

ABSTRACT

The firm value is related to investor perceptions of the company performance. A decent performance can be seen through the level of profitability. This study examines the factors that influence The firm value and whether the profitability take effect as a mediation factor that connecting on these factors. The factors that will be investigated is the capital structure, the company's growth, capital expenditure and incentives manager. These factors were examined its effect on the value of the company directly and indirectly through the mediation of profitability.

The population is the manufacturing companies that periodically listed on the Indonesia Stock Exchange from 2006 to 2012. The sample was selected using purposive sampling method. By using some predetermined criteria, the number of samples to be examined totaled 33 manufacturing companies. Analytical techniques used in the study is multiple regression, whereas hypothesis testing using path analysis techniques and Sobel test. Multiple regression is used to measure the effect of capital structure, growth of company, capital expenditure and incentive managerial to profitability and the value of the company directly. Path Analysis is used to measure and compare which one of the variables influence the capital structure, the company's growth, capital expenditure and incentives managers on firm value directly compared with the mediating variable profitability. Additionally Sobel test was also used to assess whether the profitability of an intervening variable that mediates the relationship of each independent variable on firm value.

The results showed that the variables of capital structure, capital expenditure and incentives manager has a positive effect on profitability and corporate value. While the company's growth variable does not affect the profitability and value of the company. To test the profitability as an intervening variable through Sobel test is found that profitability is a variable that may be mediating the relationship between capital structure, capital expenditure and incentives managers on firm value. However, the path analysis showed different results indicate that profitability is not the function of mediating the relationship between capital structure, corporate growth, capital expenditure and incentives managers on firm value.

Keywords : capital structure, growth, capital expenditure, corporate incentives, profitability, corporate values, and intervening.