

Factors Affecting Firm Value with Dividend Policy as a Moderating Variable in Manufacturing Companies Listed on the Indonesia Stock Exchange

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ABSTRACT

Firm value is the market value of a company's equity plus the market value of debt. The value of the company can describe the state of the company. Many factors affect the company's value, including investment decisions, company size, profitability, and institutional ownership.

This study is a quantitative study that aims to determine the effect of investment decisions, firm size, profitability, and institutional ownership on firm value. The research population is manufacturing companies listed on the Indonesia Stock Exchange. Determination of the sample using inclusive criteria means 26 companies x 10 years = 260 issuers. The data collection method uses a documentation study based on the company's financial statements, and data analysis uses a panel data regression program (Eviews). The results of research and data analysis using the Eviews program prove that investment decisions (Price to Earnings Ratio), Company Size (Ln total assets), Profitability (Return On Equity), and Institutional Ownership (INSWN) have a simultaneous effect on a firm value ($p = 0.000 < 0.05$). Investment decisions (Price to Earnings Ratio) partially affect the firm value ($p=0.018 < 0.05$). Total assets partially affect firm value ($p=0.013 > 0.05$). Profitability (Return On Equity) has a partial effect on firm value ($p = 0.000 < 0.05$). Institutional ownership partially affects firm value ($p=0.000 < 0.05$). Dividend policy is proven to moderate the effect of investment decisions (Price to Earnings Ratio), Firm Size (Ln total assets), Profitability (Return On Equity), and Institutional Ownership

(INSWN) on firm value ($p < 0.05$). This research suggests that the manufacturing companies listed on the Indonesia Stock Exchange pay more attention to aspects that affect the firm value so that the firm value can be further increased.

Keywords: Investment Decision (PER), Company Size, Profitability (ROE), Institutional Ownership (INSWN), Firm Value (PBV)

INTRODUCTION

A manufacturing company is a branch of industry that applies machinery, equipment, and labor and a process medium to convert raw materials into finished goods for sale. Manufacturing companies are currently experiencing an increase from the previous year. The United Nations Industrial Development Organization (UNIDO) places Indonesia in ninth place in the world as Manufacturing Value Added (MVA), which previously in 2013 was ranked tenth in the world. This ninth rank is level with Brazil and the UK, even higher than Russia, Australia, and other Association of Southeast Asian Nations (ASEAN) countries. The manufacturing sector contributed 22% to Gross Domestic Product (GDP) as of the third quarter of 2017 and is among the top four countries that contribute to Gross Domestic Product (GDP). The researcher chooses manufacturing companies as research objects because manufacturing companies sell their products

starting with an uninterrupted production process from purchasing raw materials and processing materials to becoming products ready to be sold. Where the company does this itself, so it requires a source of funds to be used on the company's fixed assets.

Airlangga said that during the 2013-2017 period, the number of medium-sized industrial business units experienced a significant increase until the third quarter of 2017, reaching 4,433 business units compared to 2014, as many as 1,288 business units. The food and beverage sector, chemical sector, pharmaceutical sector, botanical product sector, computer, optical and electronics industrial sector, and transportation sector experienced high increases. Still, many other industries did not experience a boost and even tended to decline. Therefore, the University of Indonesia Economics Faisal Basri urges the government to increase the growth of the manufacturing industry because this sector becomes new energy that can encourage economic growth and strengthen public spending. The manufacturing industry sector has become the backbone of national development (ekbis.sindonews.com).

Manufacturing companies are a solution to solving economic problems in Indonesia today. The development of the manufacturing industry will have a broad impact, ranging from trade, employment, and taxation to agriculture. Faisal Basri said that if Indonesia wants to increase tax revenue, its manufacturing industry must be adequately developed because manufacturing companies contribute 20% to taxes. Exports are also due to the manufacturing industry (bisnis.liputan6.com).

The company is an organization that combines and organizes various resources to produce goods and services for sale. The goal of a company is to maximize the firm value or wealth for shareholders. The understanding of maximizing company value is how the company's management can provide maximum value when the company enters the market (Fahmi, 2014).

According to Sartono (2020), maximizing shareholder prosperity can be achieved by maximizing the present value or present value of all shareholder profits expected to be obtained in the future.

Firm value is the market value of a company's equity plus the market value of debt. Thus, the addition of the company's total equity to the company's debt can reflect the firm value. The value of the company can describe the state of the company. With the excellent value of the company, the company will be viewed favorably by potential investors. Otherwise, shareholder value will increase with a high return on investment shareholders.

The market price of company shares formed between buyers and sellers at the transaction is called the company's market value. The stock market price is considered a reflection of the actual value of the company's assets. The firm value is formed through the stock market value indicator is strongly influenced by investment opportunities. The existence of investment opportunities can give a positive signal about the company's growth in the future to increase the value of the company (Mahendra, 2012).

Brigham and Houston (2016) explain that company value is significant because high company value is followed by high shareholder wealth. The higher the share price, the higher the company value. The firm value in this study is proxied using Tobin's Q. Companies with a higher Tobin's Q indicate that the company's growth prospects are getting better. If the value of Tobin's Q is less than 1, it means that investment in assets is not attractive (Herawaty, 2018). High stock prices make the value of the company also high. A high company value will make the market believe in the company's current performance and the company's prospects in the future (Sinar, 2014).

Table 1. Sectoral Price Index Movement Data for Various Company Sectors on the IDX during 2013-2017

Sector	Firm Value					
	2013	2014	2015	2016	2017	Average
Agriculture (JKGRI)	2,139,96	2,351,04	1,719,26	1,864,25	1,616,31	1,974,16
Mining (JKMING)	1,429,30	1,369	811,06	1,384,71	1,410,17	1,280,84
Basic Industry (JKBIND)	480,74	543,67	407,84	538,19	689,22	531,93
Miscellaneous Industry	1,205,01	1,307,07	1,057,28	1,370,63	1,381,18	1,251,63
Consumer Goods (JKCONS)	1,782,09	2,177,92	2,064,91	2,324,28	2,861,39	2,242,11
Property, Real Estate and Building Construction (JKPROP)	337,00	524,91	490,93	517,81	495,51	473,23
Infrastructure (IKINFA)	930,40	1,160,28	981,330	1,055,59	1,183,71	1,062,26
Finance (JKFINA)	540,21	731,64	687,04	811,89	1,140,84	782,32
Trade and Service (JKTRAD)	776,79	878,63	849,53	860,65	921,59	857,43

Source: www.idx.co.id

Table 1. shows that the average company value fluctuates from year to year. The occurrence of fluctuations in the value of manufacturing companies listed on the Indonesia Stock Exchange for the 2011-2017 period has become a research phenomenon. This study will use the Consumer Goods manufacturing sector (consumer goods industry) due to fluctuations in closing stock prices which do not increase simultaneously with the trend of fixing or decreasing the annual JCI. This phenomenon is why researchers took the years 2011-2017.

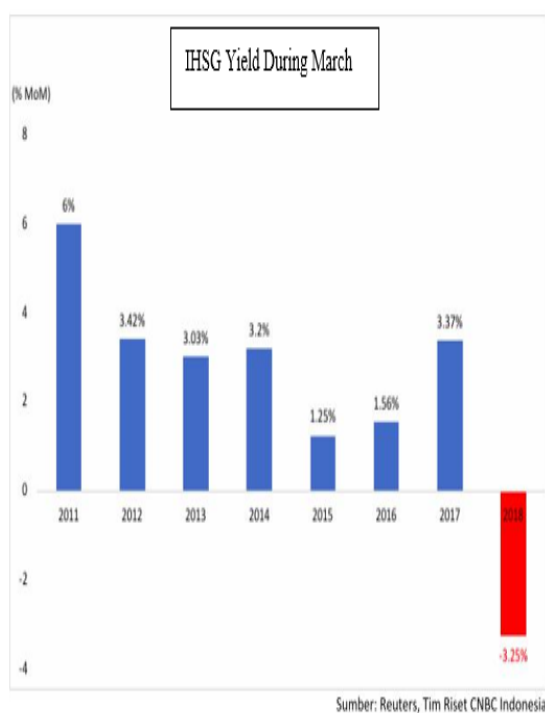


Figure 1. JCI Fluctuations in 2011-2017

Based on the picture above, all compact sectors weakened, led by the mining sector, which fell 8.06% compared to the position at the end of February. In the second position, the consumer goods sector weakened by 6.85%. Two main factors caused the weakening of the consumer goods sector—first, the decline in retail sales. A retail sales survey released by Bank Indonesia (BI) showed that sales of retail goods in January fell by 1.8%. Whereas in 2017, growth reached 6.3%. The second factor is the weakening of the Consumer Confidence Index (IKK) caused by a decline in its two components, namely, the current economic index fell to 112.2 from the previous 114.8. In contrast, the Economic Condition Expectation Index (IKK) fell to 132.8 from the last 137.4 (CNBC.indonesia.news).

A company is said to have good value if the company's performance is also good. Company management performance can be detailed into 3 (three) forms of company policy, namely investment decisions and firm size dividend policy. Combining the three financial approaches will optimally increase the value of wealth for shareholders (Sinar, 2014). Several factors influence firm value: investment decisions, size, profitability, and institutional ownership.

The theory that underlies investment decisions is Signaling Theory. This theory states that investment spending gives a positive signal to the company's growth in the future, thereby increasing stock prices as an indicator of firm value (Tjandakirana and Monika, 2014). This theory shows that investment spending by the company gives a signal, especially to investors and creditors who state that the company will grow in the future.

In allocating funds, investment decisions are related to the company's decisions. Both funds originate from inside and outside the company and the use of funds for a company's short and long term. The decision to allocate funds can be seen from the source of funding, whether internal in

the form of retained earnings or externally in debt or the issuance of new shares. Managers making investment decisions must be done with careful consideration because wrong investment decisions will have a negative impact on the company's performance in the future. If the company's investment is good, it will affect its performance, and the investor will give a positive signal by providing confidence to invest in the company. It will be reflected in the increase in stock prices, where an increasing stock price means that the value of the company in the eyes of the public or investors also increases (Sinar, 2014). The indicator used in this study is the Price Earning Ratio (PER) by comparing stock prices to Earning Per Share (EPS).

Research by Manalu (2016), Wahyuni et al. (2013), and Prapaska & Mutmainah (2012) states that investment decisions have a positive and significant effect on firm value. The firm size also determines the substantial value. According to Sujarweni (2015), the larger the size of a company, the greater the tendency to use capital. It is because large companies require significant funds to support their operations. The firm size is considered capable of influencing the firm value because the more influential the firm size or the scale of the company, the easier it will be for companies to obtain sources of funding, both internal and external (Wirajaya, 2013). Large companies tend to provide more extraordinary operating results to provide a more profitable return on investment than small companies (Wahyuni et al., 2013).

Siahaan (2013) states that company size can be expressed by total assets, log size, sales, and market capitalization. Firnanti (2011) says that the firm size affects the number of funds the company will need if the company requires additional funds from external parties. So that the firm size can be seen from the company's total assets, the greater the assets owned, the greater the firm size. On the other hand, the smaller the

company's total assets, the smaller the firm size.

Large companies are the same as having a lower risk than small companies. Large companies have better control over market conditions to face economic competition (Siahaan, 2013). Companies with significant assets prefer internal funding sources over external funding sources. When internal funding sources are used more than external funding sources, the company's opportunity to use debt gets lower. Based on this explanation, the Company Size can be calculated using the Natural Log of Total Assets.

The research of Wahyuni et al., 2013, Wihardjo (2014), Siahaan (2013), and Manalu (2016) revealed that firm size has a positive and significant effect on firm value. Meanwhile, in Dewi and Wirajaya's (2013) research, firm size has no significant impact on firm value.

Profitability is the company's ability to earn profits concerning sales, total assets to own capital. This ratio provides a measure of the effectiveness of a company's management. It is indicated by the profit generated from sales and investment income (Shalini et al., 2022). In this study, Return On Equity (ROE) provides profitability. Return On Equity (ROE) is a ratio that shows how much the company can generate net income for the return of equity to shareholders (Dewi and Wirajaya, 2013). According to Mahendra (2012), a potential investor needs to look at the Return On Equity (ROE) of a company before deciding to invest in finding out how much will be generated from the investment he makes. Because the higher the level of profit earned, the company's ability to pay dividends will also be higher, and the company's stock price will increase. According to Manalu (2016), the higher the level of profitability of a company, the higher the company's capital structure that can be used to fund the company's investment activities. High profitability shows good company prospects, investors will respond positively

to these signals, and the company value will increase.

In the research of Wahyuni et al. (2013), Hermuningsih (2012), Mahendra (2012), Prapaska & Mutmainah (2012), Tjandrakirana and Monika (2014), Dewi and Wirajaya (2013) and Manalu (2016) profitability as measured using Return On Equity (ROE)) has a positive and significant effect on firm value.

Institutional ownership has an essential role in monitoring managers in managing the company. The higher the percentage of share ownership by the institution, the more efficient the monitoring function of management in the utilization of company assets and preventing waste by the administration. With this, agency problems between shareholders and managers can be minimized. Investor assessment will be better for companies whose shares are owned by institutional investors and will ultimately increase the firm value.

Institutional ownership is share ownership by the government, legal entities, financial institutions, and other institutions. A considerable level of institutional ownership can affect the value of the company. Institutional ownership by institutions is one of the vital management monitoring in protecting the stock investment they bet in the company. The higher the institutional ownership, the stronger the external control over the company. The greater the level of share ownership by the institution, the higher the supervision of management performance. This high supervision will minimize the level of fraud that can be carried out by the company's management and reduce the company's value (Sinar, 2014). In this study, institutional ownership is measured by comparing the number of institutional shares to outstanding shares.

In Manalu's research (2016), it is revealed that institutional ownership has a positive and significant effect on firm value. It contrasts with Shalini et al.'s (2020) research, which showed that institutional

ownership negatively affects firm value. Meanwhile, a study by Wahyuni et al. (2013) and Javed (2017) reveals that institutional ownership has no significant effect on firm value.

Dividends are the proportion of profits distributed to shareholders proportional to the number of shares they own. The number of dividends can affect stock prices. If the dividend paid is high, then the share price tends to be increased so that the value of the company is also increased, and if the dividend is paid to small shareholders, the share price of the company that distributes it is also low. The ability of a company to pay dividends is closely related to the company's ability to earn profits. If the company gains high profits, then the company's ability to pay dividends is also high. A large dividend will increase the firm value (Hartijo and Martono, 2005; Mahendra, 2012).

Deciding on a dividend policy by distributing net income in dividends to shareholders is expected to increase the firm value. But the problem is that if the company distributes profits to shareholders in the form of dividends, the retained earnings will decrease. Where the company prepares retained earnings to reinvest, so to overcome this, the company must issue new shares to fund its activities (Sinar, 2014). Dividend signaling theory states that the higher the Dividend Payout Ratio (DPR) of a company, the lower the firm value (Wijaya and Wibawa, 2016). Even though investors view dividends as a sign that the company's performance is in good condition and there are excess funds, investors prefer to give dividends to the company so that these funds can be processed to produce a better rate of return if they remain in the company.

Dividend policy can be measured using the Dividend Payout Ratio (DPR) by determining the amount of profit divided into cash dividends and retained earnings as a funding source. This ratio shows the percentage of company profits paid to

company shareholders in cash dividends. If the company's profits are held in large quantities, the profits to be paid as dividends will be smaller. Thus, an essential aspect of dividend policy is determining the appropriate profit allocation between the payment of profit as dividends and the company's retained earnings (Sinar, 2014). Based on the above background, this research is entitled "Factors Affecting Firm Value with Dividend Policy as Moderating Variable in Manufacturing Companies Listed on the Indonesia Stock Exchange."

Framework

Following the description of the background of the problem, literature review, and previous research, a conceptual research framework is prepared as follows:

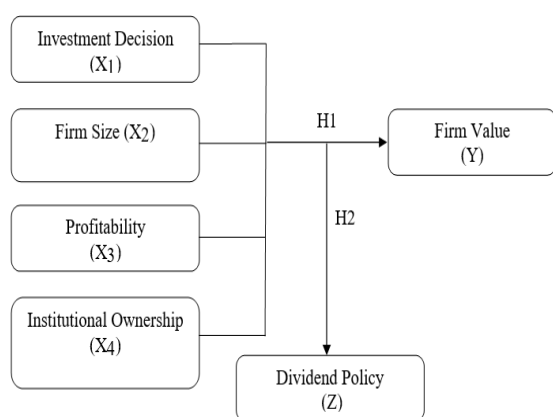


Figure 2. Conceptual Framework

H1: Investment decisions positively affect firm value in manufacturing companies listed on the Indonesia Stock Exchange.

H2: Firm size has a negative effect on firm value in manufacturing companies listed on the Indonesia Stock Exchange.

H3: Profitability positively affects firm value in manufacturing companies listed on the Indonesia Stock Exchange.

H4: Institutional ownership positively affects firm value in manufacturing companies listed on the Indonesia Stock Exchange.

H5: Dividend policy can moderate the effect of investment decisions, firm size, profitability, and institutional ownership on

the value of manufacturing companies listed on the Indonesia Stock Exchange.

RESEARCH METHODS

This type of research is causal associative research to determine the effect of Investment Decision, Firm Size, Profitability, and Institutional Ownership as independent variables on Firm Value as the dependent variable with Dividend Policy as the moderating variable. The causal associative study aims to analyze the relationship between one variable and another to know how one variable affects other variables (Erlina, 2011). This study's data analysis techniques are descriptive statistics, panel data regression analysis, and interaction tests for moderating variables. The research data was processed using the Eviews program.

The population for this study amounted to 26 companies. To determine the sample size using the sampling method, namely saturated sampling, where all members of the people are used as samples.

RESULT AND DISCUSSION

Descriptive Analysis

Descriptive analysis of Investment Decisions (PER), Company Size (Ln total Assets), Profitability (ROE), Institutional Ownership (INSWN), and firm value shows the following results:

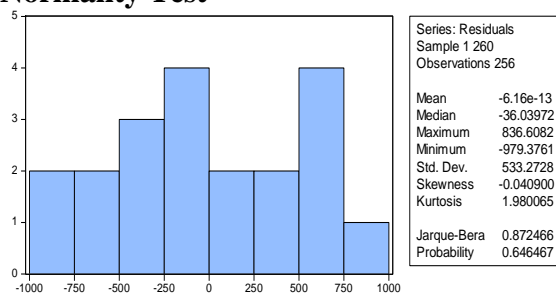
Table 2. Description of Research Statistics
Source: Processed by E-Views 10

Descriptive Statistics					
	N	Min	Max	Mean	Std. Dev
X1	260	.43	3.44	1.3666	.90504
X2	260	10.68	30.84	26.7798	2.54490
X3	260	.54	2.62	.9791	.42050
X4	260	.63	3.70	1.0570	.52478
Z	260	.02	2.86	.5995	.63770
Y	260	1.29	9.72	6.7051	2.00954
Valid N (listwise)	260				

Based on the table above, it can be concluded that the mean value of Investment Decision (X1), Firm Size (X2), Profitability (X3), Institutional Ownership (X4), and Firm Value (Y) is greater than the

standard deviation. It means that overall, the 26 consumer goods companies listed on the IDX for the period 2011-2020 have Investment Decisions (X1), Firm Size (X2), Profitability (X3), Institutional Ownership (X4), and Firm Value (Y) the good one. While the mean value of the Dividend Policy (Z) is smaller than the standard deviation, overall, the 26 manufacturing companies listed on the Indonesia Stock Exchange for the period 2011-2020 have an unfavorable Dividend Policy (Y) value.

Normality Test



Source: Processed by E-Views 10
Figure 3. Normality Test with Jarque-Bera Test

Based on Figure 5.1, it is known that the probability value of the J-B statistic is 0,64 with a significance level of $n = 0.05$, so the probability value is $0,64 > 0.05$. It means that the assumption of normality is met.

Multicollinearity Test

In this study, the symptoms of multicollinearity can be seen from the VIF value. Ghozali (2013) states that if the VIF value is > 10 , this indicates multicollinearity. The results of the multicollinearity test are presented in Table 3.

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	900053.6	49.97320	NA
X1	10905.68	13.97314	1.421030
X2	0.016566	58.31705	1.984770
X3	33870.02	15.88293	1.349311
X4	6134.939	35.64923	1.722653

Source: Processed by E-Views 10

Based on Table 3, the results of the multicollinearity test, it can be concluded that there are no symptoms of multicollinearity between the independent

variables. The VIF value is < 10 (Ghozali, 2013).

Linearity Test

The linearity test using the Eviews program with the Ramsey Reset Test shows the following results:

Table 4. Ramsey Reset Test Linearity Test Results

	Value	Df	Probability
t-statistic	0.806690	256	0.4333
F-statistic	0.650749	(4, 256)	0.4333
Likelihood ratio	0.908682	1	0.3405

Source: Processed by E-Views 10

The table above shows that the probability value of F-statistic = 0.433 is more significant than 0.05, so it can be concluded that the independent variable has a linear relationship with the dependent variable (firm value).

Selection of Regression Model

Three techniques are offered to estimate model parameters using panel data: the Common Effect Model, the Fixed Effect Model, and the Random Effect Model. Then three tests will be carried out to select the panel data estimation technique, namely the Chow test, Hausman test, and the Lagrange multiplier test.

Determination of the Estimated Model between the Common Effect Model (CEM) and Fixed Effect Model (FEM) with the Chow Test

The Chow test is used to determine whether the estimation model is CEM or FEM in forming a regression model. The hypothesis being tested is as follows.

H0: The CEM model is better than the FEM model.

H1: FEM model is better than the CEM model

Here are the results based on the Chow test using EViews 10.

Table 5. Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.761834	(25,230)	0.0000
Cross-section Chi-square	68.254574	25	0.0000

Source: Processed by E-Views 10

The decision-making rules for the hypothesis are as follows:

1. If the value of the Chi-square cross-section probability < 0.05 , then H_0 is rejected and H_1 accepted.
2. If the Chi-square cross-section probability value is > 0.05 , H_0 is accepted, and H_1 is rejected.

Based on the results of the Chow test in Table 5, it is known that the probability value is 0.0458. Because the probability value is $0.000 < 0.05$, the estimation model used is the fixed effect model (FEM).

Determination of the Estimated Model between the Common Effect Model (CEM) and the Random Effect Model (REM) with the Hausman Test

The Hausman test is used to determine whether the estimation model is CEM or REM in forming a regression model. The following are the results based on the Hausman test using EViews 10.

Table 6. Hausman Test Results

Test Summary	Chi-Sq. Stat	Chi-Sq. d.f.	Prob.
Cross-section random	16.902764	4	0.0020

Source: Processed by E-Views 10

Based on the results of the Hausman test in Table 6, it is known that the probability value is 0.000. Because the probability value is $0.000 < 0.05$, the estimation model used is the fixed effect model (FEM).

They were considering that the Chow test and Hausman test have determined that the best model is the Fixed Effect Model (FEM) and because the chi-square probability value in the Hausman test is $0.000 < 0.05$, the Lagrange Multiplier (LM) test is not continued.

Hypothesis Test

Based on the results of the Chow test and Hausman test, the results of the research used to test the panel data regression hypothesis in this study are the results of the Fixed Effect Model (FEM) Test as follows:

Table 7. Fixed Effect Model (FEM) Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.660495	0.867470	1.914181	0.0568
X1	0.083074	0.062083	2.338101	0.0182
X2	0.057595	0.038057	2.513389	0.0136
X3	0.803573	0.067545	11.89681	0.0000
X4	1.449819	0.177815	8.153518	0.0000

Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.693196	Mean dependent var	2.278692	
Adjusted R-squared	0.654512	S.D. dependent var	2.203025	
S.E. of regression	1.294900	Akaike info criterion	3.462911	
Sum squared resid	385.6561	Schwarz criterion	3.873759	
Log likelihood	-420.1784	Hannan-Quinn criter.	3.628077	
F-statistic	17.91942	Durbin-Watson stat	1.674418	
Prob(F-statistic)	0.000000			

Source: Processed by E-Views 10

Simultaneous Test (Statistical Test F)

The F Statistical test was conducted to test whether investment decision, firm size, profitability, and institutional ownership simultaneously (together) affect firm value. Based on Table 7, it is known the value of Prob. (F-statistics), which is $0.000000 < 0.05$. It can be concluded that all independent variables, namely investment decision, firm size, profitability, and institutional ownership, simultaneously have a significant effect on the firm value.

Partial Test (Test Statistical t)

The t-statistical test shows how far one independent variable individually or partially can explain the variation of the dependent variable.

Based on Table 7, the following multiple linear regression equation was obtained:

$$Y = 1.660 + 0.083X_1 + 0.057X_2 + 0.803X_3 + 1.449X_4 + e$$

1. It is known that the regression coefficient value of the investment decision structure variable is 0.083, which is positive, and the prob value is $0.018 > 0.05$. It means that investment

decision has a positive effect and significantly on firm value.

2. It is known that the regression coefficient value of the firm size variable is 0.057, which is positive, and the prob value is $0.013 > 0.05$. It means that firm size has a positive effect and significantly on firm value.
3. It is known that the regression coefficient value of the profitability variable is 0.803, which is positive, and the prob value is $0.000 > 0.05$. It means that profitability has a positive effect and significantly on firm value.
4. It is known that the regression coefficient value of the institutional ownership variable is 1.449, which is positive, and the prob value is $0.000 > 0.05$. It means that institutional ownership has a positive effect and significantly on firm value.

Moderating Variable Test

Testing the moderating variable in this study used an interaction test or Moderated Regression Analysis (MRA). This study examines whether dividend policy is significant in moderating or strengthening, or weakening the influence of investment decisions, firm size, profitability, and institutional ownership on firm value. The results of the moderation test are presented in the table below.

Table 8. Moderating Variable Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.254527	0.201593	11.18357	0.0000
X1Z	0.000790	0.017340	0.045535	0.9637
X2Z	-0.021751	0.004075	-5.337078	0.0000
X3Z	0.182840	0.023932	7.640112	0.0000
X4Z	0.308173	0.067372	4.574205	0.0000
Effects Specification				

Source: Processed by E-Views 10

Table 8 above shows that the X2Z variable has a negative coefficient value and < 0.05 . It meets the requirements of the Moderated Regression Analysis (MRA) test, namely, the moderator variable has a negative

coefficient value and is smaller than 0.05. So it can be concluded that dividend policy is proven to be able to moderate the effect of investment decisions (PER), firm size (Ln total assets), profitability (ROE) and institutional ownership (INSWN) on firm value.

CONCLUSION

Based on the results of the description above, it can be concluded as follows:

1. Investment decisions (PER), Firm Size (Ln total assets), Profitability (ROE), and Institutional Ownership (INSWN) have a simultaneous effect on firm value.
2. Investment decisions (PER) partially affect firm value.
3. Firm size (Ln total assets) partially affects firm value.
4. Profitability (ROE) has a partial effect on firm value.
5. Institutional ownership (INSWN) partially affects firm value.
6. Dividend policy is proven to moderate the effect of investment decisions (PER), firm size (Ln total assets), profitability (ROE), and ownership (INSWN) on firm value.

SUGGESTION

1. It is recommended that the manufacturing companies listed on the Indonesia Stock Exchange pay more attention to aspects that affect the firm value so that the firm value can be further increased.
2. Investors are advised to obtain more extensive information about the fundamental and technical factors affecting the firm's value so that investment decisions can provide better results.
3. To further research, it is recommended to conduct similar research by adding other variables so that the research results are obtained, which are used as a reference for comparison with previous research.

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