

CHAPTER V

CONCLUSION

5.1 Conclusion

This research goal is to know about whether there is positive impact on firm innovation to the firm value. This conclusion would be taken on the results of this study. Results of this research stated that there is a significant positive effect of firm innovation on the firm value of the company, so the hypothesis which states the firm innovation have positive effects on the firm value is accepted. The results of this study prove that the more companies have R&D expense and the activities to make the innovation, the higher the firm value of the company, as seen by the company's high capitalization. The results of this study contribute to the theoretical contribution. The results of this study also confirm two grand theories which are stakeholder theory and signal theory. Stakeholder theory explains the influence of stakeholders on an organization's actions. Managers address stakeholder concerns for success, leading to increased innovation success and investor support. This boosts firm value and improves investor impressions, ultimately driving growth. On the other hand, signal theory positively influences the association between innovation and firm value. Innovation is a crucial investment for firms, ensuring market competitiveness and preventing imitation. This benefits investors and consumers by outweighing costs and promoting a premium value on products.

5.2 Limitation

The manufacturing sector is the sole focus of this research, so the other sectors were not included on this research. Due to this factor, the sample data for this research is small. The other limitation, not all firms report have R&D expense shown specifically in their financial report. This also affects the filtering of the data to be less. Using Tobin's Q on Firm Value is not reliable because of the stock price, it uses the end-year stock price which is not relevant to the market on their uses.

5.3 Suggestion

Suggestion for the next research is to add sample data, by taking other criteria not only manufacturing sector but other sectors too. This also make the sample data to be more comparable. Using firm value method other than Tobin's Q.

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APPENDIX I
RESEARCH SAMPLE LIST

No	Company Name	Code
1	Unilever Indonesia Tbk.	UNVR
2	Merck Tbk.	MERK
3	Bentoel International Investama Tbk.	RMBA
4	PT Organon Pharma Indonesia Tbk.	SCPI
5	Mayora Indah Tbk.	MYOR
6	HM Sampoerna Tbk.	HMSP
7	Kalbe Farma Tbk.	KLBF
8	Tempo Scan Pacific Tbk.	TSPC
9	PT Siantar Top Tbk.	STTP
10	PT FKS Food Sejahtera Tbk.	AISA
11	Indofarma Tbk.	INAF
12	Kimia Farma Tbk.	KAEF
13	PT Nippon Indosari Corpindo Tbk.	ROTI
14	Wismilak Inti Makmur Tbk.	WIIM
15	PT Indegra Indocabinet Tbk.	WOOD
16	PT Garudafood Putra Putri Jaya Tbk.	GOOD
17	PT Phapros Tbk.	PEHA
18	Indomobil Sukses International Tbk.	IMAS
19	Tifico Fiber Indonesia Tbk.	TFCO
20	PT Uni-Charm Indonesia Tbk.	UCID
21	PT Semen Baturaja Tbk.	SMBR
22	Wijaya Karya Beton	WTON
23	Pelat Timah Nusantara Tbk.	NIKL
24	Indo Acidatama Tbk.	SRSN
25	Champion Pacific Indonesia Tbk.	IGAR
26	Indopoly Swakarsa Industry Tbk.	IPOL
27	PT Sentra Food Indonesia Tbk.	FOOD
28	Astra Otoparts Tbk.	AUTO
29	Multistrada Arah Sarana Tbk.	MASA
30	Pyridam Farma Tbk.	PYFA



No	Perusahaan	Thn	INOV	Tobin's Q	Leverage	Profitability	Tangibility
1	UNVR	2019	0.032	15.842	0.434	0.490	0.030
		2020	0.000	13.959	0.827	0.461	0.009
		2021	0.000	8.484	0.511	0.403	0.043
2	MERK	2019	0.015	1.417	0.971	0.141	0.211
		2020	0.203	1.604	0.884	0.119	0.234
		2021	0.001	1.443	0.897	0.187	0.227
3	RMBA	2019	0.000	0.974	0.268	0.019	0.483
		2020	0.005	1.317	0.324	-0.083	0.326
		2021	0.006	1.377	0.191	0.020	0.372
4	SCPI	2019	0.855	0.073	0.617	0.128	0.203
		2020	0.009	0.065	0.514	0.181	0.182
		2021	0.919	0.094	0.825	0.137	0.238
5	MYOR	2019	0.952	2.713	0.305	0.167	0.246
		2020	0.006	3.309	0.246	0.143	0.317
		2021	0.008	2.548	0.258	0.089	0.328
6	HMSP	2019	0.001	4.807	0.676	0.335	0.143
		2020	0.001	3.530	0.650	0.209	0.133
		2021	0.001	2.122	0.893	0.158	0.114
7	KLBF	2019	0.004	3.788	0.781	0.165	0.378
		2020	0.004	3.126	0.938	0.159	0.368
		2021	0.004	2.974	0.687	0.157	0.316
8	TSPC	2019	0.864	0.908	0.550	0.095	0.283
		2020	0.003	0.772	0.959	0.118	0.283
		2021	0.004	0.798	0.719	0.115	0.286
9	STTP	2019	0.014	2.130	0.431	0.200	0.390
		2020	0.004	3.667	0.639	0.212	0.446
		2021	0.016	2.526	0.539	0.159	0.396
10	AISA	2019	0.017	1.428	1.139	0.360	0.616
		2020	0.555	1.939	0.133	0.012	0.538
		2021	0.023	1.148	0.133	0.004	0.591
11	INAF	2019	0.030	2.298	0.349	0.016	0.339
		2020	0.719	7.557	0.267	0.031	0.275
		2021	0.021	3.802	0.301	0.026	0.237
12	KAEF	2019	0.000	0.830	0.452	0.022	0.506
		2020	0.002	1.786	0.442	0.038	0.569
		2021	0.000	1.212	0.452	0.054	0.562
13	ROTI	2019	0.050	1.857	0.162	0.074	0.543
		2020	0.929	1.893	0.118	0.056	0.553

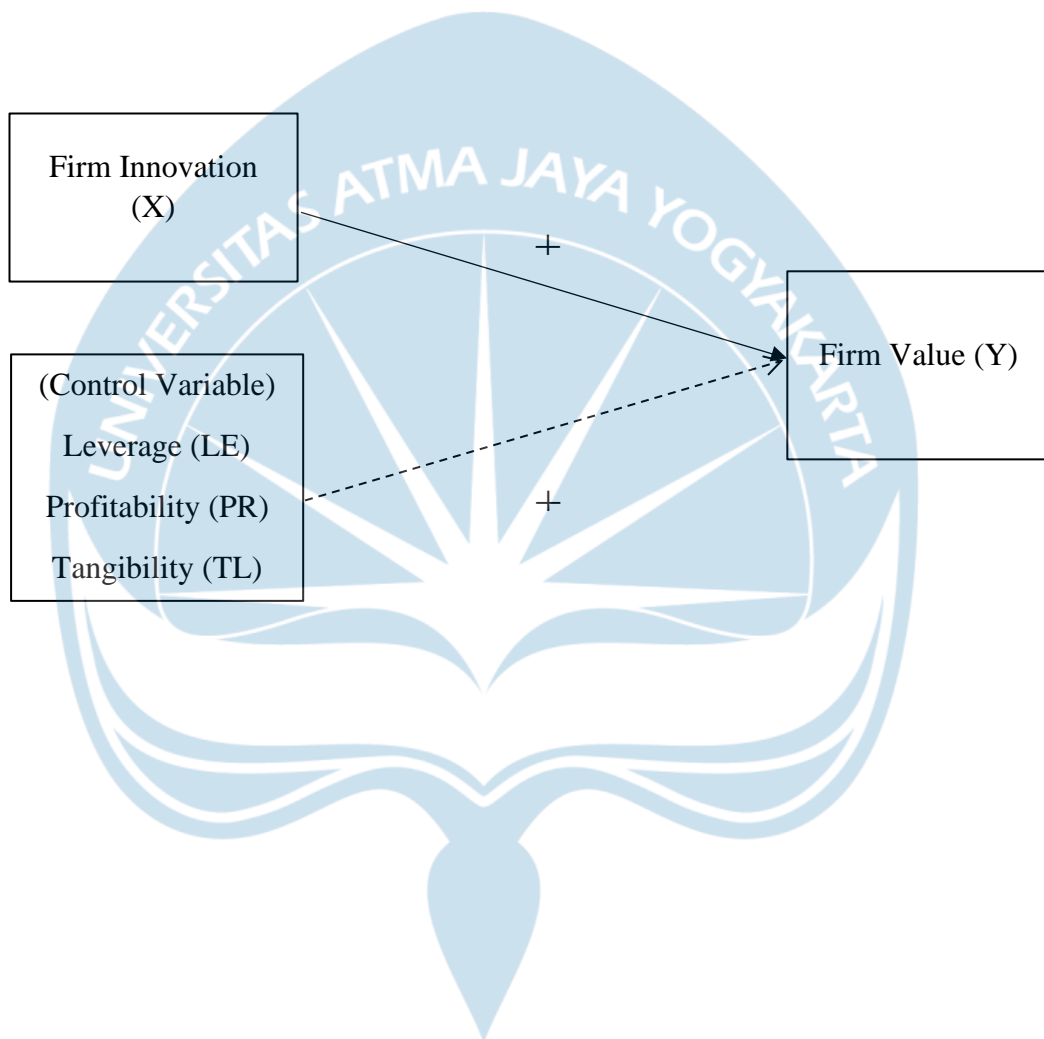
		2021	0.934	2.092	0.127	0.098	0.603
14	WIIM	2019	0.012	0.316	0.891	0.022	0.253
		2020	0.813	0.719	0.636	0.128	0.185
		2021	0.022	0.481	0.534	0.107	0.147
15	WOOD	2019	0.001	1.228	0.445	0.089	0.429
		2020	0.009	1.024	0.421	0.113	0.392
		2021	0.004	1.178	0.392	0.142	0.345
16	GOOD	2019	0.003	2.433	0.232	0.135	0.536
		2020	0.001	1.753	0.354	0.064	0.509
		2021	0.003	3.168	0.331	0.105	0.472
17	PEHA	2019	0.011	0.915	0.485	0.081	0.307
		2020	0.000	1.225	0.482	0.050	0.873
		2021	0.000	0.982	0.477	0.052	0.345
18	IMAS	2019	0.000	0.760	0.689	0.008	0.006
		2020	0.000	0.779	0.654	0.002	0.011
		2021	0.000	0.699	0.631	0.013	0.012
19	TFCO	2019	0.000	0.528	0.714	-0.016	0.630
		2020	0.000	0.529	0.020	-0.003	0.584
		2021	0.000	0.726	0.679	0.050	0.529
20	UCID	2019	0.001	1.139	0.204	0.062	0.317
		2020	0.000	0.907	0.110	0.073	0.389
		2021	0.000	0.827	0.183	0.076	0.362
21	SMBR	2019	0.001	1.066	0.282	0.041	0.749
		2020	0.000	2.145	0.301	0.038	0.739
		2021	0.000	1.499	0.331	0.045	0.004
22	WTON	2019	0.000	0.646	0.283	0.077	0.001
		2020	0.000	0.724	0.329	0.022	0.011
		2021	0.000	0.573	0.337	0.013	0.005
23	NIKL	2019	0.001	1.298	0.491	0.029	0.003
		2020	0.000	2.373	0.417	0.026	0.005
		2021	0.001	1.302	0.384	0.066	0.003
24	SRSN	2019	0.001	0.762	0.236	0.092	0.037
		2020	0.010	0.673	0.288	0.090	0.353
		2021	0.000	0.609	0.224	0.064	0.005
25	IGAR	2019	0.000	0.535	0.219	0.125	0.008
		2020	0.001	0.517	0.866	0.119	0.002
		2021	0.009	0.529	0.900	0.160	0.035
26	IPOL	2019	0.000	0.460	0.305	0.044	0.017
		2020	0.000	0.509	0.249	0.058	0.009

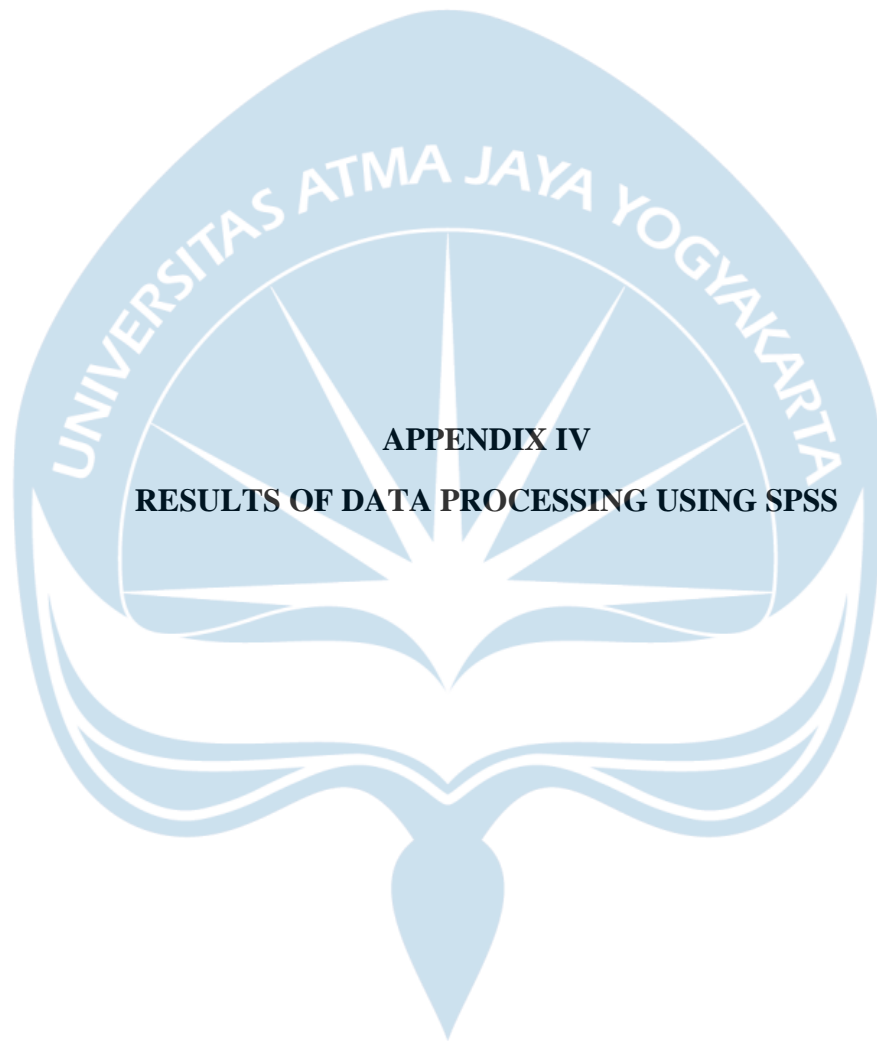
		2021	0.000	0.513	0.256	0.059	0.014
27	FOOD	2019	0.010	0.816	0.164	0.027	0.004
		2020	0.098	0.834	0.242	-0.078	0.707
		2021	0.024	1.070	0.259	-0.095	0.714
28	AUTO	2019	0.000	0.403	0.115	0.008	0.000
		2020	0.006	0.359	0.739	0.008	0.002
		2021	0.001	0.407	0.891	0.049	0.000
29	MASA	2019	0.000	1.175	0.350	-0.048	0.003
		2020	0.000	1.689	0.302	0.091	0.150
		2021	0.001	7.275	0.225	0.152	0.000
30	PYFA	2019	0.000	0.672	0.131	0.072	0.911
		2020	0.000	1.230	0.557	0.063	0.008
		2021	0.062	0.903	0.598	-0.003	0.004





THEORETICAL FRAMEWORK





APPENDIX IV
RESULTS OF DATA PROCESSING USING SPSS

Descriptive Statistics

Variable	Firm Value	Firm Innovation	Leverage	Profitability	Tangibility
Mean	1.89	0.092398	0.460470	0.091628	0.278355
Standard Deviation	2.48	0.254010	0.256275	0.101434	0.241254
Maximum	15.84	0.952145	1.138524	0.490251	0.910832
Minimum	0.07	0.000004	0.019860	-0.095088	0.000109

Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		90
Normal Parameters ^a	Mean	.0000000
	Std. Deviation	1.70912064
Most Extreme Differences	Absolute	.117
	Positive	.117
	Negative	-.097
Kolmogorov-Smirnov Z		1.111
Asymp. Sig. (2-tailed)		.169

a. Test distribution is Normal.

Multicollinearity and Heteroscedasticity Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.244	.315		3.948	.215		
	Firm Innovation	.352	.476	.073	.739	.462	.985	1.015
	Leverage	-.862	.516	-.180	-1.670	.099	.824	1.214
	Profitability	5.205	1.293	.430	4.027	.087	.838	1.193
	Tangibility	-.624	.513	-.123	-1.215	.228	.940	1.063

a. Dependent Variable: ABS_RES

Model Test and Partial Effect Test (T-test)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.507	.487		3.097	.003		
	Firm Innovation	.254	.735	.026	2.346	.043	.985	1.015
	Leverage	-2.635	.797	-.272	-3.306	.001	.824	1.214
	Profitability	19.160	1.996	.782	9.599	.000	.838	1.193
	Tangibility	-.496	.792	-.048	-.626	.027	.940	1.063

a. Dependent Variable: Firm Value

Simultaneously Effect Test (F Test)

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	290.339	4	72.585	23.732	.000 ^a
	Residual	259.977	85	3.059		
	Total	550.317	89			

a. Predictors: (Constant), Tangibility, Firm Innovation, Profitability, Leverage

b. Dependent Variable: Firm Value

Coefficient of Determination Test (R²)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.726 ^a	.528	.505	1.7489	.528	23.732	4	85	.000	1.020

a. Predictors: (Constant), Tangibility, Firm Innovation, Profitability, Leverage

b. Dependent Variable: Firm Value