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The Effect Of Liquidity, Asset Management, Sales Growth, And Good Corporate Governance On Company Value In The Automotive And Components Subsector Periode 2017 – 2024

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Abstract

Purpose – *This study aims to obtain empirical evidence on the influence of liquidity, asset management, sales growth, and good corporate governance on company value.*

Design/methodology/approach –*This study uses a quantitative research design. The sample consists of six automotive and component companies listed on the Indonesia Stock Exchange from 2017 to 2024. The analysis technique used to test the hypotheses is multiple regression analysis using SEM-Smart PLS.*

Findings – *The results of this study found that Asset Management has a positive effect on Firm Value, as does Good Corporate Governance. Meanwhile, Sales Growth has a negative effect on Firm Value, and Liquidity has no effect on Firm Value.*

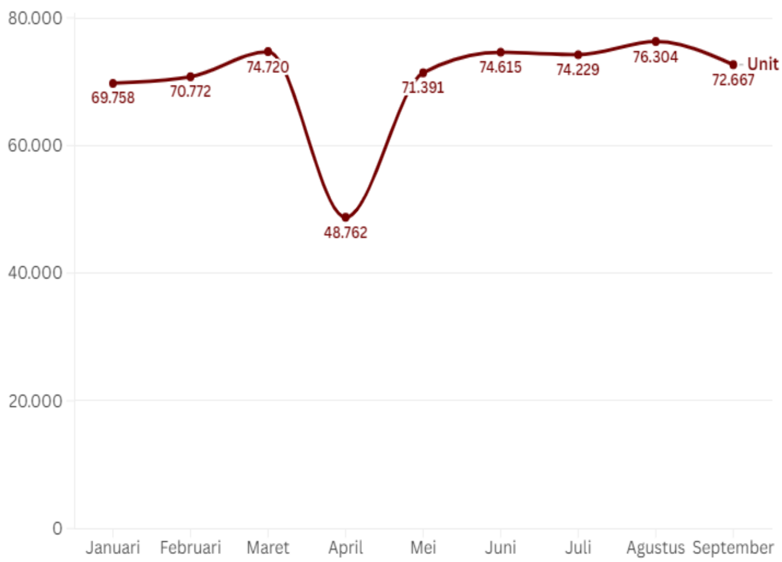
Research limitations/implications – *The research discussrs Company Financial Liquidity, Asset Management, Sales Growth, and Good Corporate Governance wich focuses on automotive and componens sub sektor. This research uses an annual report periode 2017-2024.*

INTRODUCTION

In the dynamics of the Indonesian economy, the automotive and components sector is part of the manufacturing industry that contributes to the national Gross Domestic Product (GDP), employment, and state revenue, demonstrating its strategic potential in supporting sustainable economic development. However, the downward trend in national car production and sales in 2024 is a major obstacle to the development of the Indonesian automotive industry. This condition will continue into 2025, which will be a challenging period for the automotive sector, along with global economic fluctuations and the uncertainty surrounding the direction of the constantly changing benchmark interest rate policy.

This pressure on the automotive industry's performance is also reflected in the fact that from January to September 2024, total car sales from manufacturers to dealers (wholesalers) reached 865,723 units, a 13.9% decrease compared to the previous year. Sales from dealers to consumers (retail sales) also decreased by 10.9% year-on-year, to 889,680 units. While this achievement still exceeds GAIKINDO's new target of 850,000 units, the figure is a revision from the initial target of 1.1 million units. This revision was made in response to weakening automotive market demand, particularly in the four-wheeled vehicle segment.

Figure 1. The Report Of Whosales Car Sales 2024



Source: Association of Indonesian Automotive Industries (Gakindo)

One automotive company experiencing a decline is Nissan. The company even laid off 20,000 employees across its production lines at eight locations, including 850 Indonesian employees. In May 2025, Nissan experienced significant liquidity of approximately 26.4 trillion rupiah, which is expected to increase to 92.5 trillion rupiah by 2026. Tax pressure on Low-Cost Green Cars (LCGC) and weak purchasing power of the Indonesian people due to the annual increase in per capita income of only 3%, which is not commensurate with the annual increase in car prices of 6%. Ivan Epinosa, President & CEO of Nissan Motor Co., Ltd., explained that the restructuring aimed to reduce fixed costs by 28.12 trillion rupiah and revitalize the company to be competitive in product development.

Previous research has shown that corporate value reflects a company's health and its ability to survive, grow, and pay dividends to stakeholders (Ningrum, 2022). Corporate value can be reflected in the magnitude of share price gains, which are shaped by supply and demand in the capital market. Higher share prices maximize corporate value, which in turn maximizes shareholder wealth. Several factors that can influence corporate value include financial liquidity, sound asset management, high sales growth, and support from good corporate governance.

Liquidity indicates a company's ability to meet its short-term obligations or debts on time (Leony & Lia Dama Yanti, 2023). Research (Lestari & Sihono, 2023) on food and beverage companies listed on the Indonesia Stock Exchange showed a positive and significant impact on corporate value. Liquidity will affect the amount of dividends paid to shareholders. Dividend payments constitute a cash outflow because they are disbursed from the company's cash to shareholders, reducing the amount of available cash (Mia Novianti et al., 2023).

Asset Management is a mechanism for effectively and efficiently managing both tangible and intangible assets, which have exchange value, economic value, and commercial

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value, to achieve a company's vision and mission (Wahyuni & Khoiruzin, 2020). Research by Prayogo et al. (2022) found that Asset Management has a positive and significant impact on Company Value. Asset Management aims to conduct legal audits, optimize asset usage and function, and assess, operate, maintain, renew, or dispose of assets, as well as transfer assets according to company needs (Putra, 2024).

Sales Growth is a condition where a company's sales or revenue increases compared to the previous period (Fajriah et al., 2022). Research by Elisa & Amanah (2021) on food and beverage companies listed on the Indonesia Stock Exchange demonstrated a positive and significant impact on company value. Stable sales growth has a positive impact on a company's profit margin, making it a consideration for management in determining company value (Arum et al., (2023).

Good corporate governance is a concept that adheres to regulations established to direct and control a company with the aim of achieving a balance between the company's power and authority, thereby creating good and fair governance among various stakeholders, both internal and external (Hidayat et al., 2021). Research by Utari & Khomsiyah (2024) on manufacturing companies listed on the Indonesia Stock Exchange demonstrated a positive and significant impact on company value. Companies that implement good corporate governance will continue to make improvements in accordance with applicable legal provisions. The importance of good corporate governance in every company is created to increase share prices in the long term while creating added value for all stakeholders (Gusriandari et al., 2022).

Although previous research has explored the relationship between these factors, research on the influence of company value in the automotive and components subsector in Indonesia is still limited. This research has unique characteristics compared to other sectors. Furthermore, this research The study covers the period 2017-2024, marked by declining economic dynamics due to the impact of the pandemic, fluctuating demand, and pressures on operational efficiency.

The purpose of this study is to analyze the influence of liquidity, asset management, sales growth, and good corporate governance on firm value. This research is relevant in providing new insights into the factors influencing firm value, particularly in the context of the Indonesian economy, and supports the efforts of regulators and practitioners to improve the quality of corporate governance.

LITERATUR REVIEW

Agency Theory

Jensen & Meckling (1976) explain that agency theory describes the relationship between a principal and an agent. In this context, the principal, as the company owner, grants authority over business management and decision-making to the agent, as the company manager. Management, as professionals (agents), is more knowledgeable about running the company so that the owner (principal) obtains maximum profits at efficient costs. Therefore, management (agents) is obliged to account for all decisions to the owner (principal).

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Signaling Theory

Michael Spence (1973) developed signaling theory by describing the job market. He proposed that companies with superior performance would send signals to the market through financial information. Spence's (1973) research also found that the signaling cost of bad news was higher than that of good news because companies with bad news signals were sending less credible signals.

Asymmetry Information Theory

Asymmetry Information Theory, proposed by Akerlof (1970), states that information asymmetry exists when sellers have more information about the quality of goods sold than buyers. Asymmetry Information Theory is the imbalance in information access between management, as providers of information (pre-paper) regarding the company's risks and future prospects, and shareholders and stakeholders, as users of information (users). Information asymmetry between agents and principals allows managers to take opportunistic actions for their own benefit, while shareholders find it difficult to effectively control management's actions due to limited information.

Company Value

Ningrum (2022) defines Company Value as the economic value of a company, the actual value per share of which is based on the agreed price paid by buyers. This is because the stock price reflects the true value of a company's assets, which are influenced by investment opportunities. The public will judge a company based on its asset management and strategies that make it superior to its competitors. Maximizing Company Value is done with the hope of attracting potential investors, thereby increasing profits. Increasing Company Value will make the business more profitable and positively impact the welfare of shareholders and stakeholders.

Liquidity

Henry Jirwanto, S.E. et al., (2018) explain that Liquidity indicates a company's ability to meet short-term obligations or debts. Brigham & Ehrhardt (2019) state that liquidity measures the amount of investments that can be converted into cash to pay all maturing obligations. The ability to assess a company's ability to meet short-term obligations or debts can be measured using the Liquidity Ratio.

Asset Management

Wahyuni & Khoiruzin, (2020), define Asset Management as a proportional asset management system carried out systematically and structured, starting from planning, design, utilization, maintenance, disposal, and monitoring throughout the asset's life cycle. Putra, (2024) explains that every company desperately needs Asset Management, with the following objectives: inventorying assets, their value, useful life, and economic life; conducting legal audits or asset ownership status; optimizing use and function to increase asset management revenue; and providing a basis for preparing financial statements. Effective asset utilization will naturally generate optimal profits, thereby controlling expenses. Conversely, ineffective utilization will incur costs or expenses and reduce potential profits.

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Sales Growth

Brigham & Houston, n.d., (2007) defines sales growth as the increase in the volume or value of revenue generated by a company from its core operational activities over a specific period. This phenomenon inherently necessitates the need for additional assets. A company cannot fundamentally accelerate sales without simultaneously increasing its operational asset base. Consequently, this asset expansion requires a proportional increase in liabilities and/or equity to finance asset acquisition.

Good Corporate Governance

Roach (2020) in the Forum for Corporate Governance in Indonesia (FCGI) defines GCG as a set of rules for controlling a company in maintaining the relationship between shareholders and stakeholders regarding rights and obligations. The Cadbury Committee (1992), through its Cadbury Report, defines corporate governance as a concept that directs and controls a company to achieve a balance between power and authority. Through the principles of Good Corporate Governance, namely transparency, accountability, responsibility, independence, and fairness, which are carefully socialized, shareholder prosperity will be created (Gusriandari et al., 2022).

Liquidity on Firm Value

From a signaling theory perspective, high liquidity reflects good firm value and has the potential to increase demand and, ultimately, increase share prices. This will attract investors to invest in the company, thereby increasing its value. Research conducted by Mia Novianti et al. (2023) states that liquidity has a positive and significant effect on firm value. This indicates the value of a high-quality company because it is able to pay cash dividends and increase investor confidence in maintaining their investments. However, research conducted by Sari & Tri Lestari (2022) shows that liquidity has no effect on firm value. This is because liquidity only represents a company's ability to cover current liabilities with current assets. Therefore, the proposed hypothesis is:

H_1: Liquidity has a positive effect on firm value.

Asset Management on Firm Value

Asymmetry Information Theory indicates that good Asset Management enables a company's operational activities to be realized optimally, systematically, and structured. Optimal asset management will certainly reflect good Firm Value. Research conducted by Prayogo et al. (2022) indicates that Asset Management has a positive and significant effect on Firm Value. Effective and efficient asset management will maximize profits, thereby controlling expenses. With maximum profits, investors will be confident in investing in their shares. However, research by Holly et al. (2023) indicates that Asset Management has no effect on Firm Value. This is because if a company holds too many assets, it will incur excessive capital costs, which will result in declining profits. Therefore, the proposed hypothesis is:

H_2: Asset Management has a positive effect on Firm Value.

Sales Growth on Firm Value

From a signaling theory perspective, high Sales Growth positively impacts a company's profit margin, making it a consideration for management in determining Firm Value. (Fajriah et al., 2022). Research conducted by Elisa & Amanah (2021) states that sales growth has a significant effect on firm value. This means the company is able to cover operational costs and successfully innovate in technological developments while maintaining high quality. However, research by Pasaribu et al. (2024) shows that sales growth has no substantial effect on firm value because a business's journey is prone to ups and downs and the emergence of new competitors, intensifying competition. Therefore, the proposed hypothesis is:

H_3: Sales growth has a positive effect on firm value.

Good Corporate Governance on Firm Value

Agency theory suggests that companies with good corporate governance will attract investors' attention, as their structured and optimally realized performance reflects high-quality firm value. High firm value will also have a high market value or share price, thus providing high returns in line with shareholder expectations. Research conducted by Utari & Khomsiyah (2024); stated that Good Corporate Governance has a positive and significant effect on Company Value because it aligns the interests of management and shareholders and increases managers' motivation to improve their performance. However, research by Faizal et al. (2024) showed that Good Corporate Governance has no effect on company value because it is merely a formality in fulfilling company obligations. Therefore, the proposed hypothesis is:

H_4: Good Corporate Governance has a positive effect on Company Value.

RESEARCH METHOD

Research Design

This study aims to determine the possible relationship between the independent variables of Liquidity, Asset Management, Sales Growth, and Good Corporate Governance on Company Value as the dependent variable. The research paradigm applied in this study is positivism, where the model is systematically constructed using quantitative deductive logic, starting with hypothesis formation. This methodology provides answers to questions such as how much, how often, how many, when, and who is involved. The research strategy uses case studies, an in-depth approach to understanding a particular phenomenon or solving a problem by analyzing case examples in detail. Case studies allow researchers to gain a deep understanding of the specific context in which a phenomenon or problem occurs, as well as provide valuable insights for problem-solving or theory development. The sampling design used in this study was purposive sampling. Regarding the research background, the researchers found no artificial intervention (No Contrived). For the implementation time, panel data was used, which is a combination of cross-sectional and time series data.

Table 1. Measuring instruments and sources of variable measurement

Concept	Variable	Formula	Source
Dependent	Company Value	$Q = \frac{(EMV + D)}{(EBV + D)}$	(Holly et al., 2023; Mia Novianti et al., 2023; Utari & Khomsiyah, 2024)
Independent	Liquidity	(Current Assets-Inventory)/(Current Liabilities)	(Brigham & Ehrhardt, 2019; Devi & Rimawan, 2022)
	Asset Management	TATO=Sales/(Average Total Assets)	((Noviani, N. M., Yuliastuti, I. A. N., & Merawati, 2022; Teguh & Sumaningsih, 2025)
	Sales Growth	(This Year's Sales - Last Year's Sales)/(Last Year's Sales)	(Arum et al., 2023; Elisa & Amanah, 2021; Karlinda et al., 2021; Pasaribu et al., 2024)
	Good Corporate Governance	KM=(Number of Shares Owned by Management)/(Number of Shares Outstanding)	(Gusriandari et al., 2022; Lembayung et al., 2022; Menge & Nuringsih, 2021)

Population and Sample

Creswell, (2018) defines a population as a group of individuals with similar characteristics. A population is not simply the number of objects or subjects being studied, but encompasses all the characteristics of those objects or subjects. Creswell, (2018) defines a sample as a subset of the target population that researchers plan to study with the goal of making generalizations about the population. Based on the research, the population was determined using a purposive sampling system. The criteria for inclusion in this study were determined. The criteria used to select the sample are as follows:

Automotive and Component Sub-sector Companies Listed on the Indonesia Stock Exchange for 2017-2024.

1. The companies present their financial reports in Rupiah, not foreign currencies.
2. The Automotive and Component Sub-sector Companies published annual reports for eight consecutive years, from 2017 to 2024.
3. The Automotive and Component Sub-sector Companies presented managerial ownership data for 2017-2024.

Based on the above criteria, six of the 18 automotive and component sector companies met the requirements for this study. The study sample was observed over eight years, resulting in a total sample of 48 observations.

Data Sources and Data Analysis Techniques

The data used in this study are secondary data obtained from annual reports and financial reports published on the official Indonesia Stock Exchange website (www.idx.co.id) for the 2017-2024 period and on the websites of related companies. Data analysis used descriptive statistical techniques and SEM-PLS analysis, which included two models: a measurement model (inner model) and a structural model (outer model). Through the stages in the inner momdel include Coefficient of Determination (R-Square), Predictive Relevance (Q-

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Square), and Goodness of Fit (GoF) assessment. Several stages in the outer model include Convergent Validity, Discriminant Validity, and Construct Reliability. Data processing was performed using the SmartPLS version 4.0 application using the Partial Least Squares (PLS) method. The findings of this study are expected to contribute to understanding how external factors such as Liquidity, Asset Management, Sales Growth, and Good Corporate Governance influence the efficiency of Firm Value in automotive and component sub-sector companies in Indonesia.

RESULTS

Descriptive Statistics

Descriptive statistical analysis explains the independent and dependent variables used in this study. The independent variables are Liquidity, Asset Management, Sales Growth, and Good Corporate Governance, while the dependent variable is Firm Value. The results of the descriptive statistics in this study can be seen in Table 2:

Table 2. Descriptive Statistics Test Results

Variabel	N	Min	Max	Average	Standard Deviation
Firm Value	48	0.067	3.139	1.303	0.85
Liquidity	48	0.534	10.066	2.342	1.933
Assets Management	48	0.078	1.404	0.819	0.281
Sales Growth	48	-1	0.626	0.054	0.244
Good Corporate Governance	48	0.004	0.224	0.089	0.071

Source : Output of SmartPLS 4.0 (2025)

Table 2 presents the results of data analysis on automotive and component companies listed on the Indonesia Stock Exchange (IDX) for the period 2017-2024:

1. Descriptive Statistical Analysis on Company Value has a range of values between the lowest of 0.067 owned by the company PT Multi Prima Sejahtera, Tbk in 2019. The highest value for company value is 3.139 owned by the company PT Selamat Sempurna, Tbk in 2017. The average value (mean) for company value is 1.303. The Standard Deviation Value of Company Value is 0.85 meaning that the Standard Deviation has a smaller value than the average value which indicates that the data distribution is wider than the average.

2. Descriptive statistical analysis of liquidity has a range of values ranging from the lowest of 0.534, held by PT Garuda Metalindo, Tbk in 2020. The highest value for liquidity is 10.066, held by PT Multi Prima Sejahtera, Tbk in 2019. The average (mean) value for liquidity is 1.342. The standard deviation value of liquidity is 1.933, meaning the standard deviation is smaller than the average value, indicating that the data distribution is wider than the average.

3. Descriptive statistical analysis of asset management has a range of values ranging from the lowest of 0.078, held by PT Gajah Tunggal, Tbk in 2018. The highest value for asset management is 1.404, held by PT Selamat Sempurna, Tbk in 2018. The average (mean) value for asset management is 0.819. The Standard Deviation value for Asset Management

is 0.281, meaning the Standard Deviation is smaller than the mean, indicating that the data is more skewed than the mean.

4. Descriptive Statistical Analysis of Sales Growth has a range of values ranging from -1 to the lowest, which was achieved by PT Selamat Sempurna, Tbk in 2020. The highest value for Sales Growth was 0.626, achieved by Indospring, Tbk in 2021. The mean value for Sales Growth is 0.054. The Standard Deviation value for Sales Growth is 0.244, meaning the Standard Deviation is greater than the mean, indicating that the data is less skewed than the mean.
5. Descriptive Statistical Analysis of Good Corporate Governance has a range of values ranging from 0.004 to the lowest, which was achieved by PT Indospring, Tbk in 2017-2024. The highest score for Good Corporate Governance was 0.224, held by PT Garuda Metalindo Tbk from 2017 to 2024. The average (mean) score for Good Corporate Governance was 0.089. The standard deviation of Good Corporate Governance was 0.071, indicating that the standard deviation was smaller than the mean, indicating that the data distribution was wider than the mean.

Structural Equation Modeling - Partial Least Squares (SEM-PLS) Measurement Model (Outer Model)

1. Measurement Model (Outer Model)

The outer model is used to ensure that the indicators used to measure latent variables have good validity and reliability (Ghozali and Latan, 2020).

a. Convergent Validity

This validity is related to the principle that indicators of a construct should be highly correlated. The Outer Loading value said to be valid if it is greater than 0.7, while the AVE value is acceptable if it is greater than 0.5 (Hair et al., 2014:102).

Table 3. Outer Loading Results of the Convergent Validity Test

Variable	Outer loadings	Criteria	Note
Liquidity	1	> 0.5	Valid
Assets Management	1	> 0.5	Valid
Sales Growth	1	> 0.5	Valid
Good Corporate Governance	1	> 0.5	Valid
Firm Value	1	> 0.5	Valid

Source : Output SmartPLS 4.0 (2025)

Table 3 shows that the results of the Convergent Validity test show that all statements for the variables—Liquidity, Asset Management, Sales Growth, Good Corporate Governance, and Firm Value—have values greater than 0.7, thus confirming their validity. This indicates that the indicators used successfully correlated the indicator scores with the variables, thus supporting the construct validity of the measurement model.

b. Discriminant Validity

This validity is useful for ensuring that variables measure distinct things. Discriminant validity evaluation is only conducted on reflective measurements, not formative ones. Therefore, a discriminant validity test was not conducted in this study.

c. Construct Reliability (Cronbach's Alpha)

This validity is used to ensure the internal consistency of each indicator that forms the latent variable. Construct reliability evaluation is only conducted on reflective measurements, not formative ones. Therefore, a construct reliability test was not conducted in this study.

2. Structural Model (Inner Model)

The Inner Model is used to explain causal relationships to see the strength and significance between latent variables or constructs.

a. Coefficient of Determination (R-Square)

The coefficient of determination (R-Square) aims to determine the extent of influence between the independent variable and the dependent variable. The R-Square value is expected to range between 0 and 1.

Table 4: Results of the Coefficient of Determination Test

Variable	R-square	R-square adjusted
Firm Value	0.524	0.480

Source : Output SmartPLS 4.0 (2025)

Based on Table 4, the results of the Coefficient of Determination test yielded an R-Square value of 0.524 for the Firm Value variable, indicating that 52.4% of the variation in this variable can be explained by the independent variables in the model, while the remaining 47.6% is influenced by factors outside the model. Therefore, the relationship between the independent variables and Firm Value can be considered quite strong. This means that the model is able to explain most of the factors that influence Company Value, even though there are still many influences from outside the model.

b. Predictive Relevance (Q-Square)

Predictive Relevance (Q-Square) is a statistical measure used to see how well the observed values are used to assess the structural suitability of the model's relevance using a blindfolding procedure. Q-Square value > 0 means the model has predictive relevance.

Table 5 Predictive Relevance Test Results

	Q^2predict	PLS-SEM_RMSE	PLS-SEM_MAE
TOBIN'S Q	0.364	0.691	0.561

Source : Output SmartPLS 4.0 (2025)

Based on the results of the Predictive Relevance test in Table 5, it is concluded that the firm value variable has predictive relevance, with a score of 0.364 or 36.4%. This means that 36.4% of the independent variables are suitable for explaining the dependent variable.

c. Goodness of Fit (GoF) Assessment

Goodness of Fit (GoF) assessment to test the overall model fit for both the outer and inner models. In the model fit test using the SRMR value with the criteria of SRMR value < 0.10

is said to be a fit model.

Table 6 Goodness of Fit Assessment Results

	Saturated model	Estimated model
SRMR	0	0
d_ULS	0	0
d_G	0	0
Chi-square	0	0
NFI	1	1

Source : Output SmartPLS 4.0 (2025)

Based on Table 6, the Goodness of Fit Assessment results show that the SRMR value is 0.0, indicating that the model is fit because it is less than 0.10.

Hypothesis Test

Hypothesis testing is used to determine the direction of the relationship between endogenous and exogenous variables by examining their probability and statistical values. This process typically uses bootstrapping techniques, where data is resampled to calculate the path coefficient.

Table 6 Hypothesis Test Results

	Hipotesis	Coefficient	t-statistics (|O/STDEV|)	P-values
Liqudity -> Firm Value	+	0.174	1.102	0.271
Assets Management -> Firm Value	+	0.631	3.731	0.000
Sales Growth -> Firm Value	+	-0.191	2.083	0.037
Good Corporate Governance -> Firm Value	+	0.452	4.483	0.000

Source : Output SmartPLS 4.0 (2025)

Based on the results of the hypothesis testing in Table 6 above, the following conclusions can be drawn:

1. The independent variable, Liquidity, has a p-value of 0.271 > 0.05 and a t-statistic of 1.102 < 1.96, indicating that Liquidity does not significantly influence Firm Value.
2. The independent variable, Asset Management, has a p-value of 0.000 < 0.05 and a t-statistic of 3.731 > 1.96, indicating that Asset Management has a positive and significant influence on Firm Value.
3. The independent variable, Sales Growth, has a p-value of 0.037 < 0.05 and a t-statistic of 2.083 > 1.96, indicating that Sales Growth has a negative and significant influence on Firm Value.
4. The independent variable, Good Corporate Governance, has a p-value of 0.000 < 0.05 and a t-statistic of 4.483, indicating that Good Corporate Governance has a positive and significant effect on Firm Value.

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DISCUSSIONS

Liquidity Has No Significant Effect on Firm Value

Based on the path coefficient using the Bootstrapping technique, liquidity does not have a significant effect on Firm Value. The coefficient value of 0.174 indicates a positive relationship. The t-statistic of 1.102 indicates the value does not meet the t-table threshold (< 1.96), and the p-value of 0.271 indicates the value exceeds the significance level (> 0.05). Therefore, the first hypothesis (H_1) is rejected because this research hypothesis states that liquidity has a positive effect on Firm Value. Liquidity in this study uses the Quick Ratio (QR) proxy. Researchers can evaluate the relationship between liquidity and the company's accruals, such as inventory, debt, and others. Based on research results, the Automotive and Components sector showed an average of 23.4%. The results indicate that not all companies with high liquidity reflect good company value. This study concludes that Signaling Theory does not support the Liquidity variable because high levels of liquidity without efficient earnings management lead to unproductive funds. Another reason for its rejection is that, in reality, investors focus not only on liquidity but also on overall earnings performance. Therefore, even a good Quick Ratio does not adequately reflect a company's overall business prospects in the eyes of investors, especially in industries that rely heavily on consumer trust such as the automotive industry. These research findings align with research conducted by Akbar (2021) who examined Food and Beverage Companies listed on the Indonesia Stock Exchange and Sari & Tri Lestari (2022) who examined Property and Real Estate Companies listed on the Indonesia Stock Exchange. Their findings indicate that liquidity does not significantly impact company value.

Asset Management Has a Positive and Significant Effect on Firm Value

Based on the Path Coefficient using the Bootstrapping technique, Asset Management has a positive and significant effect on Firm Value. The coefficient value of 0.631 indicates a positive relationship. The t-statistic of 3.731 indicates that the value meets the t-table threshold (> 1.96), and the p-value of 0.000 indicates that the value falls below the required significance level (< 0.05). Therefore, the second hypothesis (H2) is accepted as it aligns with the research hypothesis. The results of this study successfully support the Asymmetry Information theory. Because Asset Management is delivered transparently and responsibly by management, the company's operational activities are optimally and effectively run. There is no underfunding or undercapitalization; everything is managed with balanced planning. This demonstrates the credibility of the Company's Value, which is realized fairly and attracts investor attention. These results align with research conducted by Noviani, N.M., Yuliastuti, I.A.N., & Merawati, 2022, who studied Food and Beverages sub-sector companies listed on the Indonesia Stock Exchange, and Prayogo et al., 2022, who studied LQ45 companies listed on the Indonesia Stock Exchange. Their research found that Asset Management has a significant positive impact on Company Value.

Sales Growth Has a Negative and Significant Impact on Firm Value

Based on the Path Coefficient using the Bootstrapping technique, sales growth has a positive and significant impact on firm value. A coefficient value of -0.191 indicates a negative relationship. A t-statistic of 2.083 meets the t-table threshold (>1.96), and a p-value of 0.037 indicates a value below the significance level (<0.05). Therefore, the third hypothesis (H3) is rejected, as it has a positive and significant impact on firm value. Researchers can evaluate the relationship between sales growth and the company's accruals, such as inventory, receivables, and others. Using sales growth as the primary indicator of sales growth, research results from the automotive and components sector show an average of 5.4%. The results indicate that almost all companies experiencing increased sales will increase their firm value. However, the increase in sales will lead to a decrease in profit margins due to increased costs, such as high raw material costs. Apart from the imbalance between sales growth and increased profitability, there is also the effect of tight competition so that the effect of sales growth on company value becomes weak.The results of this study support the Sales Growth variable, as some managers tend to focus more on achieving sales growth targets without other positive signals, such as profitability. This suggests opportunistic behavior by extending credit flexibility to customers, which increases the risk of bad debts. These findings align with research conducted by Herdiani et al. (2021), which examined manufacturing companies listed on the Indonesian Sharia Stock Index (ISSI). Their findings indicate that sales growth has a significant negative impact on firm value.

Good Corporate Governance Has a Positive and Significant Impact on Firm Value

Based on the Path Coefficient analysis using the Bootstrapping technique, good corporate governance has a positive and significant impact on firm value. The coefficient value is 0.452, indicating a positive relationship. The t-statistic of 4.483 meets the t-table threshold (>1.96), and the p-value of 0.000 falls below the significance level (<0.05). Therefore, hypothesis four (H_4) is accepted as it aligns with the research hypothesis. Research results from the Automotive and Components sector show an average of 8.9%. The results indicate that managerial ownership can align potential differences in interests between management and shareholders, thereby eliminating agency problems. The research findings support Agency Theory, which explains the emergence of agency problems between agents and principals. Managerial ownership positively impacts a company's capital and encourages managers to improve performance to maintain company value. An understanding of the principles of Good Corporate Governance, namely transparency, accountability, responsibility, independence, and fairness, guides companies in establishing an open commitment to decision-making without any concealment, clarity regarding future business prospects, corporate responsibility for risks, professional management in accordance with applicable regulations, and equitable distribution of equity. This means that the company implements its governance appropriately, enabling investors to place full trust in the company. This is in line with research conducted by Utari & Khomsiyah (2024), who examined manufacturing companies listed on the Indonesia Stock Exchange, and Menge & Nuringsih (2021), who examined banking companies listed on the Indonesia Stock Exchange. Their research findings indicate that GCG has a significant positive effect on firm value.

CONCLUSIONS

Based on the results of the study, "The Effect of Liquidity, Asset Management, Sales Growth, and Good Corporate Governance on Firm Value," the following findings were obtained:

1. Liquidity has no significant effect on firm value. Liquidity is proxied by the Quick Ratio (QR). These results indicate that high liquidity does not necessarily reflect good company value if it is not balanced by efficient earnings management, resulting in unproductive or idle funds.
2. Asset Management has a positive and significant effect on Company Value. Asset Management is proxied by Total Assets Turnover (TATO). This indicates that optimal Asset Management can increase company value because effective and efficient asset management supports smooth company operations and maximizes sales.
3. Sales Growth has a negative and significant effect on Company Value. Sales Growth is proxied by Sales Growth (SG). This indicates an imbalance between increased sales and increased profitability, weakening the effect of sales growth on company value.
4. Good Corporate Governance has a positive and significant impact on Firm Value. Good Corporate Governance is proxied by Managerial Ownership. This indicates that in addressing agency problems, Managerial Ownership is able to align management interests with shareholders.

IMPLICATION

The results of this study are expected to assist company management in the automotive and component subsector in making more appropriate policies in managing resources, increasing efficiency, and strengthening governance aspects for business sustainability. However, this study has several limitations: it only discusses the variables of company financial liquidity, asset management, sales growth, and Good Corporate Governance; the sample size is small (only six companies); the study period is only eight years (2017-2024); and the sector used is only the automotive and component subsector.

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