen auto-correlation in the regression model.

The results of testing the model, the ANOVA test (F) and the coefficient of determination indicates that the test statistic F value is greater than 5 with sig-F or less than 1 percent of ρ ($\rho < 0.001$) for all three regression models. Thus, it means all the independent variables in the model 1, model 2, and model 3 can explain the independent variable significantly at a significance level of less than 1%. Statistical value indicated coefficient of determination of the magnitude Adj R-square for model 1 is 0.394 or 39.4%, model 2 is equal to 0.175 or 17.5%, and model 3 is equal to 0.663 or 66.3%.

In model 1, the value of the beta coefficient is negative financial leverage suggests that the effect of financial leverage on corporate performance is negative or opposite directions.

Beta coefficient of manager incentives and capital expenditure is positive shows that the influence of manager incentives and capital expenditure on corporate performance is positive or unidirectional. In model 2, the value of the beta coefficient of financial leverage and incentives manager is positive indicates that the effect of financial leverage and incentive managers on firm value is positive or unidirectional. While the beta coefficient of capital expenditure is negative indicates that the effect of capital expenditure on firm value is negative or opposite directions. In model 3 beta coefficient of performance of the company is positive indicates that the effect of firm performance on firm value is positive or unidirectional.

Based on the above analysis, it can explain the meaning of these statistics and the value of the sign of the beta (β_0) of each independent variable on the three models.

Model Equation 1

The results of statistical tests demonstrate the value of beta coefficient -0.175 and $\text{sig-t} = 0.000$ shows that financial leverage has a negative and significant effect on corporate performance (ROA). If the debts of the company increases, the performance of the company (ROA) will decline. The decline in Return on Assets (ROA) by increasing debt can occur because the rate of return (ROR) resulting from the additional capital using debt is lower than the cost of debt. Thus, the profits resulting from the use of debt will not be able to cover the cost of capital.

The results of this analysis illustrates that the implementation of the policy is not maximized the use of debt carried by the company. Management can still improve further the use of debt to be able to generate a return greater than the cost of capital. The inability of the company to maximize the use of debt due in 2008, the Indonesian economy in crisis as the impact of the financial crisis in the United States. This leads many companies are declining performance as a result of the crisis.

Debt is one of the funding sources that are widely used by companies to strengthen the company's capital in order to increase their profits. The effectiveness of the use of debt to increase their profits for each company is different, and highly dependent on the ability of management to manage the debt. Ability of management to manage the debt to increase their profits, describing the quality of governance management. Good corporate governance will be able to manage the debt to increase their profits (Maher and Andersson, 1999).

The results of this study provide empirical understanding of the management, that during the period 2008 to 2010 most manufacturing companies on the Stock Exchange has not produced the maximum profit. This means that the resulting rate of return is lower than the cost of capital. If so, then the use of debt or financial leverage will decrease the performance of the company. So there are still opportunities for management to improve the rate of return from its operations. The results of this study support the argument of the Pecking Order Theory (POT) that the use of debt can lower the performance of the company.

The results of this study support previous research conducted by Anuchitworawong (2000) at the time after the crisis in Thailand, and Guo (2006), who find leverage has a negative and significant effect on ROA. The similarity of results is due to the condition of the capital markets in Indonesia, which is not much different from the conditions of the capital markets in Thailand and Taiwan, especially after the crisis. The results are also in accordance with the findings of Salehi, M (2009) who conducted research in Iran, and found that financial leverage has a negative impact on firm performance, ROA.

Dividend policy proxied by the manager incentive stock indicators bonuses to managers, with the intention that management is working to its full potential for the benefit of owners, thus reducing the conflict of interest between the manager and the owners. Based on the results of testing the beta coefficients were statistically significant 0.014 and $t = 0.186$ indicates that the incentives managers have a positive effect and no significant on the firm performance.

The results of this study provide empirical understanding of the management, that during the period 2008 to 2010, the distribution of bonus shares to the managers at manufacturing companies on the Stock Exchange has no impact on their performance increases. Effect of bonus shares does not mean (significant) to company performance.

These results are not in accordance with agency theory (Jensen and Meckling 1976) which states that as agents, managers mandated powers to run the company completely. In order for managers to work well, the managers are compensated in the form of salaries and bonuses beyond salary, such as bonus shares.

Despite having a positive effect, the results of this study are not in accordance with the findings of Schulz and Tubbs (2006) who found that the Stock Option has a positive and significant impact on ROA, and also incompatible with the study Guo (2006). These results are statistically also incompatible with Guo (2006) who found a negative effect of the Stock Bonus ROA.

Investment policies are proxied by capital expenditure with an indicator of change in Plant, Property, and Equipment (PPE). The test results showed statistically significant beta coefficient 0.069 and $\text{sig-t} = 0.006$ indicates that capital expenditure has a positive and significant impact on firm performance (ROA).

The results of this study provide empirical understanding of the management, that during the period 2008 to 2010 capital expenditure (capital expenditure) manufacturing companies on the Stock Exchange has a significant impact on firm performance (ROA). The results were similar also happened in Bangladesh which is a result of research Al Farouque, et al (2005) who found that statistically tend to have a positive investment, although the effect was not significant on corporate performance (ROA). Thus, the results are consistent with the arguments of the theory of investment.

Model Equation 2

The test results are statistically the value of the beta coefficient is 0.220 and $\text{sig-t} = 0.0053$ shows that financial leverage has a positive and significant effect on firm value. The results of this study provide empirical understanding of the management, that during the period 2008 to 2010 manufacturing firms listed on the Stock Exchange and use debt to enhance shareholder value. The use of debt to be perceived as a positive signal by the perpetrators of the stock market as a mechanism for supervision of the supervisor to management. Moreover, the results of previous tests showed that the use of debt has not reached the limit, so it still can be improved to meet the expectations of the shareholders. The use of debt can reduce opportunistic behavior of managers, according to the argument on free cash flow theory, especially in companies that have high cash flow.

The results of this study does not support and do not in accordance with the study of Rayan, K (2008), who found financial leverage has a negative and significant effect on firm value. However, the results of this study support the research of Bhatti, et al (2010), who found that high levels of leverage creates market risk (systematic) is high, and cause high volatility in stock prices. The high market risk and stock price volatility of stock returns indicates increased as the share price rises, and thus, the value of the company will also rise. The results are consistent with the trade-off theory or balancing theory which states that before achieving maximum capital structure, the use of debt will increase the value of the company.

Statistically testing the incentive manager generating value of beta coefficient 0.424 and $\text{sig-t} = 0.000$, suggesting that the incentives managers have a positive and significant effect on firm value. The results of these tests provide empirical understanding of the management, that during the period 2008 to 2010, the stock bonus ever undertaken by manufacturing firms in exchange effect on firm value. Thus, the provision of bonus shares as the information is positive response by the perpetrators of the stock exchange, so influential directly enhance shareholder value.

The results of this study support the statements made by Murphy (1998), ie stock option indicates a direct link between the award given to the management and the appreciation of the share price. This study is also in accordance with the opinion Bebchuck, L (2005), which states that the award of stock options (stock option) to motivate management to take action to improve the company's stock price, and maximize shareholder value or the value of the company. These results are also consistent with studies of Liao, et al (2009) who found indications of a positive market reaction to the announcement of stock bonuses.

Statistical testing of capital expenditure, resulting beta coefficient -0.118 and $\text{sig-t} = 0.295$ indicates that capital expenditure has a negative and significant effect on firm value. The results of this study provide empirical understanding of the management, that during the period 2008 to 2010, capital expenditure (capital expenditure) companies listed on the Stock Exchange in general have little effect and tend to be negative on firm value.

Management policy for the cost of capital as an effort to improve the business has not responded positively by market actors. This policy is a long-term policy, so that its impact will be felt in a few years to come. The perpetrators of the stock is still awaiting the impact of the policy on the company's cash flow.

The results of this study are not in accordance with the study of McConnell and Muscarella (1985) who found that the announcement of an increase (decrease) in capital budgeting related to positive (negative) with a significant increase in stock returns. The results are also not consistent with research from Woolridge and Snow (1990), Chen and Ho (1997), Brailsford and Yeoh (2004), Chan, et al (1995), Chen (2006, 2008), Akbar, et al (2008), and Lynn, et al (2011). However, the results of the study are consistent with studies of Burton's (1999), immediate cash-generating expenditures (ICG), and non-immediate cash-generating expenditures (NICG).

Model Equation 3

The results of statistical tests on the performance of companies producing beta coefficient of 0.816 and sig-t = 0.000 which shows that corporate performance (ROA) has a positive and significant impact on firm value (Tobin's Q). The results of this study provide empirical understanding of the management, that during the period 2008 to 2010 manufacturing firms listed on the Stock Exchange and generate Return on Assets (ROA) can positively enhance shareholder value. Return on Assets (ROA) is used as a proxy of the performance of the company to be perceived as a positive signal by the market participants as a sign of the return for the investment made.

The results are consistent with research from Carlson and Bathala (1997), Makaryawati (2002), Ulupui (2007), and Bambang Sudiyatno and Elen Puspitasari (2010) who found that the ROA has a positive effect on firm value. However, these results are not in accordance with the study of Suranta and Pratana (2004), who found that the ROA has a negative effect on firm value.

If the terms of the value of its Adjusted R Square, the influence of the company's policy on corporate performance (39.40%) is greater than the effect of company's policy on firm value (17.50%). Thus, the policy of the company that has more influence on the performance of the company than the company's value. This is consistent with the concept that corporate performance is the implementation of company policy. While the performance of the company as the implementation of company policy would be a signal for investors to perform or not perform investment activities.

Adjusted R Square value of the company's performance on firm value is equal to 66.3 percent. Greater than the effect on firm value the company policy of only 17.50 percent. Thus, the investor will be able to assess the performance of the company as the basis of investment policy rather than company policy.

5. Conclusions and Recommendation

5.1 Conclusion

According to the results of testing that has been done on the model 1, model 2, and model 3 can be concluded that financial leverage has a significant negative effect on corporate performance, and has a significant positive effect on firm value. Incentives manager has a positive but not significant effect on corporate performance, but the value of the company incentive managers have a positive significant. Capital expenditure has a positive significant impact on firm performance, but has a negative effect but not significant, and the performance of the company has a positive significant effect on firm value.

5.2 Recommendation

The efforts to be made by management to improve the performance of the company is to carry out a policy to maximize the use of debt in capital spending activity, and the efforts to be made by management to increase the value of the company is through the funding policy, the provision of incentives to managers in the form of bonus shares, and improve company performance. The future research aimed to test the mediation of the company's performance to ensure that the effects of funding policies (financial leverage) to the value of the company is directly or mediating influence company performance.

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Appendix

Table 1: Statistic Descriptive

	N	Range	Minimum	Maximum	Mean	Std. Deviation
Nilper (Tobin's q)	110	14,7204	,2829	15,0033	2,104116	2,1976440
Levkeu (DTA)	110	,9300	,0300	,9600	,398500	,1941053
Inma	110	1,00	,00	1,00	,5727	,49695
Capex	110	4,5638	-,1568	4,4070	,197428	,4731562
Kinper (ROA) (listwise)	110	,4059	,0008	,4067	,126990	,0934485

Table 2: Pearson's Correlation Coefficient: Independent and Dependent Variables

		Correlations				
		NilPer	LevKeu	Inma	Capex	Kinper
NilPer	Pearson Correlation	1	,033	,122	,063	,645**
	Sig. (2-tailed)		,734	,205	,512	,000
	N	110	110	110	110	110
LevKeu	Pearson Correlation	,033	1	-,088	,125	-,251**
	Sig. (2-tailed)	,734		,358	,193	,008
	N	110	110	110	110	110
Inma	Pearson Correlation	,122	-,088	1	,031	,053
	Sig. (2-tailed)	,205	,358		,747	,585
	N	110	110	110	110	110
Capex	Pearson Correlation	,063	,125	,031	1	,026
	Sig. (2-tailed)	,512	,193	,747		,785
	N	110	110	110	110	110
Kinper	Pearson Correlation	,645**	-,251**	,053	,026	1
	Sig. (2-tailed)	,000	,008	,585	,785	
	N	110	110	110	110	110

** . Correlation is significant at the 0.01 level (2-tailed).

Table 3: Multiple Regression Analysis

Model	Adj. R ²	D-W Test	β_1 Kinper	β_2 Levkeu	β_3 Inma	β_4 Capex
(1) Kinper F = 17,288 $\rho = 0,000$	0,394	1,861	-	-0,175 t = -6,376 $\rho = 0,000$ VIF = 1,093	0,014 t = 1,334 $\rho = 0,186$ VIF = 1,057	0,069 t = 2,838 $\rho = 0,006$ VIF = 1,038
(2) Nilper F = 5,936 $\rho = 0,001$	0,175	1,583	-	0,456 t = 1,967 $\rho = 0,053$ VIF = 1,065	0,317 t = 3,878 $\rho = 0,000$ VIF = 1,016	-0,199 t = -1,055 $\rho = 0,295$ VIF = 1,070
(3) Nilper F = 169,879 $\rho = 0,000$	0,663	1,758	9,200 t = 13,034 $\rho = 0,000$ VIF = 1,000			

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