IAPJ
INTERNATIONAL ACTIVA-PASSIVA JOURNAL
MAGISTER MANAJEMEN-UNISSULA

Job Crafting and Talent Management on Improving HR Performance: An Empirical Study at Semarang Madya KPP

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Abstract. *This study aims to analyze the direct and indirect effects of profitability and liquidity on firm value through leverage as a mediator. The population used in this study was all technology sector companies listed on the Indonesia Stock Exchange between 2020 and 2023. The sampling technique used purposive sampling, using various criteria to obtain a sample size or observational data of 99 company financial reports. The data used is secondary data obtained through documentation. Data analysis for discussion purposes will be processed and presented using descriptive statistics, while for hypothesis testing, Partial Least Squares (PLS) analysis will be used. The results of the analysis indicate that leverage has a significant effect on firm value. Profitability has a significant effect on firm value, and profitability has a significant effect on leverage. Liquidity has no effect on firm value, and liquidity has no significant effect on leverage. The results of the mediation test indicate that leverage can mediate the effect of profitability on firm value, but leverage cannot mediate the effect of liquidity on firm value.*

Keywords: *Firm Value; Liquidity; Leverage; Profitability.*

1. Introduction

The growth of new companies in Indonesia is increasing business competition, challenging companies to compete not only locally and nationally, but also globally. This competition encourages companies to continuously innovate and optimize business strategies to achieve competitive advantage and achieve corporate goals.(Lifaldi et al., 2023)Every company is founded with clear goals, such as achieving optimal profits, providing benefits to its owners, and increasing the company's value, which is reflected in its share price. A high company value not only reflects shareholder welfare but also serves as the company's primary goal. The higher this value, the greater the profits earned by the owners. Financial managers are expected to steer the company towards better performance, as company value influences investor perceptions and reflects the company's performance.(Sabrina et al., 2020).

The Industry 4.0 era has every company striving to project a positive image by increasing its value. This is because company value can be a key indicator often considered by potential investors before deciding to invest their money in a company, and company value is often also linked to its share price. Therefore, increasing company value not only reflects positive financial performance but can also create prosperity for the company's owners or shareholders.(Akmalia & Aliyah, 2022).

Company value is a picture of a company's performance as reflected in its share price, which is formed through supply and demand in the capital market, and reflects the public's view of the company's performance.(Harmono, 2018). Company value is a measure of performance that is visible from the stock price, reflecting how the public assesses a company's performance. High company value benefits shareholders and owners, as it indicates their well-being. Furthermore, company value is an important indicator for stock investment assessments, where a high stock price indicates positive company value and also reflects the achievement of the company's goal of improving the welfare of shareholders or investors.(Iskandar, 2021).

Corporate value plays a crucial role in investors' perceptions of a company, including in the consumer goods sector, as it reflects the current state and the company's future potential. For investors, corporate value is closely linked to stock prices in the market. Increasing corporate value typically accompanies rising share prices. Shareholder wealth is highly dependent on corporate value, making maximizing this value crucial, reflecting the company's key achievements in developing its business. Increasing corporate value also aligns with the interests of shareholders, as it impacts the welfare of shareholders or company owners.(Suharto & Rosyadi, 2023).

For investors, enterprise value is an important concept because it can serve as an indicator of overall market valuation and provide a comprehensive picture of how the market values a company. This value is reflected in the company's stock price, so a higher stock market value indicates strong investor interest in that company.(Iman et al., 2021). A company's value can be measured using the Price to Book Value (PBV) ratio, which is the comparison between the stock price and the book value per share. PBV helps investors assess the strength or weakness of a stock. When the PBV exceeds one, it reflects a market value that is higher than the book value, which is considered a surplus. Increases in stock prices and PBV often attract investor interest because they can indicate positive company performance, providing investors with opportunities to design investment strategies in the capital market.(Pangestuti et al., 2022).

Price to Book Value (PBV) was chosen because it provides a measurable way to value a company by comparing its stock price to the book value of its assets. This helps investors see whether the stock price reflects the value of the company's assets and allows for a more in-depth evaluation of the company's financial condition. PBV provides an accurate picture of the financial structure and changes in asset value relative to the stock price. Furthermore, this method is popular and readily accessible in stock market analysis, making it easier for investors to make informed decisions.(Graham et al., 2023).Companies on the stock

exchange that are trying to increase their company value through the PBV ratio to attract investors are technology companies, where the technology sector also plays an important role because of its relevance in people's lives.

The rapid development of information technology in the digital era has driven significant growth in the technology sector in Indonesia. The digital transformation accelerated by the COVID-19 pandemic has created significant opportunities for technology companies to grow. This is reflected in the increasing number of technology companies listed on the Indonesia Stock Exchange (IDX) in recent years. The technology sector in Indonesia has shown remarkable growth in recent years. According to data from the Central Statistics Agency (BPS, 2023), the information and communication sector recorded growth of 7.12% in 2022, making it one of the fastest-growing sectors in the national economy. The market capitalization of technology companies on the IDX also showed a significant upward trend, with total capitalization reaching over IDR 800 trillion at the end of 2022 (IDX Annual Report, 2023). However, despite the technology sector's rapid growth, several interesting phenomena have emerged regarding the value of companies in this sector.

The gap is also evident in corporate liquidity, where companies with strong cash positions do not always reflect high market values. GOTO, with a current ratio of 8.4x, experienced a 67% decline in its value throughout 2022, while PT Metaverse Teknologi Investama Tbk (META), with a more moderate current ratio of 2.1x, recorded a 45% increase in value during the same period (IDX Annual Report, 2022).

Leverage is the company's ability to pay off its obligations, both long-term and short-term, and assess the extent to which the company is financed by debt(Widyasti & Putri, 2021)The use of debt in a company's financing structure is generally accompanied by interest payment obligations that can burden financial performance, especially if the interest rate charged is high. This condition has the potential to reduce net income after interest, which can ultimately negatively impact the company's value. High levels of leverage increase exposure to bankruptcy risk, especially if the company experiences difficulty meeting its financial obligations. This risk can erode investor confidence and lower market perceptions of the company's value. Under certain conditions, debt that is not managed proportionally and exceeds the company's capabilities has the potential to reduce the company's value due to increased interest expenses and the financial risks borne.

Leverage was chosen as an intervening variable in the relationship between profitability, liquidity, and firm value because it reflects the company's funding structure and level of dependence on external financing sources. High profitability generally allows companies to manage their leverage structure more optimally, for example by reducing reliance on debt, thereby increasing investor confidence in the company's financial stability and ultimately driving increased firm value. Liquidity reflects a company's ability to meet short-term obligations, which can also influence leverage policy. Companies with high liquidity tend to have greater flexibility in managing their capital composition. Leverage acts as a transmission mechanism that explains how financial factors such as profitability and liquidity impact firm value. By using leverage as a mediating variable, this study is expected

to explain inconsistencies in previous studies and provide a more comprehensive understanding of the relationship between these variables.

What distinguishes this study lies in the selection of the study object, namely technology companies listed on the Indonesia Stock Exchange (IDX), and the use of leverage as a mediating variable. Unlike previous studies that generally examine various industrial sectors, this study specifically focuses on the technology sector, which has unique characteristics, such as high dependence on innovation, external funding, and adaptability to digital developments. These characteristics are expected to influence the relationship between variables such as profitability and liquidity on firm value differently through leverage. Therefore, by exploring the role of leverage in the context of technology companies, this study is expected to uncover new dynamics that are more relevant in the digital era and provide a significant academic contribution to the development of literature on firm value, particularly for companies in the technology sector.

2. Research Methods

This research uses a quantitative approach, characterized by the analysis of numerical data through statistical methods. This approach focuses on making inferences to test hypotheses, with particular attention to the potential error of rejecting the null hypothesis. Within this methodological framework, the quantitative approach aligns with the principles of positivism, where research focuses on a specific population or sample. Data are obtained through research instruments and analyzed statistically to test predetermined hypotheses (Azwar, 2016;Sugiyono, 2019).

3. Results and Discussion

3.1. Structural Model

The structural model in this study will focus on the R-Square test, inner VIF values, and Q-Square, which can be explained as follows:

3.1.1. R-Square

The R-Square test aims to measure the extent to which independent variables are able to provide explanations for the dependent variable in a research model. The criteria for assessing the R-Square value are divided into three categories, namely: a value of 0.67 or more indicates a model with a strong level of explanation; a value between 0.33 and 0.66 reflects a model with moderate or medium explanatory ability; and a value between 0.19 and 0.32 indicates that the model's ability is classified as low or weak. The results of the R-Square test can be seen in Table below:

R-Square Results

	R Square	R Square Adjusted
Leverage	0.293	0.271
Company Values	0.412	0.394

Source: Processed secondary data, 2025.

Table shows that the R-squared value for the leverage variable (DER) is 0.293. This means that the profitability and liquidity variables simultaneously explain 29.3% of the variation in the leverage variable. Based on the predetermined interpretation criteria, this value indicates that the first model falls into the weak model category.

The R-squared value for the firm value variable is 0.412. This means that the profitability, liquidity, and leverage variables simultaneously explain 41.2% of the variation in the firm value variable. Based on predetermined interpretation criteria, this value indicates that the second model falls into the moderate model category.

3.1.2. Inner VIF Values

The Inner VIF or multicollinearity test is performed to identify whether there is an excessively strong correlation between independent variables in the model. A model is considered adequate if there is no strong correlation between the independent variables. The assessment criteria for this test state that if the VIF value is less than 5, the model can be considered free from multicollinearity problems. The results of the Inner VIF test are presented as follows:

Inner VIF Values Results

	Leverage	Company Values
Liquidity	1,063	1,068
Profitability	1,063	1,675
Leverage		1,647
Company Values		

Source: Secondary data processed, 2020.

Table shows that the inner VIF values for all independent variables in the first and second models are below 5. This indicates that there is not a significant correlation between the independent variables in the two models. These results indicate that neither model experiences multicollinearity problems.

3.1.3. Q-Square

The Q-square test is performed to evaluate how well the model and resulting parameter estimates accurately predict observed values. A Q-square value greater than 0 indicates adequate predictive power for the model. The results of the Q-square test are shown below:

Q-Square Results

	SSO	SSE	Q^2 (=1-SSE/SSO)
Leverage	99,000	75,773	0.235
Liquidity	99,000	99,000	
Company Values	99,000	64,477	0.349
Profitability	99,000	99,000	

Source: Processed secondary data, 2025.

Table shows that the Q-Square value for the leverage variable is 0.235. These results indicate that if this value is greater than zero, it can be concluded that the profitability and liquidity variables have relevant predictive power regarding the leverage variable.

The Q-Square value for the leverage variable is 0.349. This result indicates that if this value is greater than zero, it can be concluded that the profitability, liquidity, and leverage variables have relevant predictive power regarding the firm value variable.

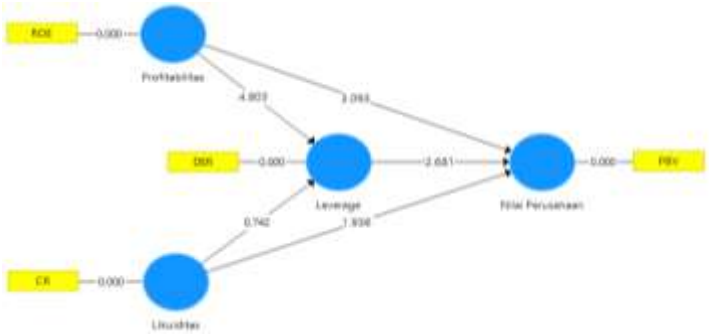

Figure Inner Model

Source: Processed secondary data, 2025.

3.1.4. Path Coefficient

Path coefficient will be used to determine the extent to which profitability and liquidity influence leverage, as well as the extent to which profitability, liquidity, and leverage influence the firm value variable. The coefficient values range from -1 to 1, with values between 0 and 1 indicating a positive influence, while values between -1 and 0 indicate a negative influence. The results of the path coefficient analysis are shown in the following table:

Path Coefficient Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Profitability -> Leverage	-0.410	-0.410	0.090	4,803	0,000
Liquidity -> Leverage	-0.059	-0.081	0.079	0.742	0.458
Profitability -> Company Value	0.327	-0.325	0.090	3,093	0,000
Liquidity -> Company Value	-0.110	-0.107	0.041	1,963	0.080
Leverage -> Company Value	-0.221	0.216	0.081	2,681	0.001

Source: Processed secondary data, 2025.

Table shows that from the output results, the influence of profitability and liquidity on leverage, as well as the extent to which profitability, liquidity, and leverage influence the company value variable can be explained as follows:

DER = -0.410 ROE – 0.059 CR .....(i)

PBV = 0.327 ROE – 0.110 CR – 0.221 DER .....(ii)

The results of the first equation can be interpreted as indicating that the profitability and liquidity variables have a negative effect on leverage. This result can be seen from the original sample values of each profitability and liquidity variable on leverage.

The results of the second equation can be interpreted as indicating that the profitability variable has a positive effect on firm value, as evidenced by the positive original sample (O)

value. Meanwhile, liquidity and leverage have a negative effect on firm value, as evidenced by the negative original sample (O) values for each variable.

3.1.5. Hypothesis Testing

The hypothesis aims to determine the extent to which each independent variable partially influences the dependent variable. Testing is carried out by comparing the t-statistic value with 1.96 and the p-value with a significance level of 0.05. If the t-statistic exceeds 1.96 and the p-value is below 0.05, then the alternative hypothesis (Ha) is declared accepted. Conversely, if the t-statistic is less than 1.96 and the p-value exceeds 0.05, then the null hypothesis (Ho) is accepted. The results of the influence between variables based on the Structural Equation Model analysis with the Partial Least Square (SEM-PLS) approach are presented in the following table:

Hypothesis Test Results – Direct Effect

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values	Decision-making
Leverage -> Company Value	-0.221	2,681	0.001	H1 accepted
Profitability -> Company Value	0.327	3,093	0,000	H2 accepted
Profitability -> Leverage	0.410	4,803	0,000	H3 is accepted
Liquidity -> Company Value	-0.110	1,936	0.080	H4 rejected
Liquidity -> Leverage	-0.059	0.742	0.458	H5 is rejected

Source: Processed secondary data, 2025.

Table explains that based on the output results, the influence of profitability and liquidity on leverage, and the influence of profitability, liquidity, and leverage on company value can be explained as follows

3.2. The Effect of Leverage on Company Value

The t-statistic value for the effect of leverage on firm value is 2.681 with a P-value of 0.001. These results indicate that the t-statistic value is greater than 1.96 (2.681 > 1.96) and a P-value of 0.001 is less than 0.05. The decision is to accept the alternative hypothesis, which means leverage affects firm value. These results can be concluded that the first hypothesis (H1), which states that there is an effect of leverage on the value of technology sector companies on the Indonesia Stock Exchange, is acceptable. This means that companies need to manage their debt structure optimally because decisions regarding leverage can influence investor perceptions of firm value.

The statistical analysis results indicate that hypothesis one is accepted, thus concluding that leverage significantly impacts firm value. This finding indicates that the higher a company's leverage, the lower its value in the eyes of investors, as a high debt burden is perceived as increasing financial risk and uncertainty about the company's future performance.

These results align with traditional capital structure theory, which states that increased leverage can reduce a company's value if the debt burden exceeds the optimal threshold. High leverage reflects a company's dependence on external debt-based financing, which can create negative investor perceptions due to increased default risk and high interest rate pressure. Furthermore, increased financial risk can impact cash flow stability and

operational flexibility, leading investors to lower valuations of companies with overly aggressive capital structures. Therefore, these results underscore the importance of careful debt management to avoid reducing a company's market value.

These results can also be explained through the perspective of signaling theory, which states that the information a company provides to the market will influence investors' perceptions of the company's value. In this context, high leverage levels can be a negative signal to investors because they indicate that the company may be experiencing limited internal funding or facing financial difficulties, requiring it to rely on debt for financing. This negative signal is then perceived by the market as increased risk, ultimately reducing investor confidence and interest in the company's shares. Therefore, companies with high leverage tend to be perceived as having less stable prospects and higher risk in the future.

These results have supported the research resultsSetyabudi (2021);Yuwono & Aurelia (2021); AndHasanah et al., (2023)which states that the company's leverage level can have a significant impact on the company's value.

3.2.1. The Influence of Profitability on Company Value

The t-statistic value for the effect of profitability on firm value is 3.093 with a P-value of 0.000. These results indicate that the t-statistic value is greater than 1.96 (3.093 > 1.96) and a P-value of 0.000 is less than 0.05. The decision is to accept the alternative hypothesis, which means profitability influences firm value. These results can be concluded that the second hypothesis (H2), which states that there is an effect of profitability on the value of technology sector companies on the Indonesia Stock Exchange, is acceptable. This means that technology sector companies need to increase their profitability because a high level of profitability can increase the company's value in the eyes of investors.

The statistical analysis results confirm that hypothesis two is acceptable, concluding that profitability significantly influences firm value. These results indicate that the higher a company's profitability, the greater investor confidence in its performance and prospects, ultimately increasing its market value.

These results indicate that profitability is a crucial factor influencing company value. High profitability reflects a company's ability to generate profits from its operational activities, which provides a positive signal to investors regarding management efficiency and future growth prospects. Companies with high profitability also tend to have stable cash flows, making them better able to meet financial obligations and finance business expansion without over-reliance on external financing. Therefore, the higher a company's profitability, the greater investor confidence it garners, ultimately increasing its market value.

From a signaling theory perspective, high profitability can be considered a positive signal sent by management to investors regarding the company's future prospects. Companies that demonstrate strong financial performance through high profits build market confidence that the company is efficiently managed and has good growth potential. This signal is then interpreted by investors as an indicator of business stability and sustainability, ultimately increasing investment interest and increasing the company's market value. Therefore, the

results of this study align with signaling theory, which emphasizes the importance of financial information as a communication tool between management and external parties.

These results have supported the research results.Setyabudi (2021);Widyasti & Putri (2021);Yuwono & Aurelia (2021);Hidayat & Herdiansyah (2022);Azzahrah et al., (2023);Kanisa & Imronudin (2023); AndSantoso (2023)which states that profitability has a significant positive influence on increasing company value.

3.2.2. The Effect of Profitability on Leverage

The t-statistic for the effect of profitability on leverage is 4.803 with a P-value of 0.000. These results indicate that the t-statistic is greater than 1.96 (4.803 > 1.96) and a P-value of 0.000 is less than 0.05. The decision is to accept the alternative hypothesis, which means profitability affects leverage. These results can be concluded that the third hypothesis (H3), which states that there is an effect of profitability on leverage in technology sector companies on the Indonesia Stock Exchange, is acceptable. This means that technology sector companies need to consider the level of profitability in making decisions regarding their debt structure, as profitability has been shown to affect leverage.

The statistical analysis results confirm that hypothesis three is accepted, concluding that profitability significantly influences leverage. These results indicate that companies with high profitability tend to be better able to finance their operations and investments using internal funds, resulting in lower reliance on debt.

These results indicate that profitability can be a crucial factor for companies in developing their annual leverage policies. Companies with high profitability tend to generate sufficient profits from their operational activities. This allows them to finance their operational and investment needs from internal sources (retained earnings), thereby reducing their reliance on external financing such as debt. Therefore, companies that rely more on internal financing generally have lower leverage levels because they do not have to take on the additional risk of interest expenses and long-term liabilities.

From a pecking order theory perspective, these results support the view that companies prefer to source financing based on the lowest cost: first from retained earnings, then from debt, and finally from issuing new shares. When a company is highly profitable, internal funds are sufficient to cover capital needs, eliminating the need to seek external financing. Therefore, the higher the level of profitability, the lower the company's tendency to increase leverage. This finding aligns with the theory, which emphasizes that capital structure decisions are heavily influenced by access to and preference for the most efficient sources of funds.

These results have supported the research resultsKaharuddin et al., (2022);Ananda et al., (2023);Rajagukguk et al., (2023)which states that the level of profitability has a negative effect on leverage.

3.2.3. The Effect of Liquidity on Company Value

The t-statistic value for the effect of liquidity on firm value is 1.963 with a P-value of 0.080. These results indicate that the t-statistic value is smaller than 1.96 (1.936 < 1.96) and the P-

value of 0.080 is greater than 0.05. The decision is to accept the null hypothesis, which means liquidity has no effect on firm value. These results can be concluded that the fourth hypothesis (H4) which states that there is an effect of liquidity on the value of technology sector companies on the Indonesia Stock Exchange, is rejected. This means that the level of liquidity of technology sector companies does not directly affect firm value, so other factors need to be prioritized in efforts to increase firm value.

The statistical analysis results indicate that if hypothesis four is rejected, it can be concluded that liquidity does not significantly impact company value. This result indicates that liquidity, as measured by the current ratio, is not a primary consideration for investors in assessing a company's value, particularly in the technology sector.

These results indicate that liquidity is not a significant factor influencing the value of technology companies listed on the Indonesia Stock Exchange. Although liquidity reflects a company's ability to meet its short-term obligations, in this context, particularly for technology companies, liquidity levels are not a primary focus for investors in assessing company performance and prospects. This may be due to the characteristics of the technology sector, which places greater emphasis on innovation, long-term growth, and future revenue generation, rather than short-term cash flow.

From a signaling theory perspective, these results indicate that liquidity information is not always interpreted as a strong signal by investors in assessing company value. In certain sectors, such as technology, investors tend to pay more attention to profitability indicators, revenue growth, and expansion strategies, rather than liquidity ratios such as the current ratio. Therefore, while liquidity remains important for operational continuity, it is not always a determining factor in market assessments of company value. These findings suggest that the influence of liquidity on company value is contextual and can vary across industries.

These results do not support the research findings.Reschiwati et al., (2020); AndJihadi et al., (2021)which states that liquidity has a significant effect on company value.

3.2.4. The Effect of Liquidity on Leverage

The t-statistic for the effect of liquidity on leverage is 0.742 with a P-value of 0.458. These results indicate that the t-statistic is less than 1.96 (0.742 < 1.96) and the P-value of 0.458 is greater than 0.05. The decision is to accept the null hypothesis, meaning liquidity has no effect on leverage. These results can be concluded that the fifth hypothesis (H5), which states that there is an effect of liquidity on the leverage of technology sector companies on the Indonesia Stock Exchange, is rejected. This means that the level of liquidity does not have a significant effect on leverage in technology sector companies, so liquidity is not a factor in determining corporate debt policy.

The statistical analysis results indicate that hypothesis five is rejected, concluding that liquidity has no significant effect on leverage. This finding indicates that a company's ability to meet its short-term obligations does not directly influence its decision to use debt as a funding source.

These results indicate that liquidity, which generally reflects a company's ability to meet short-term obligations, is not a primary factor influencing a company's funding structure, particularly its use of leverage. This means that companies in the technology sector listed on the Indonesia Stock Exchange with high liquidity do not necessarily reduce their use of debt, nor do companies with low liquidity necessarily increase their leverage. Debt use decisions tend to be influenced by other factors such as investment needs, capital market conditions, management policies, and the company's level of profitability.

From a trade-off theory perspective, these results indicate that companies do not always balance the tax benefits of using debt with bankruptcy costs based on their liquidity level. In practice, even though companies have the ability to pay short-term (liquid) obligations, they do not necessarily utilize debt as a financing tool. This may occur because companies consider long-term financial risk, earnings stability, or the overall cost of capital structure. Therefore, the relationship between liquidity and leverage becomes insignificant, as the analysis results indicate.

These results do not support the research findings.Nuraini et al., (2022);Ananda et al., (2023); AndRajagukguk et al., (2023)which states that liquidity has a significant effect on leverage.

3.2.5. Mediation Test

A mediation test was conducted to assess the influence of profitability and liquidity on firm value through leverage as a mediating variable. This test was conducted by comparing the t-statistic value with a threshold of 1.96 and the p-value with a significance level of 0.05. If the t-statistic is greater than 1.96 and the p-value is below 0.05, then the alternative hypothesis (Ha) is accepted. Conversely, if the t-statistic is less than 1.96 and the p-value exceeds 0.05, then the null hypothesis (Ho) is accepted. This mediation test is based on the t-statistic values listed in the Specific Indirect Effects table and analyzed using Smart Partial Least Square (SmartPLS) software. The results of the mediation test are shown in the following table:

Mediation Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Profitability -> Leverage -> Enterprise Value	-0.127	0.110	0.052	2,342	0.027
Liquidity -> Leverage -> Enterprise Value	-0.071	0.044	0.010	0.871	0.434

Source: Processed secondary data, 2025.

The t-statistic value for the effect of profitability on firm value through leverage is 2.342 with a P-value of 0.027. This result reflects that the t-statistic value is greater than 1.96 (2.342 > 1.96) and the P-value of 0.027 is less than 0.05. Based on these results, the alternative hypothesis is accepted, which means that profitability has a significant effect on firm value through leverage. These results can be concluded that leverage can mediate the effect of profitability on firm value.

The t-statistic value for the effect of liquidity on firm value through leverage is 0.871 with a P-value of 0.434. This result reflects that the t-statistic value is smaller than 1.96 (0.871 < 1.96) and the P-value of 0.434 is greater than 0.05. Based on these results, the alternative hypothesis is rejected, which means that liquidity does not significantly influence firm value through leverage. These results can be concluded that leverage cannot mediate the effect of liquidity on firm value.

4. Conclusion

Based on the results of the analysis in the previous chapter regarding the influence of profitability and liquidity on leverage, as well as the influence of profitability, liquidity, and leverage on the company value of consumer goods industry companies listed on the Indonesia Stock Exchange in 2020 – 2023, the following conclusions were obtained: 1. Leveragehas a significant impact on company value. This means that high levels of leverage can reduce the value of technology companies listed on the Indonesia Stock Exchange. These results indicate that the higher a company's leverage, the lower its value in the eyes of investors, as a high debt burden is perceived as increasing financial risk and uncertainty about the company's future performance. 2. Profitability significantly impacts company value. This means that a high level of profitability can increase the value of technology companies listed on the Indonesia Stock Exchange. These results indicate that the higher a company's profitability, the greater investor confidence in its performance and prospects, ultimately increasing its market value. 3. Profitability significantly impacts leverage. This means that high profitability can reduce leverage in technology companies listed on the Indonesia Stock Exchange. This finding indicates that companies with high profitability tend to be better able to finance their operations and investments using internal funds, thus reducing their reliance on debt. 4. Liquidity has no significant impact on company value. This means that high liquidity levels do not significantly affect the value of technology companies listed on the Indonesia Stock Exchange. These results indicate that liquidity, as measured by the current ratio, is not a primary consideration for investors in assessing a company's value, particularly in the technology sector. 5. Liquidity has no significant effect on leverage. This means that high liquidity levels do not affect the leverage levels of technology companies listed on the Indonesia Stock Exchange. This result indicates that a company's ability to meet its short-term obligations does not directly influence its decision to use debt as a funding source.

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