ABSTRACT

This study aims to develop a new concept in bridging the gap that occurs between the effect of concentrated ownership on firm value. The new concept being developed is an operational efficiency based on information technology investment where this concept is a concept developed through a synthesis of agency theory, real options theory, production theory, and corporate governance mechanisms that act as mediators to overcome the gap between the effect of concentrated ownership on value company.

This study uses panel data with the study population being banking companies listed on the Indonesia Stock Exchange (IDX) for the 2010-2019 period. Sampling used a purposive sampling technique, obtained as many as 17 banks with a total of 170 observations. Data analysis used path analysis with data processing using SEM-PLS with the WarpPLS 7.0 statistical application.

The results of the study show some empirical evidence, namely: first, intellectual capital has a significant positive effect on firm value, concentrated ownership has a significant positive effect on firm value, and investment opportunities have no effect on firm value; second, the operational efficiency variable based on information technology investment (EOBITI) can act as a mediator in the influence of intellectual capital, concentrated ownership and investment opportunities on firm value; third, the operational efficiency variable based on information technology investment has a significant positive effect on firm value. Overall this research supports agency theory, signalling theory, real option theory and corporate governance mechanisms.

Keywords: ***concentrated ownership, intellectual capital, investment opportunity, operational efficiency based on information technology investment, and company value.***