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EVIEWS ANALYSIS : MODEL OF CORPORATE VALUE

GEN NORMAN THOMAS, NUZULUL HIDAYATI AND LELY INDRIATY

Abstract: The main objective of this paper is to examine and analyze the impact on the implementation of corporate governance principles of the Organization of Economic Cooperation and Development (OECD), which includes Shareholder Rights (HHPS), Equity of Shareholders (KAPS), Stakeholder Roles (PPK) , Disclosure and Transparency (PDT and Responsibility Board of Commissioners and Board of Directors (TDKD) to Return on Equity (ROE) and corporate value (Tobin's Q) .The research method using purpose sampling and hypothesis tested by using regression of panel data processing. using MS software application programs Excel 2007. The process of data onto Eviews 8. The results showed that HHPS has a positive and significant effect on ROE, KAPS have a negative and significant effect on ROE, KDP and PDT both have a negative and significant effect on ROE and TDKD have positive but not significant on ROE, HHPS, KAPS, KDP, PDT and TDKD simultaneously affect the ROE and able to explain the effect of 0.783336 or 78.3%. The most sensitive company for ROE change is PT HM Sampoerna, Tbk (HMSP) and the least sensitive company is PT Tirta Mahakam Resources, Tbk (TIRT). HHPS had a positive and significant effect on Tobin's Q, KAPS had a negative and significant effect on Tobin's Q, KDP had positive but not significant effect on Tobin's Q, PDT had negative but insignificant effect on Tobin's Q and TDKD had negative and significant effect on Tobin's Q. HHPS, KAPS , KDP, PDT, TDKD and ROE simultaneously affect Tobin's Q and able to explain the effect of 0.897574 or 89.8%. The most sensitive company to change Tobin's Q is PT HM Sampoerna, Tbk (HMSP) and the least sensitive company is PT IntiwijayaTirta mahakam Resources, Tbk (TIRT).

Introduction

The implementation performance of corporate governance principles related to shareholders and company management has always been an interesting topic. Based on the results of the survey of the Asian Corporate Governance Association (ACGA), 2014 in CG Watch Market Score 2010-2014 revealed that the condition of corporate governance of public companies in Indonesia on average decreased in 2010, 2012 and 2014. Nevertheless, the Indonesian corporate governance regulator has recently launched corporate governance reform and has also received a response from AGCA with the statement "Big ambitions, can they are achieved?" In the survey results revealed Indonesia is ranked 10th with an average score of 39% in five categories, CG rules and practices, Enforcement, Political and Regulatory, IGAAP and CG Culture. CG Culture and Enforcement has the lowest score of 34% and 24% among 10 other Asian countries: Hong Kong, Singapore, Japan, Thailand, Malaysia, Taiwan, India, Korea, China, Philippines.

Keywords: Principles of Corporate Governance, OECD, ROE, Tobin's Q, EVIEWS

Table 1
Market Category Score: CG Watch 2014 (in %)

No.		Total	CG Rules & Practices	Enfor-cement	Political & Regulatory	IGAAP	CG Culture
1.	Hong Kong	65	61	71	69	72	51
1.	Singapore	64	63	56	64	85	54
3.	Japan	60	48	62	61	72	55
4.	Thailand	58	62	51	48	80	50
4.	Malaysia	58	55	47	59	85	43
6.	Taiwan	56	48	47	63	75	47
7.	India	54	57	46	58	57	51
8.	Korea	49	46	46	45	72	34
9.	China	45	42	40	44	67	34
10.	Philippines	40	40	18	42	65	33
10.	Indonesia	39	34	24	44	62	32

Source: Asian Corporate Governance Association, 2014

Indonesia has a unique history of corporate governance culture. Indonesian public corporations are built and developed based on the proximity of entrepreneurs with the power of government, especially in the era of President Soeharto's government in the early 1970s. Companies are characterized as less competitive, especially competing with the global market because companies are accustomed to obtaining government facilities, such as: tax holiday, ease of licensing, winning tenders, etc. This condition occurs until now and is seen in Table 1 which is the result of the AGCA survey that the corporate governance culture of Indonesian public companies is still low compared to other Asian countries

Implementation of corporate governance principles in public companies in Indonesia have been very urgent, Indonesia is classified as one of the very late countries of its economic recovery from the monetary crisis of 2008 compared to some other Asian countries. By implementing the principles of corporate governance and involving shareholders and stakeholders to contribute, the company's goal of achieving success can be successful. The principles of corporate governance used are the principles of corporate governance of OECD in 1999 and the revision of 2004 used to measure the success of corporate governance in public companies in Indonesia.

Table 2
Development of CGPI, Profitability and Value of Public Sector Manufacturing Companies in Indonesia 2010-2015

Year	CG (CGPI)	Development (%)	Profitability (ROE)	Development (%)	Firm Value (Tobin's Q)	Development (%)
2010	80,75		12.43 %		0.39	
2011	85,19	5,5%	12.45 %	0.18%	0.38	-2.35%
2012	82,33	-3,36%	13.44 %	7.98%	0.39	2.90%
2013	83,79	1,77%	14.05 %	4.51%	0.40	2.51%
2014	78,65	-6,13%	12.80 %	-8.90%	0.39	-2.19%
2015	80,48	2,33%	13.28%	3.75%	0.41	5.13%

Source: www.idx.com downloaded on 15 February 2016 reprocessed data and CGPI most trusted companies annual published by IICG in collaboration with SWA Year 2010-2015

Based on Table 2, there is a view of Corporate Governance relationship with profitability and firm to value. CG linkage of profitability is inconsistent. CG development in 2010-11 was 5.5% followed by profitability growth of the same year of 0.18%, but in 2011-12, CG development by 3.36% was accompanied by 7.98% profitability growth. CG development in 2012-13 was 1.77% followed by profitability of 4.51%, but CG development in 2013-14 was -6.13% followed by profitability growth of -8.90%. Finally, the development of CG in 2014-15 by 2.33% along with the development of profitability of 3.75%. The correlation between the CG scores as the implementation of corporate governance of Indonesia is not always consistent with the fluctuation of profitability. Similarly, the association with CG with firm value. The development of CG in 2010-2011 showed a positive performance of 5.5% and the performance of corporate value showed negative performance of -2.35%. CG development in 2011-2012 showed a negative performance of -3.36% and the performance of company values showed a positive performance of 2.90%. CG development and corporate value for 2012-2013 both showed positive performance, namely 1.77% and 2.51%. CG developments in 2013-2014 showed a negative performance of -6.13% and the company's value performance also showed negative performance of -2.19%, and CG development and corporate value from 2014-2015 showed positive performance. As shown in Figure 1, the effect of corporate governance of ROE and Tobin's Q is inconsistent and even the influence of corporate governance on ROE and Tobin's Q has been an anomaly in 2010-11 and 2011-12. There was also an anomaly on the influence of ROR against Tobin's in 2010-11.

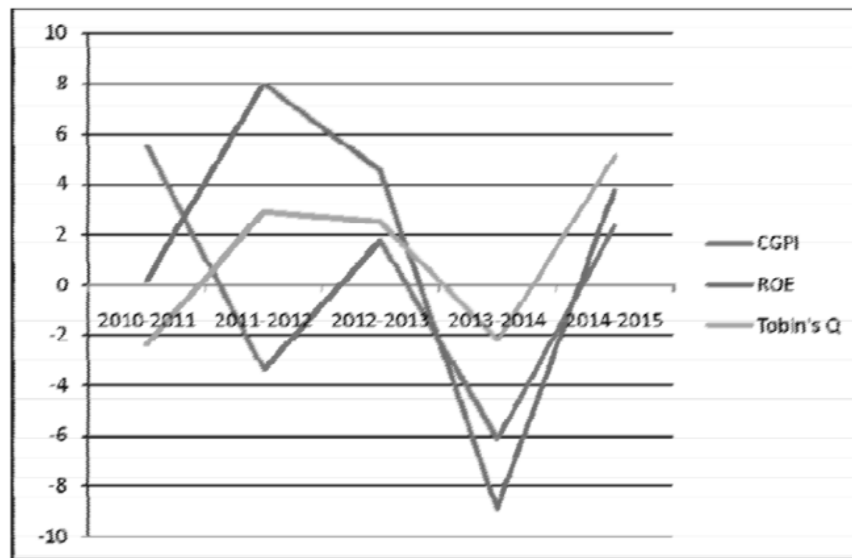

Figure 1: Development of CGPI, Profitability and Value of Public Sector Manufacturing Companies in Indonesia 2010-2015 (in percentage)

The occurrence of anomalies on the performance of ROE and Tobin's Q due to the implementation of corporate governance is not maximized and still influenced by corporate governance culture that is not in accordance with the principles of corporate governance by OECD which include: Shareholder Rights (HHPS), Equity Shareholders (KAPS), Stakeholder Roles (PPK), Disclosure and Transparency (PDT) and Responsibilities of the Board of Commissioners and Board of Directors (TDKD).

Literature Review

Profitability (ROE)

Profitability is interpreted as a company's ability to generate profit in order to increase shareholder value. According to Brigham and Houston (2011), profitability is the end result of execution of corporate decisions and policies. High and low profitability shows both the poor performance of the company. Information on corporate performance is needed by investors as input in decision making as set forth in Financial Accounting Standards (SAK) Year 2010 in paragraph 17. Investors also measure corporate governance based on the company's ability to manage the company's resources to predict the level of profitability. Rational potential investors certainly invest their capital into the company if the company can display a satisfactory performance. Return On Equity (ROE) is profitability ratios that shows profit or profit from shareholders equity ratios. The ratio reflects a company's ability to earn a profit or profit by using the capital resources of an already invested shareholder.

According to Weston and Brigham (2010) "Profitability ratios measure overall management effectiveness as seen from returns generated by sales and investments". ROE is the multiplication of profitability of assets owned by the company with funding decision on the form of equations is: ROE = ROA x Leverage. In this case ROA is the level of profit gained from the use of assets, while leverage shows how much debt is used by the company. Can be explained ROA = Net Profit After Tax / Total Assets. ROE is obtained by Net Income After Taxes are Equity divided or ROA multiplied by Leverage. While Leverage is obtained by dividing the total Assets with Equity. The equation also shows that the firm will be able to increase ROE if its ROA increases while its leverage is constant. Constant leverage means the proportion of loan capital has not changed. If ROA increases then it means the profitability of the company enjoyed by shareholders. The same is true if the company is able to maintain ROA by using increasing debt (increased leverage). If the company is able to maintain ROA with the use of large debts, then it means that the use of debt is able to provide greater benefits of the cost so that ROE increases.

Firm Value (Tobin's Q)

The value of the firm in this study is defined as the market value of the company that provides prosperity for investors / shareholders. The value of a company describes how good or bad the management manages its wealth, it is seen from the measurement of financial performance. The increase in corporate value is marked

by the rising stock prices in the market. Nurlela and Islahuddin (2008) explain that enterprise value (EV) or also known as firm value is an important concept for investors, because it is an indicator for the market to assess the company as a whole. While Wahyudi, et al. (2006) states that the value of the company is a price that is willing to be paid by a prospective buyer if the company is sold.

The financial ratios used by investors to know the market value of the company. These ratios can provide an indication for management regarding investors' assessment of past company performance and future prospects. There are several ratios to measure the market value of a company, one of which is Tobin's Q. This ratio is believed to provide the best information, because in Tobin's Q includes all the elements of debt and equity capital of the company, not only ordinary shares and not only the company's equity is included but all The Tobin's Ratio or Q Ratio is the replacement cost of the cost required to obtain the same asset as the company's assets. The Q ratio indicates a future growth opportunity for the company through its investment policy. Tobin's Q according to James Tobin, 1967, is: "Tobin's Q is the ratio of the market value of a firm's asset (as measured by the market value of the market value of its out standing stock and debt) to the replacement cost of the firm's assets. "Furthermore, according to James Tobin that in the long run the number of Tobin's Q will move towards the point of equilibrium, which is number 1. But in reality in many findings that the number Tobin's Q just away from the number 1, so that happens if the number Tobin's Q> 1 has occurred overvalued while if the number Tobin's Q <1 then has happened undervalued.

This problem has already been revealed by Damodaran, (1996: 106) which explains that the formula for Tobin's Q is one of ratio calculations using the P /BV approach (Price to Book Value) only difference if P / BV is related to equity markets price alone whereas Tobin's Q is related to the market price of equity and debt known as Tobin's Marginal Q. According to Kim, et.al (1993) that the first formula proposed by James Tobin in 1969, is Tobin's Marginal Q relating to a firm's investment rate, but the direct measurement against Tobin's Marginal Q is not possible. To overcome this Chung and Pruitt (1994) proposed a simple formula for Tobin's Q called approximation Q, ie :

$$\text{Approximation Q} = \frac{\text{Market Value of Equity + Preferred Stock + Debt}}{\text{Total Assets}}$$

1. Shareholder Rights (HHPS)

The rights of shareholder principle are a principle of corporate governance to regulate shareholder rights and which includes the fulfillment of shareholders rights, such as: attended the annual meeting of shareholders, the dividend distribution policy and the majority shareholders have representatives in the board of commissioners and directors. According to Cadbury Report (1992), the OECD fairness principle emphasizes the equitable treatment aspect of majority and minority shareholders, including investors from other countries both individuals and institutions. Ho and Wong (2001) divided the corporate governance dimension into two parts, namely; stakeholder powers and leadership aspects. The existence of supervision lies in the

structure of the board of directors, stewardship and capital structure. Previously Ho and Wong (2001) and Eng and Mak (2003) conducted research on public companies in the Hong Kong capital market. The finding, the quality of corporate governance in proxies is the ratio of independent non-executive directors, audit committees, the dominant personal and the percentage of family members in the board of directors and the board of commissioners. The results of the study found that audits committees had positive and significant relationships of voluntary disclosure, while the percentage of family members on the board had a negative relationship.

Leung and Horwitz (2004) who examined the disclosure of corporate governance in Hong Kong found that concentration in board ownership relates to low voluntary disclosure. At a time when company performance is low, there is a heightened concentration of ownership but is followed by a lowly voluntary disclosure. It was also found that non-executive directors increased voluntary disclosure to companies with low direct ownership but did not occur to companies with concentrated ownership.

2. Equity Among Shareholders (KAPS)

The principle of equality among shareholders or equitable treatment of shareholders is the principle of corporate governance governing the equal shareholders being treated in proportion to their shareholdings. This principle also ensures the importance of communication due to potential conflicts of interest in minority shareholders with minorities, insider trading, competitors having shares in the company. According to Cadbury (1992) it is said that the OECD principle of justice also means fair treatment to protect the interests in shareholders from various activities of cheating and inside trading conducted by unscrupulous managers or agents. This principle governs the possible conflicts of interest in the owner and the manager. The existence of an independent commissioner can create an objective and independent environment and be a justice guard to bring the balance between the majority shareholder, minority shareholder and even other stakeholders.

Ownership of shares can be in the form of institutional ownership, in Indonesia the ownership of shares of public companies owned by the institution as an individual substitute. The ownership of institutional shares reflects the number of shares held by an institution such as an insurance company, a bank, an asset management company in relation to the total issued shares. The high ownership of shares by institutions is likely to result in greater oversight by these institutions to prevent opportunistic manager movements. Companies that have an institutional share of more than 5% indicate the ability to monitor management.

3. Stakeholder Role (PPK)

The role of stakeholder in corporate governance is a principle of corporate governance to regulate the role of stakeholders, and stated stakeholders' theory as stakeholders are employees, suppliers, creditors, the environment and shareholders. Based on the term of Cadbury Report (1992), responsibility refers to corporate responsibility as a member of society or entity to comply with government regulations and act to

fulfill social welfare. Accountability emphasizes the firm's responsibility for shareholders and other stakeholders, such as; society, government, business associations and other groups, as revealed by Arifin (2005). Non-executive directors normally have the power to manage management in order to provide more information about stakeholders, as stated by Nurhayati (2006), Haniffa and Cooke (2005), Eng and Mak (2003). The term non-executive director by some researchers, such as Patteli and Prencipe (2007), Huafang and Jianguo (2007) refers to independent directors. This study will use both terms alternately between non- executive directors and independent directors with the same meaning as commissioners.

Shareholders and managers have their own interests to achieve their own goals that may be completely different. Each group bear the risks associated with its function, the manager has the risk of losing his position in relation to the performance of the performance of his duty, while the shareholders are also at the risk of lose their capital when choosing a bad manager. This condition is a consequence of the separation of roles in managing and ownership functions. These conditions will be different if the manager also doubles as an owner or shareholder. Companies with managerial ownership, their managers will act as shareholders and the activities of the company will be synchronized with the interests in the owner. But if the manager is not a shareholder then he thinks there will be a conflict of interest owners.

4. Disclosure and Transparency (PDT)

The Principles of Disclosures and Transparency is a principle of corporate governance to regulate issues of transparency, especially on the ownership structure of a company (majority, dispersion, board holding). Annual reports made using internationally recognized accounting standards, internal audit functions by presenting published financial information over the internet, is a real intention in disclosure and transparency. In terms of transparency can be interpreted as the presentation of quality information by the company. Investors believe that the company will provide reliable information and the company is expected to provide useful information about a clear, accurate, timely and comparable manner. This principle builds upon the best practices of accounting standards to ensure high quality disclosure and financial statements, utilization of information technology systems to ensure consistency in the measurement and effective decision-making process used by boards of directors and board of commissioners, according to Arifin (2005). Gisbert and Navallas (2013) disclose the presence of asymmetric information and conflict between managers and investors in Spanish companies, where disclosure is seen as a means of reducing conflict. Patelli and Prencipe (2007) discussed the conflict between principals and agents that impact on information disclosure, as managers monitor their activities effectively to safeguard the security of the economic interests within the firm.

The proportion of non-executive directors within the board is the number of members of the board of commissioners divided by the number of directors as stated by Lim, et al. (2004). Huafang and Jianguo (2007) determined that an

increase in the number of independent directors had a positive influence on the level of voluntary disclosure. Other studies supporting Huafang and Jianguo (2007), among them from Patelli and Prencipe (2007) Lim et al. (2004) Arcay and Vazquez (2005) Gul and Leung (2004). However, different studies from Eng and Mak (2003) suggest that independent directors do not have a negative relationship to the level of voluntary disclosure. Managerial ownership reflects the proportion of shares held by managers. Based on previous studies that increased ownership of managers reduces the problem of traditional agencies and provides incentives for managers to provide a better disclosure that will reduce information asymmetry and agency costs. Lakhal and Mida (2006) found that managers in French companies showed more disclosure more voluntary when they feel less controlled by the majority shareholder or family shareholder. This indicates a weak protection resulting in the seizure of minority shareholdings.

5. Responsibilities of the Board of Commissioners and Board of Directors (TDKD).

The principle of responsibility for the board of directors and board of commissioners or the responsibilities for the Board of Commissioners and Board of Directors is a principle of corporate governance to manage the accountability of commissioners and directors, particularly on issues of corporate leadership (vision and mission), the role of both councils within the company, the use of audit reports and leadership development board of commissioners and directors. As elaborated by Arifin (2005), the OECD principle of Cadbury Report (1992) is accountability relating to the overall control system of existing units within the company. Control units within the company, such as non-executive directors or board of commissioners, independent directors, internal auditors and audit committees. Accountability practices within the company provide a check and balance system, including among others; monitoring, evaluation, supervision of management to protect the interests of shareholders by limiting the authority of management.

The structure of the board of companies in Indonesia includes the board of commissioners and the board of directors appointed and dismissed by the GMS. Law No.40 of 2007 provides that the company is a free entity with directors and commissioners as representatives of the company. Article 94 paragraph 4 provides that a company must have at least 2 (two) commissioners. The Board of Commissioners shall be appointed by the GMS for a specified period of time and may be re-elected. Company structures according to Law No.40 of 2007, article 1, paragraph 2 regulates the shareholders of the company which includes the board of directors and the board of commissioners is the last pillar of the company. They also withhold all powers that are not granted to the board of directors and the board of commissioners. Shareholders deserve all information related to the company from directors and commissioners. The board of directors in Indonesia is responsible to the board of commissioners who play a central role in corporate governance. The board of commissioners is responsible for achieving company goals, developing policies, selecting top quality employees to implement policies and achieve targets. The board of commissioners may review the performance of management to ensure that the company is properly implemented and the interests in shareholders are

protected. Why is it saying that the board of commissioners is the representative who runs the supervisory function and advises the directors to run the GCG. All members of the board of commissioners must be independent and have the ability to complete tasks for the benefit of the company, and free from any influence. The regulation concerning the independent board of commissioners in Kep-305 / BEJ / 07-2004 that the independent commissioners present in the council which are regulated from minority shareholding of at least 30% of the total commissioners.

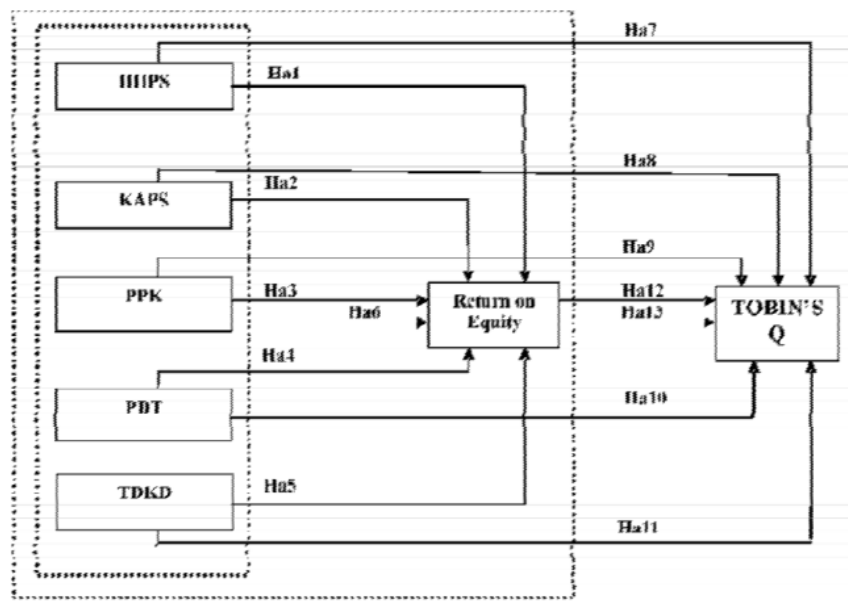

Figure 2: Research Model

Research Hypothesis

Hypothesis 1 : There is a positive influence of HHPS on Return on Equity (ROE).
Hypothesis 2 : There is a negative effect of KAPS on Return on Equity (ROE).
Hypothesis 3 : There is a positive effect of PPK on Return on Equity (ROE).
Hypothesis 4 : There is a positive effect of PDT on Return on Equity (ROE).
Hypothesis 5 : There is a positive effect of TDKD on Return on Equity (ROE).
Hypothesis 6 : There is effect HHPS, KAPS, PPK,PDT and TDKD simultaneously to Return on Equity (ROE).
Hypothesis 7 : There is a positive effect of HHPS on Tobin's Q
Hypothesis 8 : There is a negative effect of KAPS on Tobin's Q
Hypothesis 9 : There is a positive effect of PPK on Tobin's Q

Hypothesis 10 : There is a negative effect of PDT on Tobin's Q

Hypothesis 11 : There is a positive effect of TDKD on Tobin's Q

Hypothesis 12 : There is a positive effect of Return on Equity (ROE).on Tobin's Q

Hypothesis 13 : There is effect HHPS, KAPS, PPK,PDT, TDKD and ROE simultaneously to Tobin' s Q

Research Result

HHPS, KAPS, KDP, PDT and TDKD variables are partially and simultaneously affecting ROE, and HHPS, KAPS, KDP, PDT, TDKD and ROE variables partially and simultaneously have implications for Tobin's Q. The results are descriptive data onto each research variable and test for the proposed hypothesis.

1. Descriptive

Statistical data onto the impact on HHPS, KAPS, KDP, PDT and TDKD implementation on ROE and its implications on Tobin's Q in public companies in the 2010-2015 manufacturing sector can be presented as follows:

Table 4 Description of Statistical Data

	ROE	TOBIN	HHPS	KAPS	PPK	PDT	TDKD
Mean	0.097533	1.922967	0.727917	0.118750	0.345000	0.738611	0.503922
Median	0.100000	1.135000	0.750000	0.083333	0.250000	0.750000	0.529412
Maximum	0.790000	12.62000	1.000000	0.444444	1.000000	1.000000	0.882353
Minimum	-3.200000	0.330000	0.375000	0.041667	0.000000	0.500000	0.235294
Std. Dev.	0.267211	2.044310	0.096888	0.089558	0.267639	0.090597	0.104391
Skewness	-7.319312	2.883258	-0.375082	1.998872	0.936211	-0.196427	0.692051
Kurtosis	86.89430	12.43323	3.553436	5.543690	3.478674	3.665900	4.338521
Jarque-Bera	90656.79	1527.982	10.86295	280.6540	46.68865	7.471975	46.34222
Probability	0.000000	0.000000	0.004377	0.000000	0.000000	0.023850	0.000000
Sum	29.26000	576.8900	218.3750	35.62500	103.5000	221.5833	151.1765
Sum Sq. Dev.	21.34917	1249.581	2.806823	2.398196	21.41750	2.454144	3.258362
Observations	300	300	300	300	300	300	300
Cross sections	50	50	50	50	50	50	50

2. Determinant Return on Equity (ROE)

Regression models to estimate the influence of determinants of ROE includes:Common Effects (CE), Fixed Effects (FE) and Random Effecr (RE). Chow tests and Hausman test to choose which regression is better. The selected regression model is used to analyze the influence over variables.

Table 5
Chow Test Results on Return on Equity (ROE)

Redundant Fixed Effects
Tests Pool: NORMANBAR
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	14.788872	(49,245)	0.0000

Source: Data Processed (BEI 2016)

Based on Chow test it can be concluded that Fixed Effect Model (FEM) is better than Common Effect because cross-section F is 14.788872 with probability 0.0000 <0.05 then Ho is accepted, but the result is not final yet required Hausman test, as follows:

Table 6
Hausman's Test Result on Return on Equity (ROE)

Correlated Random Effects - Hausman Test
Pool: NORMANBAR
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	13.953515	5	0.0056

Source: Data Processed (BEI 2016)

Hausman tests shows that Fixed Effect is better than Random Effect because cross-section random is 13.953515 with probability 0.0056 <0.05 then Ho is accepted, and then presented conclusion of model selection.

Table 7
Conclusion The Best Model Test Results for ROE as a Bound Variable

Test	Count	Probability	Conclusion
Chow Test (CEM vs FEM)	F hit = 14.788872	0.0000	FEM the best
Hausman FEM vs REM	Chi-Sq. Statistic = 13.953515	0.0056	FEM the best

Source: Data Processed (BEI 2016)

3. Determinant Return on Equity (ROE) and Implications on Tobin's Q

Table 8 presents a combination of two models of panel data regression in model 1: Determinants of ROE and model 2 Implications for Tobin's Q as follows:

Table 8
Determinants of ROE and Implications for Tobin�s Q

	ROE			Tobin's Q		
	Coefficient Regression	Prob	Sig /Non Sig (NS)	Coefficient Regression	Prob	Sig /Non Sig(NS)
HHPS	0.184216	0.0001*	Sig	1.019667	0.0001*	Sig
KAPS	-0.825510	0.0123*	Sig	-9.611953	0.0001*	Sig
PPK	-0.076504	0.0001*	Sig	0.082230	0.0988	NS
PDT	-0.218904	0.0001*	Sig	-0.362277	0.0620	NS
TDKD	0.014749	0.7896	NS	-0.601236	0.0050*	Sig
ROE				0.268200	0.0039*	Sig

Note: * Significant with � = 0.05

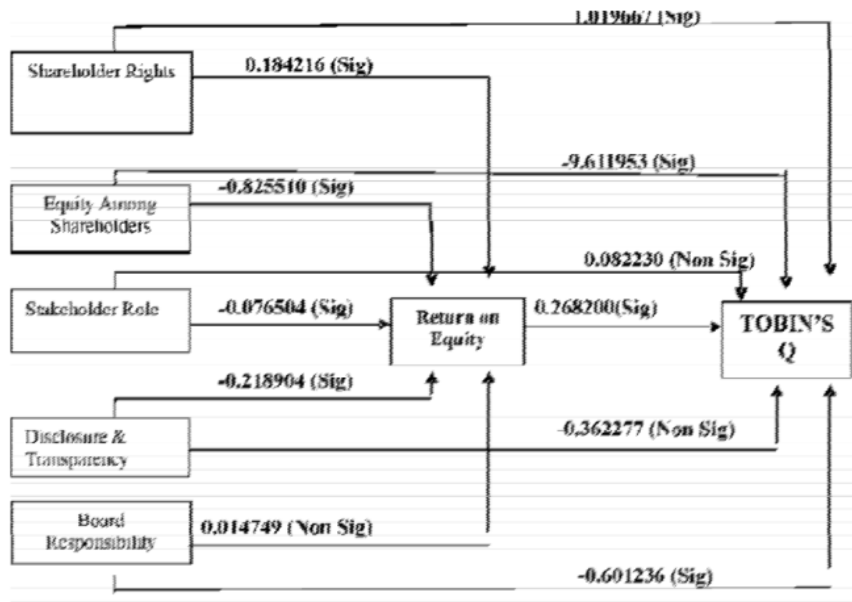

Figure 3: Research result

Discussion

1. Determinant Profitability (ROE)

Based on estimations and analysis of empirical result by using fixed effect regression model hence can be concluded that variable of HHPS, KAPS, PPK, PDT and TDKD simultaneously influence to ROE equal to 0.783336 or 78.33% and 21.67% remainder not explained in profitability determinant model (ROE) this. Three variables have a negative and significant effect on ROE, namely: KAPS, PPK and

PDT. One variabel has a positive and significant effect on ROE and one variable has positive but not significant effect on ROE.

- The Effect of Shareholder Rights on Profitability (ROE)

  The empirical findings show that the probability value of 0.0001 is smaller than α = 0.05 so it is said to be significant. Regression coefficient of 0.184216 and t statistics of 3.915649 stated that HHPS have a positive and significant effect on ROE.

- The Influence of Equity among Shareholders Against Profitability (ROE)

  The empirical findings show that the probability value of 0.0123 is smaller than α = 0.05 so it is said to be significant. Regression coefficient of -0.82550 and t statistics of -2.523393 stated that KAPS negatively and significantly affect the ROE.

- The Influence of Stakeholder Roles To Profitability (ROE)

  The empirical findings show that the probability value of 0.0001 is smaller than α = 0.05 so it is said to be significant. Regression coefficient of -0.076504 and t statistics of -3.857247 stated that KDP has a negative and significant effect on ROE.

- The Influence of Disclosure and Transparency on Profitability (ROE)

  The empirical findings show that the probability value of 0.0001 is smaller than α = 0.05 so it is said to be significant. Regression coefficient of -0.218904 and t statistics of -3.914975 stated that PDT negatively and significantly affect the ROE.

- Influence of Responsibility of Board of Commissioners and Board of Directors to Profitability (ROE).

  The empirical findings show that the probability value of 0.7896 is greater than α = 0.05 so it is said to be insignificant. Regression coefficient of 0.01479 and t statistics of 0.267059 stated that TDKD have a positive but not significant effect on ROE

2. Corporate Value Implications

   Based on estimations and analysis of empirical data result by using fixed effect regression model hence can be concluded that variable of HHPS, KAPS, PPK, PDT, TDKD and ROE simultaneously influence to Tobin's Q equal to 0.879574 or 87.98% and 12.027% remainder not explained in model of implication on this corporate value (Tobin's Q). Two variables have positive and significant influence on Tobin's Q, they are: HHPS and ROE. PPK has a positive but not significant effect on Tobin's Q and PDT negatively but not significantly on Tobin's Q

   - The Influence of Shareholder Rights To Company Value (Tobin's Q)

     The empirical findings show that the probability value of 0.0001 is smaller than α = 0.05 so it is said to be significant. Regression coefficient of 1.019667 and t statistics of 4.100913 stated that HHPS positively and significantly influence on Tobin's Q.

   - The Influence of Shareholder Equality Against Tobin's Q

The empirical findings show that the probability value of 0.0001 is smaller than � = 0.05 so it is said to be significant. Regression coefficient of -9.611953 and t statistics of -3.977262 stated that KAPS negatively and significantly affect the Tobin's Q.

- The Influence of Stakeholder Roles To Company Value (Tobin's Q)

  The empirical findings show that the probability value of 0.0988 is greater than � = 0.05 so it is said to be insignificant. Regression coefficient of 0.082230 and t statistics of 1.656867 stated that KDP has a positive but not significant effect on Tobin's Q.

- The Influence of Disclosure and Transparency To Company Value (Tobin's Q)

  The empirical findings show that the probability value of 0.0620 is greater than � = 0.05 so it is said to be insignificant. Regression coefficient of -0.362277 and t statistics of -1.874692 stated that PDT has a negative but not significant effect on Tobin's Q.

- The Effect of Responsibility of the Board of Commissioners and the Board of Directors on Corporate Value (Tobin's Q)

  The empirical findings show that the probability value of 0.0050 is smaller than � = 0.05 so it is said to be significant. Regression coefficient of - 0.601236 and t statistics of -2.833165 stated that TDKD negatively and significantly affect the Tobin's Q.

- The Effect of ROE on Corporate Value (Tobin's Q)

The empirical findings show that the probability value of 0.0039 is smaller than � = 0.05 so it is said to be significant. Regression coefficient of -0.268200 and t statistics of 2.916305 stated that ROE positively and significantly influence on Tobin's Q.

Conclusion

This study aim and analyzes the determinants affecting ROE and its implication on Tobn's Q public enterprise manufacturing sectors in 2010-2015. The resulting conclusions are:

1. Hypothesis 1 is accepted, HHPS affects ROE positively and significantly in manufacturing companies in 2010-2015.
2. Hypothesis 2 is accepted, KAPS affects ROE negatively and significantly in manufacturing companies in 2010-2015.
3. Hypothesis 3 is rejected, KDP affects ROE negatively and significantly in manufacturing companies in 2010-2015.
4. Hypothesis 4 is rejected, PDT affects ROE negatively and significantly in manufacturing companies in 2010-2015.
5. Hypothesis 5 is rejected, TDKD affects ROE positively but not significantly in manufacturing companies in 2010-2015.
6. Hypothesis 6 accepted, HHPS, KAPS, KDP, PDT and TDKD simultaneously affect the ROE of manufacturing companies in 2010-2015.

7. Hypothesis 7 is accepted, HHPS affects Tobin's Q positively and significantly in manufacturing companies in 2010-2015.
8. Hypothesis 8 is accepted, KAPS affects Tobin's Q negatively and significantly in manufacturing companies in 2010-2015.
9. Hypothesis 9 is rejected, KDP affects Tobin's Q positively but not significantly in manufacturing companies in 2010-2015.
10. Hypothesis 10 is rejected, PDT affects Tobin's Q negatively but not significantly in manufacturing companies 2010-2015.
11. Hypothesis 11 is rejected, TDKD affects Tobin's Q negatively and significantly in manufacturing companies in 2010-2015.
12. Hypothesis 12 is accepted, ROE affects Tobin's Q positively and significantly in manufacturing companies in 2010-2015.
13. Hypothesis 13 accepted, HHPS, KAPS, KDP, PDT, TDKD and ROE simultaneously affect Tobin's Q in manufacturing companies in 2010-2015.

Recommendation

Based on the results an author in this study, so far uses further research can suggested :

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