ABSTRACT

THE EFFECT OF INSTITUTIONAL OWNERSHIP ON VALUE OF THE COMPANY
STUDY OF MANUFACTURING COMPANY LISTED
IN INDONESIAN STOCK EXCHANGE
2010-2014 PERIOD

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This study aims to prove the influence of institutional ownership on company’s value of manufacturing companies listed in Indonesian Stock Exchange in 2010-2014. The population in this research that all manufacturing companies listed in Indonesian Stock Exchange in 2010-2014 as many as 141 companies. Samples were taken by using purposive sampling method, so that there are 84 manufacturing companies. The data used in this research is panel data. Total observation in this study as many as 420 observations. The analysis tool used is descriptive analysis and multiple linear regression analysis, which for the regression in this study using a fixed effect approach.

The results show that institutional ownership has no effect on the value of the company on manufacturing companies listed in Indonesian Stock Exchange 2010-2014. Causes of institutional ownership has no effect is due to the existence of asymmetric information. In addition, the form of the company which has shareholdings are also suspected to be the cause of not found the influence of institutional ownership. Future research are expected to classify the type of institutional ownership and also make a variable of institutional ownership as a moderating variable that not as the main independent variable.

Key words: Institutional Ownership and Value of the Company.