Interconnection: An Economic Perspective Horizon

Analysis of Financial and Non-Financial Factors on Fixed Assets Revaluation in Banking Companies

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ABSTRACT

This research was conducted to find the influence of leverage, liquidity, fixed asset intensity, firm size, management ownership, and independent commissioners on fixed asset revaluation. The data used in this research is secondary data in the form of financial statements and annual reports obtained through the company's website or the Indonesia Stock Exchange (IDX). The population in this study were banking sector companies listed on the IDX in 2020 - 2022. The sample selection in this study used the purposive sampling technique and resulted in 44 companies as the sample studied. This research uses quantitative methods. The analysis technique used is descriptive statistical analysis and logistic regression analysis. The results of this research indicate that fixed asset intensity and company size have a positive effect on fixed asset revaluation. Meanwhile, leverage, liquidity, management ownership, and independent commissioners have no effect on fixed asset revaluation.

Keywords: Fixed Asset Revaluation, Financial Factors, Non-Financial Factor, Management Ownership, Independent Commissioner

INTRODUCTION

Globalization makes it easy for investors to make cross-country investments by only looking at the company's financial statements. (Surgawi & Solikhah, 2018). Financial (Renaldo et al., 2023) statements become one of the indicators for investors in looking at the state of the company, so the company's financial statements should be relevant and reliable. The rules drawn up to maintain the quality of the financial (Adiya et al., 2023) report are the Financial (Irman et al., 2021) Accounting Standards Guidelines (PSAK). PSAK regulates that the presentation of the company's financial statements be of quality so as not to make the user of the financial report suffer decision-making errors. The presentation of financial statements is regulated in PSAK No. 1. tahun 2018, this regulation sets out the requirements for the presentation of financial statements, the minimum requirements for the content of the financial report, and the structure of financial reporting.

An asset report has several components, one of which is a fixed asset, the asset is one of the components that has a great value in the financial statements, the use of the fixed Asset is effective and the efficient can prove themselves. (a) owned for use in the production or supply of goods or services to be transferred to another party, or for administrative purposes; and (b) expected to be used for more than one period (Wulandari, 2020). Companies use fixed assets for long periods of time which requires special regulations in the recording of fixed Assets.

In 2015, the Government, through the V-tier economic policy, supported companies to change the method of measuring the value of their assets using the revaluation method, in addition to the V-tier economy policy on the revalue of assets, namely the existence of a special rate for final revalued PPh from 10 percent to 3 percent for submissions of revaluations by 31 December 2015, the special rate of final revaluated PPH to 4 percent when submitted during the period from 1 January 2016 to 30 June 2016, and the special tariff for the final reevaluated PPh to 6 percent for the period 1 July to 31 December 2016. The policy is set out in PMK 191/PMK.010/2015 on revaluation of fixed assets for tax purposes.

With this policy in place, many companies have taken advantage of the policy to reevaluate their fixed assets, one of which is the Bank Mandiri. Bank Mandiri conducted an asset revaluation in 2015 (Jatmiko, 2015) according to Senior VP of Bank Mandiri company secretary Rohan Hafas said that the management of Bank Mandiri will apply to obtain a reduction of PPh Revaluation, he said “We will chase it, and future asset increases can already be seen in the 2015 fiscal year” to Kontan, Friday (23/10/2015). This can be seen from the number of companies that submitted an asset revaluation to the Directorate and Public Relations of the DJP. (Hasniawati et

al., 2016) detailed that there were 108 companies at the end of January that filed a revalue of assets. Of the 108 companies, there are 3 BUMN companies and 105 private companies.

With some of the above-mentioned phenomena, many banking (Anton et al., 2023; Eddy et al., 2023; Quaye et al., 2020) companies carry out revaluations of fixed assets, this is due to the fact that by carrying out the revaluation of Fixed Assets, the banking company profits from rising asset values and rising corporate capital. With the increase in corporate capital, this can support the health CAR (Capital Adequacy Ratio) (Estu et al., 2023; Soares & Yunanto, 2018) of the banking company, according to the Bank of Indonesia Regulation No. 10/15/PBI/2008 the healthy CAR is above 8%. So, it is expected by carrying out the revaluation of CAR assets of the banking company can also increase and become healthier. Bank Mandiri in 2015 carried out a revaluation of fixed assets and according to Kartika selaku Director of Finance & Strategy Bank mandiri said that bank Mandiri suffered a CAR increase of up to 20% after carrying out the revalue of Fixed Assets. (Aini, 2015). With such incentives, banking companies have the opportunity to raise capital by carrying out asset revaluations, so it is interesting to investigate further on assets revaluation in the banking company.

There are several factors that make a company revaluate a fixed asset. Previous research has revealed several factors being tested, including financial factors such as leverage, liquidity, fixed asset intensity, company size and company value. Thus, based on previous research, the researchers conclude that there are still inconsistent findings or contradictory (contradictory) results from the research on leverage factors, liquidity, fixed asset intensity, and the size of the company. Therefore, researchers are interested in further confirming how these factors influence As for the research gap, the less studied are non-financial factors such as ownership of managers and independent commissioners that influence the revaluation of fixed assets. This can be seen from yet more research that deals with non-financial factors in the revaluation of fixed assets. Thus, the researchers are interested in studying these factors by conducting a study entitled "Analysis of Financial and Non-Financial Factors of Revaluation of Fixed Assets in Banking Companies 2020-2022."

LITERATURE REVIEW

Positifity Accounting Theory

The theory of positive accounting describes the principles and practices of corporate accounting in predicting which policies management will choose in the future when experiencing a particular condition. Watts and Zimmerman developed this theory. Positive accounting theory deals with the process of using knowledge, skills, and understanding of accounting to apply accounting methods that are suitable for certain conditions in the future. The implications of this theory are, as described by Jeffriyanto (2021), that positive accounting theory is used as an explanation of management motivation in carrying out revaluations of fixed assets owned by companies. This theory attempts to explain the circumstances and conditions of the company that encourage management to revaluate fixed assets and predict the expected outcomes of such decisions. This theory is also used to explain why corporate leaders use the revaluation model of the cost model. One reason to carry out an asset evaluation is to ensure that the actual value of the asset can be seen in the company's financial statements.

Fixed Assets Revaluation

The revaluation of a fixed asset is called the revalue of an asset. (Latifa & Haridhi, 2016). Due to current price changes, the value and price of the fixed asset in the financial statements no longer corresponds to the book value. Therefore, an asset revaluation is necessary. For the revaluation of fixed assets, the market value is used instead of the fixed value of the asset at the time of acquisition. Revaluation of fixed assets has several benefits, including improving the performance of the financial position, raising the value of the company to stakeholders, increasing creditor confidence, and generating tax benefits. (Lulu, 2019).

Leverage

Leverage describes the entire assets and financial risks of the company. This risk will burden the company in the future, affecting revenue. Companies that have a high debt structure to finance their investments are considered to be at risk. When a company makes a decision to revise a fixed asset, they consider the leverage ratio. The overall asset book value will increase if the asset value remains elevated. With a positive impact on the financial ratio of the business, especially the ratio of debt to asset and debt-to-equity, this will boost the creditor's confidence.

The extent to which a company is financed by an outside party or a creditor is known as the leverage ratio. (Husnan & Pudjiastuti, 2015) said that some analysts used the term "leverage ratio" to measure a company's ability to meet its financial obligations. Companies have to balance some debt that is worth taking and from which resources can be used to pay the debt because excessive use of debt will jeopardize the company because the

company will fall into the category of extreme debt, which means high debt and difficult to release. Previous research by Surgawi & Solikhah (2018), Azizi et al. (2017) and Dharmendra et al. (2021) used debt to equity as a measure. Debt to equity is a measure used for leverage, according to previous research, so this study also uses the ratio debt to Equity.

Liquidity

Liquidity helps companies meet short-term obligations. According to (Nur Fauziah & Pramono, 2020) liquidity is the availability of funds and balances in bank accounts that are not restricted by regulations or agreements, as well as the cash equivalent assets required to pay debts on time. According to (Gozali & Tedjasuksmana, 2019) liquidity is the ratio used to analyze the ability of an organization's assets to pay off short-term debts.

Companies must have the ability to repay debts immediately if they want to remain operational. The financial condition of a company and the ability to convert a liquid asset into cash are two aspects of liquidity. One way to measure a company's liquidity is to use a smooth ratio, also known as a smoothly ratie, according to Brigham and Houston (2010:121). The liquidity ratio shows the relationship between cash and other liquid assets of the company and its liquid liabilities. Companies capable of fulfilling obligations. Previous research by Surgawi & Solikhah (2018), Nur Fauziah & Pramono (2020) and Satriawan et al. (2021) used the smooth ratio as a measurement of liquidity variables. The ratio smoothly becomes one of the measurements of liquidity variables, so this study, using a measurement for the variable liquidity, is a smooth ratio.

Fixed Assets Intentisty

Fixed asset intensity is one of the expected information asymmetry factors that can affect the revaluation of fixed assets. A large proportion of fixed assets can influence a manager's decision to carry out a revaluation of a fixed Asset because the asset is used for most of the company's operations. Therefore, an increase in the share of assets is expected to boost the company's profitability in the future. (Aziz et al., 2017). The fixed asset intensity indicates how much of the asset can be used as a guarantee of debt to the creditor. Generally speaking, a business with a guarantee against debt will be easier to get into debt than a business without guarantees. According to some previous research, as done by Lulu (2019), Sitepu & Silalahi (2019a) and Gozali & Tedjasuksmana (2019), Fixed asset intensity can be calculated using the formula dividing the total fixed assets by the total assets.

Firm Size

The size of a company is one way to see its condition. (Etna Yuyetta, 2017). According to Azizi et al. (2017), the size of a company is defined as a value that can represent the small or large size of the company. The bigger a company, the more people outside the company will see it. Besides, how big or small a company is will also affect the company's ability to handle all risks. Large companies have some advantages over smaller companies.

First, the size of a company can determine how easily it can get funds from the capital market. Second, the size of a company can determine the bidding power of a financial contract, or the bid power, and third, the scale of costs and returns may make a larger company make more profits. (Hasnawati dan Sawir, 2015). In previous research such research has been conducted by (Meidi, M. Tri, 2020), (Nur Fauziah & Pramono, 2020) (Surgawi & Solikhah, 2018) and (Purnama, 2017) are calculated by natural logarithms. So this research, according to previous research using the natural logarithmic formula of the total assets as a measure of the corporate size variable.

Manajerial Ownership

A situation in which a manager holds shares in a company is called managerial ownership. This situation is seen in the financial statements, where managers have a lot of company shares. The amount of information provided by the organization, including the method of revaluation of fixed assets, correlates positively with the number of shares held by management. (Putri & Siregar, 2019). If managers have shares in a company, they are referred to as managerial shareholders. This situation is shown in the financial statements by the number of managers who own the shares of the company. Notes on financial statements will display this information as it is important information for users of the financial report. In agency theory, management ownership becomes an interesting thing. When managers have shares in a company, they also have ownership (Tarigan, 2016:2).

The percentage of the company's shares at the end of the year determines management ownership. If corporate management ownership increases, management will work harder to meet the needs of shareholders, who are usually their own. The proxy for manager ownership can be calculated by multiplying the percentage of director, manager, and commissioner ownership by the number of shares in circulation. (Pujiati, 2015:40); (Putu, 2016:3); and (Surgawi & Solikhah, 2018).

Independent Commissioner

The Independent Commissioner is not affiliated with the controlling shareholders, does not affiliate with the Board of Commissioners or the board of directors, and does not act as the director of a company affiliated with the owner's company. The number of independent commissioners is proportional to the number of shares owned by shareholders who do not act as controllers, subject to the provision that the total number of independent commissioners must be at least 30% of the total membership of the commissioners. Because the independent Commissioner is neutral to the decision of the manager, the interests of majority and minority shareholders are not ignored.

One of the duties of the Independent Commissioner is to ensure that the company's strategy is implemented, to monitor the management of the company when managing the company, and to make sure that accountability is met. Basically, the Independent Commissioner is an independent (neutral) mechanism to oversee and give directions to the management of the company. Previous studies, as done by Wiyadi et al. (2019), Harisanto & Widyasari (2023), and Surgawi & Solikhah (2018), compared the number of independent commissioners with the total number of commissioners in the company. Thus, this study also compares the number of independent commissioners with the total number of commissioners.

Similar studies

Based on a study conducted (Sudradjat et al., 2017) entitled Leverage Effects, Operational Cash Flows, Corporate Measures, and Fixed Asset Tendencies to Resolutions for Fixed-Asset Revaluation (Empirical Study of General Banks Listed on the Indonesian Stock Exchange (BEI) Period 2012–2016), the population used in this study was General Bankers Listed on the Indonesian Stock Exchange from 2012 to 2016. Leverage, cash flow from operational activity, corporate size, and asset intensity remain used as variables in this study. The study performs quantitative descriptive analysis using an associative approach. The findings show that, although cash flows from operational activities have no influence on the decision to reevaluate assets, leverage, the size of the company, and the intensity of assets remain influential.

A study written by Surgawi and Solikhah (2018) in 2018 titled Analysis of Financial and Non-Financial Factors to Revaluation of Fixed Assets The study involved 71 companies listed on the Indonesian Stock Exchange in 2014 in the fields of property, real estate, construction, infrastructure, utilities, and transportation. This study found that government ownership and management had a significant positive influence on the revaluation of fixed assets; however, liquidity, intensity, size, value of the company, and the independent board of commissioners did not affect the revaluation of Fixed Assets.

A study written by (Latifa & Haridhi, 2016) examines how negotiated debt agreements, political costs, fixed asset intensity, and market-to-book ratio affect companies that carry out fixed-asset revaluations. (Studi Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Tahun 2010-2014). Research population of manufacturing companies registered in the EIB from 2010 to 2014. Logistic regression analysis is used. In this study, the variables considered are debt contracts, political costs, fixed asset intensity, and market-to-book ratio. The results showed that debt contracts had a significant negative impact on the company's efforts to valuate fixed assets; political costs did not affect the company ' s efforts to rate fixed Assets; and the market-to-book ratio had a considerable positive effect on the firm's attempts to evaluate Fixed Asset.

In a study written by Nur Fauziah and Pramono (2020), they investigated the influence of leverage, liquidity, corporate size, and fixed-asset intensity on fixed asset valuation. The variables analyzed are leverage, liquidity, company size, and fixed asset intensity. The results showed that leverage, liquidity, corporate size, and asset intensity remained positive influences on the valuation of fixed assets.

Conceptual Framework

The Effect of Leverage on The Fixed Assets Revaluation

Companies with high leverage tend to revise their fixed assets (Jefriyanto, 2021). One way to avoid the cost of debt failure is by valuing fixed assets (Azouzi dan Jarboui, 2012). Businesses with high leverage will use a fixed asset revaluation method to boost their asset base, reduce their debt ratio, and increase their credibility in front of creditors. (Manihuruk & Farahmita, 2015). The company revalued its assets with the expectation that the leverage ratio would decrease due to an increase in the company's equity as a result of the revaluation. (Ramadhan, 2015).

The Effect of Liquidity on The Fixed Assets Revaluation

Companies with low liquidity indicate that they have financial problems. This can happen when Lancar's liabilities increase but its liquid assets do not (Brigham and Houston, 2014). When a business does not have sufficient liquidity to meet its obligations in the near future, creditors may be concerned because it may result in

delays in the payment of interest and loan items or even be unreimbursable. (Subramanyam dan Wild, 2014). Creditors consider liquidity as one of the contract components when granting loans (Hastuti, 2016). At the time of billing, the creditor will consider the company's ability to meet its obligations smoothly. In positive accounting theory, the debt contract cost hypothesis suggests that companies tend to use approaches that allow them to maximize the value of the company while reducing the contract cost. (Belkaoui, 2012:189).

The Effect of Fixed Assets Intensity on The Fixed Assets Revaluation

The intensity of fixed assets (Brigham and Houston, 2018) is defined as a comparison or ratio between fixed and total assets. Assets are used to run businesses and produce goods and services. According to Sartono (2016:248), a company with a high level of fixed asset intensity would choose to use the revaluation of the asset as a method of measuring and recognizing the fixed property to reflect the actual value of its asset. Conversely, companies with a low level of fixed asset intensity tend not to choose to use revaluation as a method of measuring and recognizing their assets.

The Effect of Firm Size on The Fixed Assets Revaluation

The amount of wealth a company owns is called the size of the company. According to Sudarmadji and Sularto (2007), total assets, sales, and market capitalization are three ways that can be used to measure the size of a company. As Seng and Su (2010) pointed out, the size of a company is an important component that should be considered when choosing a fixed asset revaluation method. The political cost is represented by the size of the company (Ramadhani, 2016). In positive accounting theory, the political cost hypothesis says that large corporations are likely to use accounting methods that can reduce their profits to avoid political costs. (Belkaoui, 2012). Because of the large corporations, the political cost burden is also increasing.

The Effect of Management Ownership on The Fixed Assets Revaluation

The ownership of corporate shares by the management involved in corporate decision-making is known as management ownership. Managers and shareholders have a strong relationship because they are not only managing the company but also shareholders. When managers have shares, their position will be equal to the stakeholder's. One component that can affect the company's performance is management ownership. As a result, managers will be more motivated to improve the performance of their own companies. A situation in which a manager holds shares in a company is called managerial ownership. This situation is seen in the financial statements, where managers have a lot of company shares. The financial statement records will include this information because it is very important for the users of the financial report (Nasir, 2013). In this case, managers will strive to maximize the interests of the company rather than their own.

The Effect of Independent Commissioner on The Fixed Assets Revaluation

For companies, an independent board of commissioners is crucial because it can prevent untransparent management actions. Because the independent board of commissioners is neutral to the decision of the manager, the interests of stakeholders, both majority and minority, are not ignored. The success of the company in achieving its goals and improving its financial performance depends heavily on the independent board of commissioners, which serves to reduce losses. In addition, they can help avoid external hazards, which generate greater profits, which in turn can improve financial performance.Hariati and Rihatiningtyas (2015) conducted previous research. It has been found that the number of independent commissioners has a positive influence on asset revaluation. This is because the composition of the board can influence management in drawing up financial statements so that they can make a good financial report, which encourages companies to choose to undertake asset revaluation.

Research Hypothesis

Based on the various theoretical frameworks described above, the hypotheses put forward in this study are:

1. Leverage has a positive influence on the fixed assets revaluation
2. Liquidity has a negative influence on the fixed assets revaluation
3. Fixed assets intensity has a positive influence on the fixed assets revaluation
4. Firm size has a positive influence on the fixed assets revaluation
5. Management ownership has a positif influence on the fixed assets revaluation
6. Independent commissioner has an influence on the fixed assets revaluation

METHODOLOGY

Research methods are used to make it easier for researchers to see and understand the object to be studied. Research methods used in this research use quantitative research methods. The researchers used primary data for all the research variables. In this study, the researchers used quantitative methods with a type of documentation method. The method of documentation itself is carried out by collecting data from financial reports and annual reports as a source of data. The research method used is the logistic regression method. The reason the researchers use this method is to measure how much personality influences (X1) Leverage, (X2) Liquidity, (x3) Fixed Asset Intensity, and (Y). The population available in this study is the banking sub-sector from 2019–2022, with a sample size of 132 samples.

Table 1. The Table Research Sample Selection

Description	Total
Banking companies listed on the Indonesian Stock Exchange in 2020-2022	46
Data related to the research variables is available in full. (overall data available at publication during 2020-2022)	(2)
Sampel Number	44
Number of observations over 3 years (2020-2022)	**132**

Source: Processed data, 2023

Based on the above table, it is known that the number of samples obtained in this study was 132. In data collection using secondary data with methods of documentation through financial reports and company annual reports obtained from the company's website, or IDX. Data analysis techniques used are descriptive statistics, logistic regression analysis, multicollinearity tests, determination coefficient tests, classification matrix tests, and hypothesis tests. All data obtained will be calculated using Microsoft Excel software and IBM SPSS Statistics 25.

RESULTS AND DISCUSSION

Descriptive statistics

Fixed assets revaluation

Based on the data collected by the researchers, some descriptive statistics on labor market consideration variables are described in the following table:

Table 2. Descriptive Statistics of Fixed Assets Revaluation

	N	Minimum	Maximum	Means	std. Deviation
Fixed Assets Revaluation	132	0	1	,36	,481
Valid N (listwise)	132				

Source: Data processed by researchers, 2023

Leverage

Based on the data collected by the researchers, some descriptive statistics on labor market consideration variables are described in the following table:

Table 3. Descriptive Statistics of Leverage

	N	Minimum	Maximum	Means	std. Deviation
Leverage	132	,062	16,079	4,39588	3,111570
Valid N (listwise)	132				

Source: Data processed by researchers, 2023

Liquidity

Based on the data collected by the researchers, some descriptive statistics on labor market consideration variables are described in the following table:

Table 4. Descriptive Statistics of Liquidity

	N	Minimum	Maximum	Means	std. Deviation
Liquidity	132	,009	13,068	1,70461	1,730731
Valid N (listwise)	132				

Source: Data processed by researchers, 2023

Fixed Assets Intensity

Based on the data collected by the researchers, some descriptive statistics on labor market consideration variables are described in the following table:

Table 5. Descriptive Statistics of Fixed Assets Intensity

	N	Minimum	Maximum	Means	std. Deviation
Fixed Assets Intensity	132	0,10%	11,88%	2,2829%	2,08761%
Valid N (listwise)	132				

Source: Data processed by researchers, 2023

Firm Size

Based on the data collected by the researchers, some descriptive statistics on labor market consideration variables are described in the following table:

Table 6. Descriptive Statistics of Firm Size

	N	Minimum	Maximum	Means	std. Deviation
Firm Size	132	23,148	35,228	31,22316	2,135153
Valid N (listwise)	132				

Source: Data processed by researchers, 2023

Management Ownership

Based on the data collected by the researchers, some descriptive statistics on labor market consideration variables are described in the following table:

Table 7. Descriptive Statistics of Management Ownership

	N	Minimum	Maximum	Means	std. Deviation
Management Ownership	132	0,000%	2,160%	0,04165%	0,197614%
Valid N (listwise)	132				

Source: Data processed by researchers, 2023

Independent Commissioner

Based on the data collected by the researchers, some descriptive statistics on labor market consideration variables are described in the following table:

Table 8. Descriptive Statistics of Independent Commissioner

	N	Minimum	Maximum	Means	std. Deviation
Independent Commissioner	132	25,00%	100,00%	58,0375%	10,21979%
Valid N (listwise)	132				

Source: Data processed by researchers, 2023

Multicolinearity Test

Table 9. Multicolinearity Test Results

Model	Tolerance	VIF
Lev	,728	1,373
Ldt	,855	1,170
IAT	,991	1,009
FIRMSIZE	,788	1,270
KM	,967	1,034
KI	,922	1,084

Source: Data processed by researchers, 2023

Based on the results in table 9 showing that the entire independent variable has a VIF value less than 10 and a tolerance value greater than 0.10, this indicates that the data used in this study does not present symptoms of multicolinearity in the results of this study.

Testing the validity of the regression model

Table 10. Testing the validity of the regression model Results

Step	Chi-square	df	Sig.
1	s10,712	8	,219

Source: Data processed by researchers, 2023

Based on the results from Table 10, it can be seen that from the validity criteria of the model tested, Hosmer and Lemeshow's Goodness of fit test has a Chi-square value of 10,712 and a significance value of 0.219. A value of significance greater than 0.05 causes the H0 hypothesis to be accepted. Then it can be stated that the results of this study are able to predict the value of the observation, or it can be said that the model is acceptable because it fits with the observational data.

Testing the Overall Regression Model

Table 11. Testing the Overall Regression Model Results

-2 Log Likelihood	**Nilai**
Block Number = 0	171,895
Block Number = 1	153,191

Source: Data processed by researchers, 2023

Determination Coefficient Test (Nagelkerke R Square)

Table 12. Testing Determinatio Coeffficient (Nagelkerke R Square) Results

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	153,191[a]	,132	,181

Source: Data processed by researchers, 2023

Based on Table 12 shows that Nagelkerke's R Square value is 0.181. The Nagelkerke R Square value shows that 18.1% revaluation of fixed assets in a pre-banked company is influenced by independent variables such as leverage, liquidity, fixed-asset intensity, company size, management ownership, and independent commissioners. The remaining 81.9% described variability of other variables outside the research model.

Classification Matrix

Table 13. Classification Matrix Results

	Observased		Tidak Melakukan Revaluasi Aset Tetap	Melakukan Revaluasi Aset Tetap	Percentage Correct
Step 1	Revaluasi Aset Tetap	Tidak Melakukan Revaluasi Aset Tetap	**72**	13	84,7
Valid N (listwise)		Melakukan Revaluasi Aset Tetap	27	**20**	42,6
	Overall percentage			69,7	

Source: Data processed by researchers, 2023

Furthermore, a classification matrix test was conducted to see how far a regression model could predict the probability of the occurrence of dependent variables in this study. Based on Table IV.7, it is known that the company that revalued fixed assets had 20 samples, and the results of the classification matrix test showed that the predictive strength of the regression model to predict the likelihood of revaluation of fixed Assets was 42.55% (20/47). Meanwhile, companies that did not revalue fixed assets were 72 samples. It shows the predictive strength of the sample model that did not revaluate fixed assets at 84.71% (72/85). The results in the table also show that the overall accuracy of classification was 69.7%.

Logistic regression analysis

Table 7. Descriptive Statistics of Management Ownership

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	Lev	-,004	,071	,004	1	,952	,996
	Ldt	-,056	,141	,161	1	,688	,945

		B	S.E.	Wald	df	Sig.	Exp(B)
	IAT	,198	,091	4,677	1	,031	1,219
	FIRMSIZE	,404	,121	11,140	1	,001	1,498
	KM	-,015	1,326	,000	1	,991	,985
	KI	,008	,021	,158	1	,691	1,008
Valid N (listwise)	Constant	-14,137	4,230	11,167	1	,001	,000

Source: Data processed by researchers, 2023

Based on the results of Table IV.8, then the logistical regression equation in this study is as follows:

$$\text{Ln}\frac{AR}{1-AR} = -14{,}137 - 0{,}04\ \text{Lev} - 0{,}56\ \text{Ldt} + 0{,}198\ \text{IAT} + 0{,}404\ \text{FIRMSIZE} - 0{,}015\ \text{KM} + 0{,}08\ \text{KI} + e$$

Hypothesis Test

The Effect Leverage on the fixed assets revaluation

Hypothesis 1 in this study is that leverage influences the revaluation of fixed assets. Leverage has a p-value significance value of 0.952 or greater than 0.05 (0.952 > 0.05), which means that the leverage has no influence on the revaluation of the fixed asset. This shows that the high level of leverage does not affect the company's ability to carry out the revaluation of fixed assets. Therefore, the first hypothesis in this study was rejected.

The Effect Liquidity on the fixed assets revaluation

The second hypothesis in this study is that liquidity affects the revaluation of fixed assets. Liquidity has a p-value significance value of 0.945 or greater than 0.05 (0.945 > 0.05). which means liquidity does not have an influence on the revaluation of Fixed Assets. This suggests that the low level of liquidity will not affect the company's ability to carry out the revaluation of fixed assets. Therefore, the second hypothesis in this study was rejected.

The Effect Fixed assets intensity on the fixed assets revaluation

Hypothesis 3 in this study is the intensity of the fixed asset influence on the revaluation of Fixed Assets. A fixed asset intensity has a p-value significance value of 0.031 or less than 0.05 (0.031 < 0.05), which means that the fixed property intensity affects the revaluation of a fixed Asset. Next, the beta value of the corporate size variable is 0.198, which shows a positive value. It can be concluded that the intensity of assets remains a positive influence on the revaluation of fixed assets. The greater the intensity of the company's fixed assets, the higher the likelihood that the company will undertake a revaluation of the assets. Therefore, the third hypothesis in this study is accepted.

The Effect Firm size on the fixed assets revaluation

The fourth hypothesis in this study is the measure of the company's influence on the revaluation of fixed assets. The size of the company has a p-value significance value of 0.001 or less than 0.05 (0.001 < 0.05), which means that the company size has an influence on the revaluation of fixed assets. Next, the beta value of the corporate size variable is 0.404, which shows a positive value. It can be concluded that the size of the corporation has a positive influence on the revaluation of fixed assets. The larger the company, the more likely it is to revise its fixed assets. Therefore, the fourth hypothesis in this study is accepted.

The Effect Management ownership on the fixed assets revaluation

The fifth hypothesis in this study is that management ownership influences the revaluation of fixed assets. Public ownership has a p-value significance value of 0.991 or greater than 0.05 (0.991 > 0.05), which means management ownership does not have any influence on the revaluation of fixed assets. This suggests that the low level of management ownership will not affect the company's ability to carry out the revaluation of fixed assets. Therefore, the fifth hypothesis in this study was rejected.

The Effect Independent commissioner on the fixed assets revaluation

The sixth hypothesis in this study is that the independent commissioner has an influence on the revaluation of fixed assets. The independent commissioner has a p-value significance value of 0.691 or greater than 0.05 (0.691 > 0.05), which means that the independent Commissioner has no influence on the revaluation of fixed assets. It suggests that the low level of the independent commissioner will not affect the company's ability to carry out the revaluation of fixed assets. Therefore, the sixth hypothesis in this study was rejected.

CONCLUSION

Conclusion

Based on the results of testing the hypothesis in this study, it can be concluded that:

1. There is no relationship between leverage and the revaluation of fixed assets. That means the larger the laverage, the less it affects the revaluation of fixed assets.
2. There is no relationship between liquidity and the revaluation of fixed assets. That means the larger the liquidity, the less it affects the revaluation of fixed assets.
3. There is a positive influence between the intensity of the fixed asset and the revaluation of the Fixed Asset. This means that the greater the intensity of the fixed asset, the more likely the company is to revise it, and vice versa.
4. There is a positive relationship between the firm size and the revaluation of fixed assets. That means the larger the company, the more likely it is to revise its fixed assets, and vice versa.
5. There is no relationship between management ownership and the revaluation of fixed assets. That means the larger the management ownership, the less it affects the revaluation of fixed assets.
6. There is no relationship between independent commissioner and the revaluation of fixed assets. That means the larger the independent commissioner, the less it affects the revaluation of fixed assets.

Limitation

This research, of course, has its limitations. Here are the limitations of this study: 1. The research is limited to the use of six variables: leverage, liquidity, fixed asset intensity, corporate size, management ownership, and independent commissioners. Based on the calculation of the determination coefficient, Nagelkerke R Square, there are still 81.9% of other factors that have not been studied as variables in this study. 2. Objects in this study focus only on the banking sub-sector. 3. The research is limited to a three-year period, namely the period 2020–2022.

Recommendation

Based on the research that has been done, then the researchers can give suggestions for future researchers to be better. Here's the advice the researchers can give: Further research suggests adding other variables to look at the influence of other variable on the revaluation of fixed assets, primarily on other non-financial factors and financial factors specific to banking such as the CAR (Capital Adequacy Ratio) if taking the sample of the banking sub-sector. Population sampling in this study took only the banking sector that is listed on the Indonesian Stock Exchange (BEI). Other researchers are advised to take other sectors to see how the results will be obtained from other areas. The period used in this study is only 3 years, namely 2020-2022. Further research is expected to add or update the observation period to obtain more accurate results. Further researchers can use other analytical tools in conducting data processing because researchers only use logistical regression.

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