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The Influence Of Liquidity And Profitability On Firm Value Through Educational And Organizational Management Approaches In Manufacturing Companies Listed On The Indonesia Stock Exchange

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INFORMATION ARTICLE
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Abstract: *This study aims to analyze the influence of liquidity and profitability on firm value through the perspectives of educational and organizational management in manufacturing companies listed on the Indonesia Stock Exchange during the 2020–2024 period. The study employed a quantitative approach using a causal research design and explanatory method. The population consisted of 109 manufacturing companies in the basic and chemical industry subsector, while the sample comprised 19 companies selected through purposive sampling, resulting in 95 panel data observations. Secondary data were obtained from annual financial statements published on the Indonesia Stock Exchange website and corporate websites. Liquidity was measured using the Current Ratio (CR), profitability using Return on Assets (ROA), and firm value using Price to Book Value (PBV). Data analysis was conducted using panel data regression analysis with EViews 13 software. The results indicate that liquidity has a negative and significant effect on firm value, while profitability has a positive and significant effect on firm value. The findings also reveal that organizational effectiveness, leadership quality, institutional learning, and strategic resource management contribute to improving corporate competitiveness and sustainability. From the perspective of educational and organizational management, financial performance reflects managerial effectiveness and institutional governance quality in strengthening public trust and firm value in the capital market.*
Keywords: *Liquidity, Profitability, Firm Value, Educational Management, Organizational Management, Manufacturing Companies*

INTRODUCTION

Global economic dynamics in the modern era are characterized by market uncertainty, technological changes, increasingly competitive industrial competition, and the continuing impacts of the post-COVID-19 pandemic. These conditions require organizations, including manufacturing companies, to possess adaptability, effective resource management, and managerial strategies capable of maintaining organizational sustainability. In

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this context, companies are not only required to achieve financial profits but also to build organizational systems that are effective, efficient, and competitive. This perspective is consistent with the organizational management approach that emphasizes the importance of resource management, leadership, decision-making, and organizational effectiveness in achieving sustainable goals (Robbins & Coulter, 2018; Senge, 1990).

In the Indonesian economy, the basic and chemical manufacturing subsector plays a strategic role in supporting national industrial growth. This subsector contributes significantly to Gross Domestic Product (GDP), employment absorption, and non-oil and gas export activities. Based on data from the Central Statistics Agency (2025), the manufacturing subsector contributed 18.67% to the national GDP in 2024. However, during the 2020–2024 period, the basic and chemical industry subsector faced various challenges, including fluctuations in raw material prices, depreciation of the rupiah exchange rate, rising production costs, and global economic pressures. These conditions affected corporate performance stability and led to a decline in firm value in the capital market.

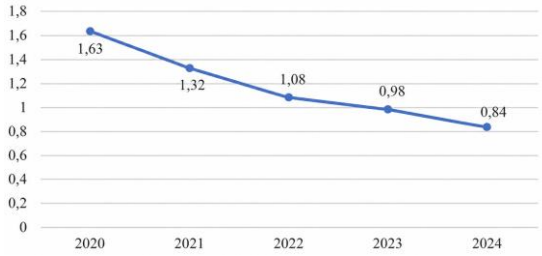

Figure 1. *Trend of Price to Book Value (PBV)*

Firm value is an important indicator reflecting management success in managing the organization and creating investor trust. A high firm value indicates that a company has good prospects, effective management systems, and the ability to generate sustainable profits (Kholifah et al., 2024). In this study, firm value is measured using the Price to Book Value (PBV) ratio, which reflects the market's valuation of the company's book value. The PBV ratio of companies in the basic and chemical industry subsector listed on the Indonesia Stock Exchange during the 2020–2024 period showed a declining trend from 1.63 to 0.84. This decline indicates that companies experienced weakening performance in creating added value for shareholders.

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According to Tambun et al. (2022), a PBV value below one indicates that the company has not been able to create optimal value for investors. Susilo (2022) also emphasized that a PBV below 1.0 reflects that the market values the company lower than its book value of assets.

From the perspective of organizational and educational management, the decline in firm value can be understood as a reflection of suboptimal organizational management effectiveness. The concept of educational management is not only applied in formal educational institutions but also in organizational management in general, emphasizing the effectiveness of planning, organizing, implementation, supervision, and human resource development (Mulyasa, 2017; Sallis, 2006). Therefore, organizational success in increasing firm value is strongly influenced by management quality, leadership, and the organization's ability to manage resources effectively and efficiently.

One of the factors influencing firm value is liquidity. Liquidity reflects the company's ability to meet its short-term obligations using its current assets. Healthy liquidity reflects corporate financial stability and provides positive signals to investors, thereby increasing market confidence in the company (Ndruru Martonius et al., 2020). The relationship between liquidity and firm value is explained by the Trade-Off Theory proposed by Kraus and Litzenberger (1973), which emphasizes the importance of balancing benefits and costs in corporate cash management. Optimal liquidity helps companies maintain operational continuity; however, excessively high liquidity may indicate inefficiency in asset management.

In the organizational and educational management approach, liquidity management can be viewed as part of the effectiveness of organizational resource management. Organizations capable of maintaining a balance between resource availability and operational needs will have greater resilience and flexibility in facing external environmental changes (George & Jones, 2019). Conversely, suboptimal asset management may reduce organizational productivity and negatively affect overall firm value.

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Besides liquidity, profitability is also a major factor influencing firm value. Profitability reflects the company's ability to generate profits through asset management and operational activities. The profitability ratio used in this study is Return on Assets (ROA), which indicates the effectiveness of the company in utilizing its assets to generate profits. High profitability reflects managerial efficiency and serves as an indicator of organizational success in carrying out business activities. Anggreni et al. (2025) stated that good profitability can increase firm value and attract investors to invest their capital. Kusnanto et al. (2024) also explained that profitability is a key indicator in increasing stock prices and investor confidence in the company.

The relationship between profitability and firm value is explained through Signaling Theory proposed by Spence (1973). This theory explains that corporate profit serves as an important signal to investors regarding the company's prospects and performance quality. High profitability provides a positive signal to the market that the company possesses good managerial capabilities and promising growth prospects, thereby increasing stock prices and firm value.

From the perspective of educational and organizational management, profitability can be understood as a form of organizational success in achieving effectiveness and work productivity. Organizations with high profitability indicate that human resource management, organizational strategies, and leadership are functioning optimally. Thus, profitability is not only viewed as a measure of financial gain but also as an indicator of the success of organizational management systems in achieving goals effectively.

Research regarding the influence of liquidity and profitability on firm value has been widely conducted previously. However, most studies still focus on financial perspectives and have not extensively integrated educational and organizational management approaches in explaining corporate management effectiveness. In fact, a company's success in increasing organizational value cannot be separated from management quality, leadership effectiveness, human resource development,

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and the organization's ability to create adaptive and competitive work systems.

Based on the above explanation, this study is important to analyze the influence of liquidity and profitability on firm value in manufacturing companies within the basic and chemical industry subsector listed on the Indonesia Stock Exchange during the 2020–2024 period using an educational and organizational management approach. This study is expected to contribute theoretically to the development of organizational and educational management studies, as well as provide practical implications for companies in improving organizational management effectiveness and sustainable firm value.

METHOD

This study employed a quantitative approach using a causal research design and explanatory method to analyze the influence of liquidity and profitability on firm value through the perspective of educational and organizational management in manufacturing companies listed on the Indonesia Stock Exchange (IDX). The integration of educational management perspectives in this study is reflected in the analysis of managerial effectiveness, organizational learning, human resource optimization, decision-making processes, and institutional performance in improving corporate competitiveness and sustainability (Robbins & Coulter, 2018; Senge, 1990).

The population of this study consisted of 109 manufacturing companies in the basic and chemical industry subsector listed on the Indonesia Stock Exchange during the 2020–2024 period. The sampling technique used was purposive sampling based on several criteria, including companies that consistently published annual financial statements and possessed complete financial data related to the research variables during the observation period (Sugiyono, 2019). Based on these criteria, 19 companies were selected as the final sample, resulting in 95 panel data observations. The study utilized secondary data obtained from annual financial reports accessed through the official IDX website and the respective corporate websites.

This study examined three main variables, namely liquidity, profitability, and firm value. Liquidity was measured using the

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Current Ratio (CR), profitability was measured using Return on Assets (ROA), and firm value was measured using Price to Book Value (PBV). From the perspective of educational and organizational management, liquidity reflects the organization's effectiveness in managing short-term resources and maintaining institutional stability, while profitability reflects managerial performance, organizational productivity, and strategic efficiency in achieving organizational goals (Mulyasa, 2017). Firm value represents the outcome of organizational effectiveness, public trust, and institutional competitiveness in the capital market (Brigham & Houston, 2019).

Data analysis was conducted using panel data regression analysis with the assistance of EViews 13 software. To determine the most appropriate regression model, several model selection tests were performed, including the Chow Test, Hausman Test, and Lagrange Multiplier Test (Gujarati & Porter, 2009). Based on the results of these tests, the Random Effect Model (REM) was selected as the most appropriate estimation model. The regression equation used in this study is formulated as follows: $Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \varepsilon_{it}$

To ensure the validity and robustness of the regression model, classical assumption tests were also conducted, including multicollinearity and heteroscedasticity tests. Furthermore, hypothesis testing was carried out through partial significance testing (t-test) and coefficient of determination (R^2) analysis (Ghozali, 2021). Through this approach, the study aimed not only to explain the relationship between financial performance and firm value, but also to provide insights into how organizational and educational management principles contribute to institutional effectiveness, managerial quality, and sustainable organizational competitiveness in manufacturing companies.

RESULT AND DISCUSSION

Research Findings

Descriptive Statistical Analysis

Variable	Firm Value (Y)	Liquidity (X1)	Profitability (X2)
Mean	1.250947	2.031263	0.049684
Median	0.870000	1.710000	0.040000

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Maximum	6.510000	9.990000	0.310000
Minimum	0.180000	0.420000	-0.080000
Std. Dev.	1.154951	1.350516	0.053384
Kurtosis	7.856834	1.463474	7.849924
Jarque-Bera	1613.910	653.3383	123.6461
Probability	0.000000	0.000000	0.000000
Sum	118.8400	192.9700	4.720000
Sum Sq. Dev.	125.3876	171.4460	0.267891

Table 1. *Descriptive Statistical Analysis*

The descriptive statistical analysis indicates that firm value has an average value of 1.25 with a relatively wide range between 0.18 and 6.51. This condition reflects variations in corporate performance, managerial effectiveness, organizational adaptability, and market perceptions among manufacturing companies in the basic and chemical industry subsector. From the perspective of educational management, firm value can also be interpreted as a reflection of institutional quality, organizational leadership effectiveness, strategic management capability, and the success of managerial learning processes within the organization. Companies with high firm value generally demonstrate stronger organizational governance, better human resource development, and more adaptive institutional management systems.

Liquidity has an average value of 2.03, indicating that most companies possess a relatively good capability to fulfill short-term obligations. However, the wide variation in liquidity values suggests differences in managerial policies related to resource allocation and financial control. In the perspective of educational and organizational management, liquidity reflects managerial discipline, institutional planning quality, and organizational effectiveness in maintaining operational sustainability. Educational management principles emphasize the importance of efficient resource management, adaptive leadership, and strategic planning to ensure institutional stability and sustainability. Excessive liquidity may indicate inefficiency in utilizing organizational resources, whereas insufficient liquidity may hinder organizational flexibility and decision-making effectiveness.

Profitability has an average value of approximately 4.9%, indicating that the companies generally possess a relatively low

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ability to generate profits from their assets. Several companies even experienced negative profitability, reflecting financial losses during the observation period. From the perspective of educational management, profitability is closely related to managerial competence, organizational productivity, innovation capability, and institutional learning effectiveness. Organizations that implement effective management systems, continuous professional development, and strategic organizational learning tend to achieve better profitability performance. In this context, profitability not only measures financial achievement but also represents the effectiveness of leadership, decision-making processes, and organizational capacity in optimizing institutional resources.

The high kurtosis values in the firm value and profitability variables indicate that the data distribution is not normal and contains extreme values. This condition suggests the existence of substantial disparities in organizational management quality, institutional governance, and financial performance among manufacturing companies. Furthermore, the Jarque–Bera probability values below 0.05 indicate that the data are not normally distributed. Nevertheless, panel data regression analysis remains appropriate because the study focuses on identifying the relationships between financial variables and organizational management factors across companies and observation periods.

Overall, the descriptive findings demonstrate that liquidity and profitability are not merely financial indicators, but also represent the effectiveness of educational and organizational management practices in enhancing institutional performance and firm value. Effective management systems, organizational learning, leadership quality, and strategic resource management contribute significantly to strengthening corporate competitiveness, institutional sustainability, and public trust. Therefore, the integration of educational management perspectives into corporate financial analysis provides a broader understanding of how managerial effectiveness and organizational learning influence firm value in manufacturing companies listed on the Indonesia Stock Exchange

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Panel Data Regression Model Selection

a. Common Effect Model (CEM)

The Common Effect Model (CEM) assumes that all companies included in the sample have homogeneous characteristics and managerial behavior, meaning that there are no differences in intercepts across companies or observation periods. This model treats all observations as a unified entity without considering individual organizational uniqueness. From the perspective of educational and organizational management, this approach reflects the assumption that each organization applies relatively similar managerial systems, leadership patterns, institutional learning processes, and organizational governance practices in improving institutional performance and firm value.

The estimation results show that liquidity (X1) has a coefficient value of -0.343306 with a probability value of 0.0019, indicating that liquidity has a negative and statistically significant effect on firm value. This finding suggests that excessively high liquidity may indicate inefficiency in managing current assets and organizational resources. In the context of educational management, ineffective resource allocation can weaken institutional productivity, reduce organizational efficiency, and hinder strategic development processes. Educational management theory emphasizes that effective institutional governance requires balanced resource management, strategic planning, and adaptive leadership to ensure organizational sustainability and competitiveness.

Meanwhile, profitability (X2) has a coefficient value of 8.644666 with a probability value of 0.0019, indicating that profitability positively and significantly affects firm value. This finding demonstrates that companies capable of generating higher profits tend to possess stronger organizational management systems, better institutional performance, and more effective leadership practices. From the perspective of educational management, profitability reflects managerial competence, organizational learning effectiveness, innovation capability, and institutional productivity in achieving organizational objectives. Organizations with effective

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learning cultures and professional management systems generally demonstrate stronger competitiveness and public trust.

The coefficient of determination (R^2) value of 0.120271 indicates that liquidity and profitability jointly explain approximately 12.03% of the variation in firm value, while the remaining variation is influenced by other variables outside the model. The probability value of the F-statistic of 0.002755 indicates that the model is statistically significant and appropriate for explaining the relationship between the independent variables and firm value. In educational and organizational management perspectives, these findings indicate that financial performance is closely related to managerial quality, organizational governance, institutional learning, and leadership effectiveness in supporting sustainable institutional competitiveness.

Variable	Coefficient	Std. Error	t-Statistic	Probability
C	1.518789	0.203661	7.457437	0.0000
X1 (Liquidity)	-0.343306	0.107140	-3.204742	0.0019
X2 (Profitability)	8.644666	2.710423	3.189415	0.0019

Model Summary

Indicator	Value
R-squared	0.120271
Adjusted R-squared	0.101146
S.E. of regression	1.094984
Sum squared resid	110.3071
Log likelihood	-141.8953
F-statistic	6.288828
Prob(F-statistic)	0.002755
Mean dependent var	1.250947
S.D. dependent var	1.154951
Akaike info criterion	3.050427
Schwarz criterion	3.131075
Hannan-Quinn criter.	3.080415
Durbin-Watson stat	0.320690

Table 2. *Common Effect Model (CEM)*

b. Fixed Effect Model (FEM)

The Fixed Effect Model (FEM) accommodates differences in characteristics among companies through varying intercepts for each individual entity. This model assumes that each company possesses unique organizational characteristics that may influence firm value, including leadership style, organizational culture, managerial quality, institutional governance, human resource capability, and organizational learning systems. From the educational management perspective, each organization develops different institutional strategies, managerial approaches, and professional development systems that contribute to organizational effectiveness and competitiveness.

The estimation results indicate that liquidity (X1) has a coefficient value of -

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0.144127 with a probability value of 0.1786, suggesting that liquidity has a negative but statistically insignificant effect on firm value under the FEM approach. This finding indicates that the impact of liquidity varies depending on each company's organizational characteristics and managerial policies. In educational management theory, organizational effectiveness is not determined solely by the availability of financial resources, but also by leadership quality, institutional adaptability, collaborative culture, and strategic decision-making processes. Therefore, differences in institutional management practices may weaken the direct influence of liquidity on firm value.

On the other hand, profitability (X2) has a coefficient value of 6.657939 with a probability value of 0.0269, indicating that profitability positively and significantly affects firm value. This result confirms that companies with strong profitability tend to possess more effective organizational management, stronger institutional productivity, and higher stakeholder trust. From the perspective of educational management, profitability also reflects the success of organizational leadership in optimizing institutional resources, strengthening innovation, improving organizational learning systems, and maintaining institutional sustainability. Companies that effectively implement organizational learning and human resource development strategies are generally more capable of enhancing competitiveness and institutional value.

The R^2 value of 0.605042 indicates that approximately 60.50% of the variation in firm value can be explained by liquidity and profitability when company-specific characteristics are considered. This higher explanatory power demonstrates that organizational uniqueness, managerial competence, institutional culture, leadership quality, and organizational learning systems significantly influence firm value. Furthermore, the probability value of the F-statistic of 0.000000 indicates that the Fixed Effect Model is statistically significant in explaining the relationship between the independent variables and firm value.

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From the perspective of educational and organizational management, these findings highlight that institutional effectiveness, leadership capability, organizational learning culture, and strategic management practices play important roles in strengthening corporate competitiveness and increasing firm value in manufacturing companies listed on the Indonesia Stock Exchange.

Variable	Coefficient	Std. Error	t-Statistic	Probability
C	1.212912	0.210761	5.754905	0.0000
X1 (Liquidity)	-0.144127	0.106145	-1.357823	0.1786
X2 (Profitability)	6.657939	2.949212	2.257531	0.0269

Effects Specification
Cross-section
Model Summary

Indicator	Value
R-squared	0.605042
Adjusted R-squared	0.498297
S.E. of regression	0.818063
Sum squared resid	49.52282
Log likelihood	-103.8556
F-statistic	5.668808
Prob(F-statistic)	0.000000
Mean dependent var	1.250947
S.D. dependent var	1.154951
Akaike info criterion	2.628539
Schwarz criterion	3.193080
Hannan-Quinn criter.	2.856566
Durbin-Watson stat	1.705639

Table 3. Fixed Effect Model (FEM)

Regression Model Selection Tests

a. Chow Test

The Chow Test was conducted to determine whether the Common Effect Model (CEM) or the Fixed Effect Model (FEM) is more appropriate for estimating the panel data regression model. This test evaluates whether there are significant differences in characteristics among companies included in the study. From the perspective of educational and organizational management, the Chow Test also reflects whether each company possesses distinct managerial patterns, organizational learning systems, leadership characteristics, institutional cultures, and strategic management approaches that may influence firm value.

The test results indicate that the probability value is less than 0.05, meaning that the null hypothesis is rejected. Therefore, the Fixed Effect Model (FEM) is considered more appropriate than the Common Effect Model (CEM). This finding suggests that

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each manufacturing company has unique organizational characteristics and managerial effectiveness that significantly affect firm value. In educational management theory, organizational effectiveness is strongly influenced by institutional leadership, organizational culture, professional management systems, and human resource development practices. Thus, differences in managerial and organizational quality among companies must be considered in explaining variations in firm value.

Effects Test	Statistic	d.f.	Probability
Cross-section F	5.045977	(18, 74)	0.0000
Cross-section Chi-square	76.079311	18	0.0000

***Table 5**. Chow Test*

b. Hausman Test

The Hausman Test was conducted to determine whether the Fixed Effect Model (FEM) or the Random Effect Model (REM) is the most appropriate estimation model for the panel data analysis. This test evaluates whether the individual effects are correlated with the independent variables included in the regression model. From the perspective of educational and organizational management, the Hausman Test reflects whether organizational uniqueness, managerial quality, institutional leadership, and organizational learning systems systematically influence liquidity, profitability, and firm value.

Based on the test results, the probability value (Prob.) is greater than 0.05, indicating that the null hypothesis cannot be rejected. Therefore, the Random Effect Model (REM) is considered the most appropriate model for this study. This finding implies that differences among companies are random in nature and not significantly correlated with the independent variables. In the context of educational and organizational management, this result suggests that although each company has different organizational characteristics, the influence of liquidity and profitability on firm value remains generally consistent across companies.

The use of the Random Effect Model (REM) also indicates that organizational effectiveness, managerial competence, institutional adaptability, and organizational learning processes contribute collectively to

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improving firm value and competitiveness in manufacturing companies listed on the Indonesia Stock Exchange.

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Probability
Cross-section random	2.472475	2	0.2905

Table 6. *Hausman Test*

c. Lagrange Multiplier (LM) Test

The Lagrange Multiplier (LM) Test was conducted to determine whether the Random Effect Model (REM) is more appropriate than the Common Effect Model (CEM) in estimating the panel data regression model. This test evaluates whether random effects exist across cross-sectional units within the observation data. From the perspective of educational and organizational management, the LM Test also reflects whether differences in institutional management systems, organizational leadership, managerial effectiveness, organizational learning culture, and human resource management contribute to variations in firm value among manufacturing companies.

Based on the results of the Lagrange Multiplier (LM) Test, the Breusch–Pagan probability value in the cross-section section is 0.0000, which is lower than the significance level of 0.05. Therefore, the null hypothesis is rejected, indicating that the Random Effect Model (REM) is more appropriate than the Common Effect Model (CEM). This finding suggests that there are random individual effects across companies that significantly influence the regression model.

From the perspective of educational management, this result indicates that organizational effectiveness, leadership quality, institutional adaptability, professional management practices, and organizational learning systems vary across companies and collectively influence firm value. The Random Effect Model (REM) is considered more suitable because it accommodates organizational heterogeneity while maintaining the general relationship between liquidity, profitability, and firm value.

In addition, the use of REM reflects that institutional performance is not only influenced by financial indicators, but also by organizational management quality, strategic leadership, institutional culture, and the

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effectiveness of managerial decision-making processes. Companies with better organizational governance and adaptive learning systems tend to possess stronger competitiveness and higher firm value in the capital market.

Test Hypothesis	Cross-section	Time	Both
Breusch–Pagan	32.18236 (0.0000)	0.473726 (0.4913)	32.65609 (0.0000)
Honda	5.672950 (0.0000)	-0.688277 (0.7544)	3.524696 (0.0002)
King-Wu	5.672950 (0.0000)	-0.688277 (0.7544)	1.796384 (0.0362)
Standardized Honda	6.209808 (0.0000)	-0.391775 (0.6524)	0.427727 (0.3344)
Standardized King-Wu	6.209808 (0.0000)	-0.391775 (0.6524)	-0.832037 (0.7973)
Gourieroux et al.	–	–	32.18236 (0.0000)

Table 7. *Lagrange Multiplier (LM) Test*

Classical Assumption Tests

a. Multicollinearity Test

The multicollinearity test was conducted to determine whether there is a high correlation among the independent variables in the regression model. In this study, the multicollinearity test was performed using the correlation matrix between liquidity (X1) and profitability (X2). From the perspective of educational and organizational management, this test also aims to ensure that each variable has a distinct contribution in explaining organizational effectiveness, managerial quality, and firm value.

Based on the test results, the correlation value between liquidity (X1) and profitability (X2) is 0.625113. This value remains below the commonly accepted threshold of 0.80, indicating that there is no high correlation among the independent variables. Therefore, it can be concluded that the regression model does not suffer from multicollinearity problems and is appropriate for further analysis.

From the perspective of educational and organizational management, these findings indicate that liquidity and profitability represent different dimensions of organizational management. Liquidity reflects the organization's ability to manage short-term resources and maintain operational stability, while profitability reflects leadership effectiveness, organizational productivity, and the success of managerial strategies in achieving institutional goals. Therefore, both variables can simultaneously explain firm value

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without causing bias due to high intercorrelation among the independent variables.

Variable	X1	X2
X1 (Liquidity)	1.000000	0.625113
X2 (Profitability)	0.625113	1.000000

Table 8. *Multicollinearity Test*

b. Heteroscedasticity Test

The heteroscedasticity test was conducted to determine whether the residual variances in the regression model are constant across observations. In this study, the heteroscedasticity test was performed using the Glejser method. A good regression model is expected to be free from heteroscedasticity problems so that the estimation results remain accurate and consistent. From the perspective of educational and organizational management, residual stability reflects consistency in organizational effectiveness, leadership quality, and managerial decision-making processes across companies.

Based on the heteroscedasticity test results, the probability value for liquidity (X1) is 0.1283, while the probability value for profitability (X2) is 0.5741. Both probability values are greater than the significance level of 0.05. Therefore, it can be concluded that the regression model does not experience heteroscedasticity problems.

From the perspective of educational and organizational management, these findings indicate that the influence of liquidity and profitability on firm value is relatively stable across manufacturing companies included in the study. This stability suggests that organizational management systems, leadership effectiveness, organizational culture, and institutional learning processes operate relatively consistently in supporting corporate performance and enhancing firm value in the capital market.

Variable	Coefficient	Std. Error	t-Statistic	Probability
C	0.952939	0.168924	5.641215	0.0000
X1 (Liquidity)	-0.116563	0.075958	-1.534579	0.1283
X2 (Profitability)	1.125485	1.995443	0.564028	0.5741

Table 9. *Heteroscedasticity Test*

Hypothesis Testing

a. Partial Test (t-Test)

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The partial test (t-test) was conducted to determine the individual effect of each independent variable, namely liquidity (X1) and profitability (X2), on firm value (Y). In this study, the Random Effect Model (REM) was selected as the most appropriate regression model based on the model selection tests. From the perspective of educational and organizational management, the t-test also explains how managerial effectiveness, organizational learning, resource management, and institutional productivity contribute to enhancing firm value and organizational competitiveness.

The test results indicate that liquidity (X1) has a coefficient value of -0.343306 with a probability value of 0.0019, which is lower than the significance level of 0.05. Therefore, liquidity has a negative and statistically significant effect on firm value. This finding suggests that excessive liquidity may indicate inefficiency in managing short-term assets and organizational resources. From the perspective of educational management, ineffective resource utilization may weaken organizational productivity, reduce institutional effectiveness, and limit strategic development opportunities.

Meanwhile, profitability (X2) has a coefficient value of 8.644666 with a probability value of 0.0019, which is lower than the significance level of 0.05. Thus, profitability has a positive and statistically significant effect on firm value. This finding indicates that companies capable of generating higher profits tend to possess stronger organizational effectiveness, better managerial quality, and greater stakeholder trust. In the perspective of educational and organizational management, profitability reflects leadership effectiveness, institutional productivity, organizational learning quality, and the success of strategic management practices in improving organizational performance and sustainability.

Overall, the results of the partial test indicate that profitability serves as a stronger driver of firm value improvement, while liquidity must be managed efficiently to avoid resource inefficiency. These findings confirm that financial performance is closely related to organizational management quality, institutional governance, and

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leadership effectiveness in manufacturing companies listed on the Indonesia Stock Exchange.

Variable	Coefficient	Std. Error	t-Statistic	Probability
C	1.518789	0.203661	7.457437	0.0000
X1 (Liquidity)	-0.343306	0.107140	-3.204742	0.0019
X2 (Profitability)	8.644666	2.710423	3.189415	0.0019

Table 10. *Partial Test (t-Test)*

b. Coefficient of Determination Test (R^2)

The coefficient of determination test (R^2) was conducted to measure the extent to which the independent variables explain variations in the dependent variable. In this study, the R^2 value obtained from the regression model is 0.120271. This result indicates that liquidity and profitability jointly explain approximately 12.03% of the variation in firm value, while the remaining 87.97% is explained by other variables outside the model.

From the perspective of educational and organizational management, this finding suggests that firm value is not solely influenced by financial factors, but also by other organizational dimensions such as leadership quality, organizational culture, human resource development, institutional learning systems, innovation capability, and strategic management effectiveness. Organizational competitiveness in the modern business environment increasingly depends on adaptive leadership, professional management practices, and continuous organizational learning processes.

The adjusted R^2 value of 0.101146 indicates that the explanatory capability of the model remains relatively limited after adjusting for the number of independent variables included in the model. However, the probability value of the F-statistic of 0.002755 indicates that the regression model is statistically significant and appropriate for explaining the relationship between liquidity, profitability, and firm value.

In the context of educational and organizational management, these findings emphasize that effective financial management must be integrated with organizational learning, managerial competence, leadership effectiveness, and institutional governance to improve firm

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value and sustainable organizational competitiveness.

Indicator	Value
R-squared	0.120271
Adjusted R-squared	0.101146
S.E. of regression	1.094984
Sum squared resid	110.3071
F-statistic	6.288828
Prob(F-statistic)	0.002755

Table 11. *Coefficient of Determination Test (R^2)*

DISCUSSION

The findings of this study demonstrate that liquidity and profitability significantly influence firm value in manufacturing companies listed on the Indonesia Stock Exchange. Through the integration of educational and organizational management perspectives, this study provides a broader understanding that firm value is not solely determined by financial performance, but is also closely related to organizational effectiveness, leadership quality, managerial competence, institutional learning, and strategic resource management. These findings reinforce the argument that organizational sustainability and competitiveness are shaped by both financial management and effective organizational governance (Robbins & Coulter, 2018; Senge, 1990).

The descriptive statistical analysis reveals that the average firm value of manufacturing companies tends to fluctuate and decline during the observation period. This condition reflects differences in organizational adaptability, leadership effectiveness, and managerial performance among companies. In the context of educational and organizational management, firm value can be interpreted as a representation of institutional quality and organizational effectiveness. Organizations that possess strong managerial systems, adaptive leadership, and continuous learning cultures are generally more capable of maintaining competitiveness and increasing public trust (Mulyasa, 2017; Sallis, 2006). Therefore, the decline in firm value observed in several companies indicates that some organizations have not fully optimized their managerial effectiveness and organizational learning systems in responding to economic uncertainty and industrial challenges.

The results of the panel regression analysis indicate that liquidity has a negative and significant effect on firm value. This finding suggests that excessively high

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liquidity may signal inefficient resource utilization and weak asset management practices. According to Trade-Off Theory proposed by Kraus and Litzenberger (1973), organizations must maintain an optimal balance between liquidity and investment opportunities. Excessive current assets may reduce organizational productivity because idle resources are not utilized efficiently to generate profits or support organizational growth. This finding is consistent with the study conducted by Ndruru Martonius et al. (2020), which explains that poor liquidity management can weaken investor confidence and reduce firm value.

From the perspective of educational and organizational management, liquidity management reflects managerial discipline, institutional planning effectiveness, and organizational capability in allocating resources strategically. Educational management theory emphasizes the importance of efficient resource utilization, strategic planning, and adaptive leadership in maintaining institutional sustainability (Mulyasa, 2017). Companies with ineffective liquidity management may experience lower organizational productivity and limited flexibility in making strategic decisions. Therefore, effective financial management should not only focus on maintaining sufficient liquidity but also ensure that organizational resources are utilized productively to support institutional competitiveness and long-term organizational development.

The study also finds that profitability has a positive and significant effect on firm value. This result confirms that profitability serves as one of the most important indicators of organizational success and managerial effectiveness. Companies with higher profitability tend to possess stronger organizational performance, better leadership quality, and greater stakeholder trust. This finding supports Signaling Theory proposed by Spence (1973), which states that profitability provides a positive signal to investors regarding the company's future prospects and managerial quality. High profitability indicates that the organization is capable of managing its assets effectively and generating sustainable returns for shareholders.

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From the perspective of educational and organizational management, profitability reflects organizational productivity, institutional effectiveness, leadership capability, and the success of organizational learning systems. Organizations that implement effective managerial practices, continuous professional development, and adaptive organizational learning tend to achieve stronger financial performance and institutional sustainability (Senge, 1990). Profitability also demonstrates the organization's ability to optimize human resources, innovation capacity, and strategic decision-making processes in achieving organizational objectives. This finding is consistent with the studies conducted by Anggreni et al. (2025) and Kusnanto et al. (2024), which conclude that profitability significantly increases investor confidence and firm value.

The findings related to the coefficient of determination indicate that liquidity and profitability explain only a limited proportion of firm value variation. This suggests that firm value is also influenced by various non-financial factors, including organizational culture, leadership effectiveness, institutional reputation, innovation capability, human resource quality, and organizational learning systems. In educational management theory, organizational success is not determined solely by financial indicators, but also by institutional governance quality, collaborative culture, and continuous organizational development (Robbins & Coulter, 2018). Therefore, companies must integrate financial management with organizational management strategies to strengthen institutional competitiveness and sustainability.

The results of the model selection tests further strengthen the argument that organizational uniqueness significantly affects firm value. The Fixed Effect Model indicates that each company possesses different organizational characteristics, leadership styles, managerial systems, and institutional cultures that influence corporate performance. Meanwhile, the Random Effect Model demonstrates that although organizational differences exist, the relationships between liquidity, profitability, and firm value remain relatively consistent

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across companies. These findings emphasize that organizational effectiveness and managerial quality are important determinants of firm value in manufacturing companies.

In the context of educational and organizational management, organizational learning plays a critical role in improving institutional adaptability and competitiveness. Senge (1990) argues that learning organizations possess greater capabilities in responding to environmental changes, developing innovation, and maintaining long-term sustainability. Companies that encourage continuous learning, collaborative management, and adaptive leadership are generally more capable of optimizing financial performance and increasing firm value. This perspective explains why profitability has a stronger influence on firm value compared to liquidity, because profitability directly reflects organizational productivity and managerial effectiveness.

Furthermore, the findings of this study imply that organizational management and educational management principles are highly relevant in corporate governance practices. Educational management concepts such as strategic planning, leadership effectiveness, human resource development, institutional learning, and quality management can be integrated into corporate management systems to strengthen institutional competitiveness and organizational sustainability (Sallis, 2006). Companies that successfully implement these principles are more likely to achieve better financial performance, stronger stakeholder trust, and higher firm value in the capital market.

This study confirms that liquidity and profitability are not merely financial indicators but also represent organizational management effectiveness and institutional quality. Effective organizational governance, adaptive leadership, continuous organizational learning, and strategic resource management significantly contribute to improving firm value and sustainable organizational competitiveness. Therefore, manufacturing companies must integrate financial management with educational and organizational management

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principles to strengthen institutional effectiveness, maintain public trust, and achieve long-term organizational sustainability.

CONCLUSION

This study concludes that liquidity and profitability significantly influence firm value in manufacturing companies listed on the Indonesia Stock Exchange. Liquidity has a negative and significant effect on firm value, indicating that excessive liquidity may reflect inefficiency in managing organizational resources and current assets. Meanwhile, profitability has a positive and significant effect on firm value, showing that companies capable of generating higher profits tend to possess stronger organizational performance, better managerial effectiveness, and greater investor trust. The findings also demonstrate that firm value is not only influenced by financial indicators but is closely related to organizational effectiveness, leadership quality, institutional learning, and strategic management practices. Through the educational and organizational management perspective, financial performance can be interpreted as a reflection of managerial competence, organizational adaptability, and institutional governance quality in achieving sustainable competitiveness.

This study highlights the importance of integrating financial management with educational and organizational management principles in improving firm value and institutional sustainability. Effective organizational governance, adaptive leadership, strategic resource allocation, and continuous organizational learning contribute significantly to strengthening institutional competitiveness and public trust in the capital market. The findings imply that manufacturing companies should not solely focus on achieving financial profits, but also prioritize the development of organizational learning systems, managerial quality, innovation capability, and human resource effectiveness. This study contributes theoretically by expanding the integration between financial management and educational management perspectives in corporate governance studies. Practically, the results provide insights for company

management, investors, and policymakers regarding the importance of combining financial performance with organizational effectiveness and institutional learning to achieve sustainable organizational growth and long-term corporate value enhancement

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