

V. CONCLUSION AND IMPLICATION

A. Conclusion

1. Dividend policy had positive but no significant effect on firm value of banking sector listed on Indonesia Stock Exchange.
2. Profitability had positive and significant effect on firm value of banking sector listed on Indonesia Stock Exchange.
3. Leverage had positive and significant effect on firm value of banking sector listed on Indonesia Stock Exchange.
4. Managerial ownership had positive and significant effect on firm value of banking sector listed on Indonesia Stock Exchange.
5. Institutional ownership had positive but no significant effect on firm value of banking sector listed on Indonesia Stock Exchange.
6. Board of commissioners had positive but no significant effect on firm value of banking sector listed on Indonesia Stock Exchange.

B. Implication

As an effort to enhance the firm value, financial managers of banking sector listed on Indonesia Stock Exchange need to pay attention to dividend policy, profitability, leverage, managerial ownership, institutional ownership as well as the board of commissioners, both partially and simultaneously on price book value. The ways can be done by implementing the stable dividend policies because the company that pays the stable dividend will increase shareholders wealth and firm value. Financial managers of banking sector

listed on Indonesia Stock Exchange also need to improve the company's ability to invest the company's total asset appropriately and improve the company's net income by increasing sales and reducing or controlling the expenses of the company in order to increase the firm's profitability, give more attention to capital that consists of long-term liabilities are sourced from shareholders and third-party funds efficiently, manage the managerial and institutional ownership proportionally, maximize the role of board of commissioners performance and always stay on top of advances in the good corporate governance system.

C. Research Limitation

Result of this study is valuable and beneficial for the academician, financial manager, policy makers, speculators and investors. Nevertheless, this research still has some limitations, including:

1. The scope of the study just focuses only on banking companies listed on Indonesia Stock Exchange during the period of 2013-2016.
2. The independent variable used to affecting firm value just six variables i.e. dividend policy, profitability, leverage, managerial ownership, institutional ownership, and board of commissioners.

D. Suggestions for Further Research

1. The scope of the study, however, is limited as it focuses only on banking companies listed on Indonesia Stock Exchange. Thus, further researches can be conducted in particular sectors like automotive and components

sectors, food and beverages sectors, cosmetics and household sectors, property and real estate sectors, telecommunication sector, etc.

2. This study includes dividend policy, profitability, leverage, managerial ownership, institutional ownership as well as the board of commissioners as explanatory variables for firm value analysis. Further researchers may use other explanatory variables or different proxies, so that the result may become more interesting and produce the better result, more generally and objectively.
3. The research period is only four years. Further research is expected to use a longer period and is also the newest.