ABSTRACT

The aim of the study was to bridge the gap of different conclusions between the effect of corporate governance on corporate value and new concept as the intervening variable. The Investment Effectiveness Committed to Human Capital Development (IEHCD) was developed by synthesizing Agency Theory and Resource Base Theory. The study used secondary data with the population of the companies listed on the Stock Exchange in 2013-2015. The research samples were 57 companies listed in the Stock Exchange in 2013-2015. The data were obtained by using the Annual Report of the period of 2013-2015. The analytical tool used in this research was *SmartPLS*. The research resulted in the conclusions: first, the variables of Institutional ownership and foreign ownership have positive and significant effect (α 0.05) on Corporate Value, and the variable of Management Ownership Proportion has positive insignificant regression coefficients. Second, IEHCD was capable of mediating the effect between the proportions of management ownership on company value. Third, IEHCD was capable of mediating the effect between the proportion of foreign ownership on corporate value. Fourth, IEHCD was capable of mediating the effect between the proportion of institutional ownership on corporate value.

Keywords: Corporate Governance, Investment Effectiveness Committed to Human Capital Development (IEHCD), Corporate Value.