*Asian Journal of Economics, Business and Accounting*

*21(9): 10-21, 2021; Article no.AJEBA.70007*
*ISSN: 2456-639X*

# The effect of Leverage and Profitability on Corporate Value with Dividend Policy as Moderating Variables (Manufacturing Companies in the Consumer Goods Industry which were Listed on the Indonesia Stock Exchange (Idx) for the Period 2016 – 2018)

**Sely Megawati Wahyudi[1*]**

*[1]Universitas Mercu Buana, Jakarta, Indonesia.*

***Author's contribution***

*The sole author designed, analyzed, interpreted and prepared the manuscript.*

***Article Information***

DOI: 10.9734/AJEBA/2021/v21i930418
Editor(s):
(1) Prof. Chun-Chien Kuo, National Taipei University of Business, Taiwan.
Reviewers:
(1) Siti Nurlaela, University Islam Batik Surakarta, Indonesia.
(2) Kuswanto, Jambi University, Indonesia.
Complete Peer review History: http://www.sdiarticle4.com/review-history/70007

***Original Research Article***

***Received 12 April 2021***
***Accepted 19 June 2021***
***Published 08 July 2021***

## ABSTRACT

This study aims to examine and examine the effect of Leverage dan Profitability on Firm Value with dividend policy as moderating variables. The data used in this study are secondary in the form of financial statements of each sample company reported to the IDX from 2016-2018, sourced from the Indonesia Stock Exchange (IDX) website, namely www.IDX.co.id

The sample used in this study were 13 companies from 43 manufacturing companies in the consumer goods industry which were listed on the Indonesia Stock Exchange (IDX) for the period 2016 - 2018. The sample was performed using a purposive sampling method. The data analysis used in this research is multiple regression analysis.

This study produces Leverage that has no significant effect on firm value, while profitability has a significant effect on firm value. Dividend policy can moderate the effect of profitability on firm value and dividend policy can moderate the effect of leverage on firm value.

**Corresponding author: E-mail: sely.megawati@mercubuana.ac.id.;*

*Keywords: Leverage; profitability; dividend policy; corporate value.*

## 1. INTRODUCTION

### 1.1 Research Background

Business competition in various sectors requires companies to further stimulate and develop the company to achieve the desired goals. High corporate value is the desire of company owners, because the higher the value of the company, the higher the share price will also increase the prosperity of shareholders. The firm's value reflects the price that investors would buy if the company was sold.

In the business world, a manager is certainly forced to be creative to improve his performance by taking advantage of every opportunity that exists. The relationship between the company's performance will certainly create a good corporate value in the eyes of investors and the public because company value is an objective measure of value used by the public for the survival of a company. Company value or what is also known as the company's market value is defined as the company's performance as reflected by the stock price that reflects the public's assessment of the company's performance.

High company value is the desire of shareholders and company owners because high company value reflects the prosperity of shareholders and owners of the company. Firm value can also be used as an approach to valuing the shares to be invested. If the value of the shares is high, it can be said that the value of the company is also good, because it is based on the objective of the company, namely to increase the value of the company by increasing the prosperity of the shareholders or owners.

Several factors can be used by potential investors as a measure of whether or not the company's ability to improve. Company value [1]. The phenomenon in this research is that Jakarta [2] The financial performance is not good PT. Indofood Sukses Makmur Tbk (INDF) in the first semester of 2018. INDF's net profit was recorded to have decreased by 12.7 percent to IDR 1.96 trillion compared to the same period in the previous year of IDR 2.24 trillion. The decline in net profit was also in line with the decline in net profit margins by 5.4 percent from 6.3 percent in the first semester of 2017. Then, the company's core profit also decreased by 11.1 percent to Rp 1.98 trillion compared to the first semester of 2017 which reached Rp 2.23 trillion. Despite experiencing unsatisfactory performance in the first semester of 2018, INDF President Director and CEO Anthony Salim claim sales are still running positively.

This is reflected in the consolidated net sales which rose one percent to Rp 36 trillion compared to the same period the previous year Rp 35.65 trillion. Meanwhile, the company's operating profit grew 2.1 percent from Rp 4.45 trillion to Rp 4.54 trillion. "We are pleased that Indofood continues to record positive sales growth, although in the first half of 2018 the Agribusiness Group's performance was less than encouraging," Salim explained in a written statement yesterday. Optimistic until the end of the year. Furthermore, Salim said, in the second quarter of 2018, the growth of the Fast Moving Consumer Goods (FMCG) industry led to an improvement in the impact of sales during the holiday period. "So that this can support the performance of the CBP Group. We also look positively at the development of the situation that occurs until the end of the year, while remaining alert to the volatility of commodity prices and foreign currency exchange rates," said Salim. [2].

Based on the above phenomenon, there is an overvaluation of the market on family ownership of the company, resulting in an overvaluation to firm value. The negative sentiment towards family ownership is also caused by company policies that have decreased investor confidence. Research from which results in leverage has a significant negative effect on firm value [3]. Another study is which shows that company size has a significant effect on company value [4]. Another study resulted in profitability having a significant effect on firm value [5]. Variable Profitability (Return On Assets) is stated to have a significant positive effect on firm value in research [6,7,8,9] but contradicts the results. research [10] and [11] which states that profitability (Return on Assets) has a significant negative effect on firm value.

Another result of the research shows that leverage which is moderated by dividend policy has no significant effect on firm value and profitability which is moderated by dividend

policy has a significant effect on firm value [12]. This study replicates previous studies, however, development is carried out by expanding observations and developing proxies for the research variables. The research variable development is carried out with Leverage and Profitability as independent variables. Meanwhile, the dependent variable is firm value and dividend policy variable as moderating variable.

**Formulation of the problem**

Based on the background that has been described, the problem formulations in this study are:

1. Does Leverage Affect Firm Value?
2. Does Profitability Affect Firm Value?
3. Does the dividend policy weaken the effect of leverage on firm value?
4. Does the Dividend Policy weaken the effect of profitability on firm value?

**Research purposes**

1. Does Leverage Affect Firm Value?
2. Does Profitability Affect Firm Value?
3. Does the dividend policy weaken the effect of leverage on firm value?
4. Does the Dividend Policy weaken the effect of profitability on firm value?

## 2. LITERATURE REVIEW, FRAMEWORK, AND HYPOTHESES

### 2.1 Agency Theory, Leverage, Profitability, Firm Value, Dividend Policy

#### 2.1.1 Agency theory

According to this theory refers to the fulfillment of the main objective of financial management, namely maximizing shareholder wealth. Shareholders as owners of the company are called principal [13]. The principal's wealth maximization will be left to parties who are considered professional to manage the company. These professionals in the company are referred to as management, which in agency theory is referred to as agents. Agency theory shows that incomplete and uncertain information conditions will lead to agency problems, namely adverse selection, and moral hazard. Adverse selection is a condition that shows the position of the principal does not get accurate information about the performance of management which has determined the payment of salaries for the agent (management) or other compensation programs.

Agency theory is grouped into two, namely positive agent research and principal-agent research. Positive agent research focuses on identifying situations where the agent and principal have conflicting goals and the control mechanisms that are limited to maintaining self-serving agent behavior. Exclusively, this group only pays attention to the conflict of objectives between the owner (stockholder) and the manager. On the other hand, principal-agent research focuses on the optimal contract between behavior and its outcome, emphasis on the principal and agent relationship. An agency conflict between managers and shareholders will result. agency fees. Therefore, it is necessary to have a party that can carry out the process of supervision or monitoring of the activities carried out by these parties.

#### 2.1.2 Leverage

One of the important factors in the funding element is debt (leverage). Leverage ratio is a ratio used to measure the extent to which the company's assets are financed with debt. This means how much debt the company bears compared to its assets. Solvency (leverage) is described to see the extent to which the company's assets are financed by debt compared to its capital [14]. Leverage provides an overview of the capital structure of the company so that it can be seen the risk of uncollectible debt [15]. So leverage can be understood as an estimator of the risk inherent in a company. This means that the greater the leverage, the greater the investment risk.

Companies with a low leverage ratio have a smaller leverage risk. The high leverage ratio shows that the company is not solvable, meaning that its total debt is greater than its total assets. In this study, the leverage ratio which becomes the independent variable is DER. Debt to equity ratio (DER) is the ratio between the amount of long-term debt and equity or equity in company funding. This ratio shows the company's ability to fulfill all of its obligations with its capital. The higher the ratio value means that the equity itself is less than the debt.

The DER ratio illustrates how much equity is financed by debt, the greater the DER ratio

means that less equity is used compared to debt. If the DER is getting bigger, it can be said that the condition of the company is getting worse. The DER industry standard is 90% (0.90). If a large company has a DER below 90% (0.90), then the company is declared to be in good condition.

### 2.1.3 Profitability

Profitability is a factor that should receive important attention because, to continue its life, a company must be in a favorable condition. Without profit, it will be difficult for companies to attract outside capital. Analysis of profitability is very important for creditors and equity investors. For creditors, profit is a source of payment of interest and principal on loans. Meanwhile, for equity investors, profit is one of the determining factors for changes in the value of securities.

In addition, the level of profitability can show how well the management of the company is managed, for that we need a tool to be able to assess it. A profitability ratio is the company's ability to earn profits with sales, total assets, and own capital [15]. In this study, the profitability ratio measured by Return on equity (ROE) is a ratio that shows how much the company's ability to generate net income for a return on equity to shareholders. The higher this ratio, the better it is for company shareholders [11].

If the profitability of a company is high, it shows that the company is working efficiently and effectively in managing the company's wealth in obtaining profit every period. Investors who invest shares in a company certainly have a goal of getting a return, where the higher the company's ability to generate profits, the greater the return that investors expect, resulting in increased company value [7].

### 2.1.4 The value of the company

The right financial decisions can maximize the value of the company to increase the prosperity of the company owner. A high company value will make the market believe not only in the company's current performance but also in the company's future prospects. Firm value is the value provided by the stock market to company management. Firm value is commonly indicated by price to book value. A high price to book value (PBV) will make the market trust the company's prospects [11].

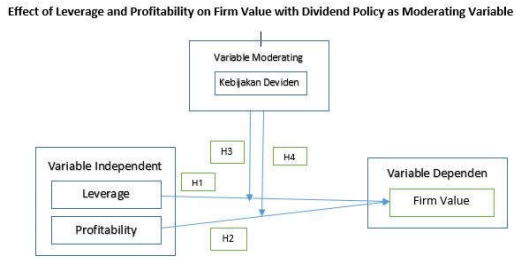
Go public companies allow the public and management to know the value of the company, the value of the company is reflected in the bargaining power of shares, if the company is thought to be a company that has good prospects in the future, the value of the shares will be even higher. Conversely, if the company is deemed to lack prospects, the share price will be weak. The higher the stock price, the higher the company value [6].

Firm value shows how the company's decisions affect shareholders. Firm decisions are made by company managers themselves, not shareholders, and maximizing shareholder welfare is different from maximizing managerial satisfaction, so a key aspect of the approach to determining corporate strategy is to ensure managers focus on maximizing shareholder welfare. The company's goal is to maximize shareholder value over time. Maximizing company value is very important for the company because maximizing company value also means maximizing the prosperity of shareholders which is an important thing that must be achieved by company management [9].

### 2.1.5 Dividend Policy

According to Dividend policy is defined as the payment of company profits to its shareholders [17]. Dividend policy is a financial decision, that is, by considering whether dividend payments will increase the prosperity of shareholders.

## 2.2 Framework




## 3. RESEARCH METHODS

## 3.1 Types of Research

This research is causal research, namely research that aims to test the hypothesis about the influence of one or more variables on other variables. Researchers use this research design to provide empirical evidence about leverage and profitability as independent variables, firm value as the dependent variable, and dividend policy as a moderating variable.

## 3.2 Operational Definition of Research Variables

**Leverage** is depicted to see the extent to which the company's assets are financed by debt compared to its capital. Leverage in this study is measured using the Debt Equity Ratio. Debt Equity Ratio is used to determine how much a company uses debt as a source of funding. The lower the debt ratio, the better the company. Because it means that a small portion of the company's assets is financed with debt. Vice versa, the greater this ratio means the greater the company's leverage [14].

Debt Equity Ratio can be measured by the following formula:

$$\text{DER} = \frac{\text{Total Kewajiban}}{\text{Total Ekuitas}}$$

**Profitability** is the ability of a company to generate profits for a certain period. Profitability is also an indicator of a management's performance in managing the wealth of a company in the form of profits. This profitability variable is measured by looking at the ability of the company's invested capital in the total number of assets to generate Return On Assets [8].

**ROA** shows the company's ability to use all its assets to generate profit after tax. This ratio is important for management to evaluate the effectiveness and efficiency of company management in managing all company assets. The greater this ratio, the more efficient the use of company assets will be.

Formula:

$$\text{ROA} = \frac{\text{Laba Bersih}}{\text{Total Assets}}$$

**Firm Value Price to book value (PBV)** is used as a proxy for firm value because its existence is very important for investors in determining investment strategies in the capital market. A well-managed company generally has a PBV ratio above one. This illustrates that the company's stock value is greater than the company's book value. A high company value will make the market believe not only in the company's current performance but also in the company's future prospects. A high price to book value (PBV) will make the market trust the company's prospects [11].

Formula:

$$\textit{Price to Book Value} = \frac{\text{Harga Saham}}{\text{Nilai Buku Per Lembar Saham}}$$

- **Dividend Policy**

The dividend payout ratio is a ratio that shows the comparison between cash dividends per share. This ratio describes the amount of profit from each share allocated in the form of dividends [18]. The formula used is:

$$\text{DPR} = \frac{\text{Dividen per lembar saham}}{\text{Laba per lembar saham}}$$

**Population and Research Sample**

The population in this study is a manufacturing company. Sampling was done by purposive sampling which is part of the non-probability sampling method. The sample is the part that is observed to be used for research purposes on a part of the whole. The sample used in this research is manufacturing companies in the consumer goods industry sector that have been listed on the Indonesia Stock Exchange (IDX) during the period 2016-2018 using a purposive technique.

## 3.3 Data Collection Technique

The type of data obtained in this study is documentary data, namely data obtained by researchers indirectly through intermediary media (obtained and recorded by other parties), generally in the form of evidence of records or historical reports that have been compiled in published archives (documentary data). and unpublished. Sources of data used in this study are secondary data, namely data that has been processed by primary data collectors and through literature studies related to the problems faced and analyzed, presented in the form of information.

The method used in data collection in this research is documentation data. Collecting

documentation data is carried out by category and classification of written data related to research problems, both from document sources, books, and other sources.

## 3.4 Data Analysis

### 3.4.1 Methods descriptive statistics

Descriptive statistics are used to describe the variables in this study. The analytical tool used is the average (mean), maximum and minimum [19]. This analysis tool is used to describe the variables of managerial ownership, institutional ownership, and liquidity.

## 3.5 Classical Assumption

### 3.5.1 Test normality test

The normality test aims to test whether in the regression model confounding or residual variables have a normal distribution. As it is known that the t and F tests assume that the residual value follows a normal distribution if this assumption is violated then the statistical test will be invalid for small sample size [19]. In this study, the statistical test used to test the residual normality was the Kolmogorov-Smirnov non-parametric statistical test. K-S test is done by making a hypothesis

H0: residual data are normally distributed
Ha: residual data are not normally distributed

### 3.5.2 Multicollinearity test

The multicollinearity test aims to determine whether the regression model found a correlation between independent variables (independent). A good regression model should not correlate with independent variables [19].

### 3.5.3 Heteroscedasticity test

The Heteroscedasticity test was performed using the Glejser test. Using the Glejser test, the absolute value of the residuals was regressed on each independent variable. Heteroscedasticity problems occur if there are statistically significant variables. The hypothesis for testing is as follows:

H0: no heteroscedasticity
H1: no heteroscedasticity Decision:

If significant <0.05, then H0 is rejected (there is heteroscedasticity)

If significant> 0.05, then H0 failed to be rejected (no heteroscedasticity)

### 3.5.3 Autocorrelation test

The results of data processing are often biased or inefficient due to misleading adjacent data due to the influence of the data itself or what is called autocorrelation. This will cause the error in the previous period to affect the current error so that the error terms will be lower, resulting in higher R2 and Adjusted R2. The autocorrelation test can be done by calculating the Durbin-Watson d statistic, serial correlation in the residuals does not occur if the d value is between the du and 4-du boundary values. The hypothesis used is as follows:

H0: There is no autocorrelation.
H1: There is autocorrelation.

### 3.5.4 Model feasibility test

- **Analysis of the Coefficient of Determination (R2 test)**

Analysis of the coefficient of determination (R2) is useful for measuring how far the model's ability to explain the variation in the dependent variable. The coefficient of determination is 0 and 1. A small R2 value means that the ability of the independent variables to explain the independent variables is very limited. A value close to 1 means that the independent variables provide almost all the information needed to predict the dependent variable.

Chart 1: Test Together (Test F)

The F statistical test shows whether all the independent variables included in the method have a joint influence on the dependent variable. Through the F test, it can be seen that the simultaneous regression relationship between all independent variables and the dependent variable. Based on the significance of the basis for decision making are:

If the significance> 0.05 then H is rejected
If the significance <0.05 then H is accepted

Partial Test (t-test)

This test is conducted to determine whether the independent/independent variables partially have a significant effect on the dependent/dependent variable. Based on the significance of the basis for decision making are:

If the significance> 0.05 then H is rejected
If the significance <0.05 then H is accepted

#### 3.5.5 Hypothesis testing

Hypothesis testing aims to predict the influence of the dependent variable using the independent variable. The multiple regression equation is:

$$PBV = \alpha + \beta 1DER + \beta 2ROA + \beta 3DPR + \beta 4DER*DPR + \beta 5DER*DPR \varepsilon$$

Information :

| | |
|---|---|
| PBV | = Firm Value |
| a | = Constant |
| β1, β2, β3, β4, β5 | = Regression Coefficient |
| DER | = Leverage |
| ROA | = Profitability |
| DPR | = Dividend Policy |
| ε | = Error |

## 4. RESEARCH RESULTS AND DISCUSSION

### 4.1 Results of Data Analysis

#### 4.1.1 Descriptive statistics

In the results of the SPSs output above, you can see descriptive statistics of Leverage, Profitability, Firm Value and Dividend Policy:

a. The number of samples (N) was 54.
b. The smallest value (minimum) for Leverage (0.16), Profitability (0.001713), Firm Value (0.0000000213), and Dividend Policy (0.15).
c. The greatest value (maximum) for Leverage (2.65), Profitability (0.47), Firm Value (0.0001079), and Dividend Policy (4.92).
d. Middle Value (mean) for Leverage (0.6911), Profitability (0.181), Firm Value (0.000006060), and Dividend Policy (0.5580).
e. Standard Deviation for Leverage (0.55495), Profitability (0.10856), Firm Value (0.0000249314), and Dividend Policy (0.65051).

### 4.2 Classic Assumption Test of Multiple Regression

#### 4.2.1 Data normality test

From the results above we look at Asymp. Sig. (2-tailed) and it can be seen that the unstandardized residual value is 0.088. Because this value is greater than 5% or 0.05, it can be concluded that the data is normally distributed.

From the results above, it can be seen that the value of the variance inflation factor (VIF) for the three variables, namely Leverage, Profitability, and Dividend Policy is smaller than 5, so it can be assumed that between the independent variables there is no multicollinearity problem.

**Table 1. Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Leverage | 54 | ,16 | 2,65 | ,6911 | ,55495 |
| Profitabilitas | 54 | 0,001713 | ,47 | ,1181 | ,10856 |
| Nilai Perusahaan | 54 | 0,000000000213 | ,0001079 | ,000006060 | ,0000249314 |
| Kebijakan Deviden | 54 | ,15 | 4,92 | ,5580 | ,65051 |
| Valid N (listwise) | 54 | | | | |

**Table 2. One-Sample Kolmogorov-Smirnov Test**

| | | Unstandardized Residual |
|---|---|---|
| N | | 54 |
| Normal Parameters[a,b] | Mean | ,0000000 |
| | Std. Deviation | ,00001628 |
| Most Extreme Differences | Absolute | ,112 |
| | Positive | ,112 |
| | Negative | -,110 |
| Test Statistic | | ,112 |
| Asymp. Sig. (2-tailed) | | ,088[c] |

*a. Test distribution is Normal; b. Calculated from data; c. Lilliefors Significance Correction*

**Table 3. Multicollinearity Test**

| Coefficients[a] | | | |
|---|---|---|---|
| Model | | Collinearity Statistics | |
| | | Tolerance | VIF |
| 1 | (Constant) | | |
| | Leverage | ,946 | 1,057 |
| | Profitabilitas | ,899 | 1,113 |
| | Kebijakan Deviden | ,938 | 1,066 |

*a. Dependent Variable: Nilai Perusahaan*

**Table 4. Autocorrelation Test**

| Model Summary[b] | | | | | |
|---|---|---|---|---|---|
| **Model** | **R** | **R Square** | **Adjusted R Square** | **Std. Error of the Estimate** | **Durbin-Watson** |
| 1 | ,605[a] | ,366 | ,328 | ,0000204416 | ,678 |

*a. Predictors: (Constant), Kebijakan Deviden, Leverage, Profitabilitas; b. Dependent Variable: Nilai Perusahaan*

**Table 5. Heteroscedasticity Test**

| Coefficients[a] | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -22,761 | ,650 | | -35,014 | ,000 |
| | Ln_Leverage | ,245 | ,471 | ,072 | ,520 | ,605 |
| | Ln_Profitabilitas | 8533,781 | 20873,851 | ,057 | ,409 | ,684 |
| | Ln_KebijakanDeviden | ,840 | ,536 | ,217 | 1,566 | ,124 |

*a. Dependent Variable: Ln_Ei2*

From the output results above, it is obtained that the DW value generated from the regression model is 0.678. Meanwhile, from the DW table with a significance of 0.05 and the amount of data (n) = 54, and k = 3, the dL value is 1.4464 and dU is 1.6800. Because of the value of 4-DW (4-0.678)> dU (1.6800), it can be concluded that there is no autocorrelation.

From the output results above, it can be seen that the T count values are 0.520, 0.409, and 1.566. While the T table value is 1.67528 on a 2-sided test. Because the values of T count (0.520, 0.409, and 1.566) are at -T Table <T Count <T Table, Ho is accepted, meaning that the test between Ln ei2 and LnX1, Ln ei2 with Ln X2, and Ln ei2 with LnX3 show no symptom of heteroscedasticity. With this it can be concluded that the problem of heteroscedasticity was not found in the regression model.

## 4.3 Multiple Regression Analysis

### 4.3.1 Determination Coefficient Test

Based on the table above, the R2 (R Square) number is 0.507 or (50.7%). This shows that the percentage of the contribution of the influence of the independent variable on the dependent variable is 50.7%. Or the variation of the independent variables used in the model can explain 50.7% of the variation in the dependent variable. While the remaining 48.3% is influenced or explained by other variables not included in this research model.

### 4.3.2 Hypothesis testing

From the table above, it can be seen that the t count is 1.128 for leverage, 6.470 for profitability, 2.432 for policy moderating leverage, and 1-3.700 for policy moderating profitability. Then also obtained t table 1.67528 (2-sided test). And it can be concluded:

a. For the Leverage variable, namely T Count <T Table (1.128 <1.67528), it means that part there is no significant influence between leverage and Firm Value. So from this case, it can be concluded that partially leverage has no significant effect on Firm Value in manufacturing companies in the

consumer goods industry sub-sector listed on the Indonesia Stock Exchange (IDX).

b. For the Profitability variable, namely T Count> T Table (6.470 <1.67528), it means that part there is a significant influence between Profitability and Firm Value. So from this case, it can be concluded that partially Profitability has no significant effect on Firm Value in the consumer goods industry sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX).

c. For the variable dividend policy leverage moderates, namely, T Count> T Table (2.432> 1.693) means that partially dividend policy moderates the effect of leverage on Firm Value. So from this case, it can be concluded that partially dividend policy can moderate leverage on firm value in the consumer goods industry sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX).

d. The Dividend Policy variable moderates profitability, namely T Count> T Table (-3,700> 1,693) which means that partially the dividend policy moderates the effect of profitability on Firm Value. So from this case, it can be concluded that partially dividend policy can moderate profitability to firm value in manufacturing companies in the consumer goods industry sub-sector listed on the Indonesia Stock Exchange (IDX).

This model is used to examine the effect of leverage and profitability on firm value and dividend policy moderates leverage and profitability on firm value. The regression model is systematically formulated as follows:

$$Y = -0.00025 + 0.000008\ x1 + 0.000265\ x2 + 0.00015\ x1.Z - 0.000151\ x2.z + e$$

Where :

a. β0 = -0.00025; This means that if Leverage, Profitability, Dividend Policy as a moderating variable is 0, then the Firm Value is -0.00025.
b. β1 = 0.000008; it means that if Leverage increases by 1, then Firm Value will increase by 0.000008.
c. β2 = 0.000265; meaning that if Profitability increases by 1, then the Company Value will increase by 0.000265.
d. β3 = 0.00015; this means that if the dividend policy moderates the leverage to increase by 1, then the firm value will decrease by 0.00015.
e. B4 = -0.000151; this means that if the dividend policy moderates the profitability to increase by 1, then the firm value will decrease by 0.000151.

**Table 6. Determination Coefficient test**

| Model Summary | | | | |
|---|---|---|---|---|
| **Model** | **R** | **R Square** | **Adjusted R Square** | **Std. Error of the Estimate** |
| 1 | ,712[a] | ,507 | ,467 | ,0000182042 |

*a. Predictors: (Constant), ProfitabilitasXKebijakan Deviden, Profitabilitas, Leverage, LeverageXKebijakan Deviden*

**Table 7. Statistical Reliability of Each Independent Variable (t-test)**

| Coefficients[a] | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | **Unstandardized Coefficients** | | **Standardized Coefficients** | **t** | **Sig.** |
| | | **B** | **Std. Error** | **Beta** | | |
| 1 | (Constant) | -,000025 | ,000 | | -3,320 | ,002 |
| | Leverage | ,000008 | ,000 | ,183 | 1,128 | ,265 |
| | Profitabilitas | ,000265 | ,000 | 1,153 | 6,470 | ,000 |
| | LeverageXKebijakan Deviden | ,000015 | ,000 | ,472 | 2,432 | ,019 |
| | ProfitabilitasXKebijakan Deviden | -,000151 | ,000 | -1,194 | -3,700 | ,001 |

*a. Dependent Variable: Nilai Perusahaan*

**Table 8. Kehandalan Secara Statistik Simultan (F-Statistik / ANOVA)**

| ANOVA[a] | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | **Sum of Squares** | **df** | **Mean Square** | **F** | **Sig.** |
| 1 | Regression | ,000 | 4 | ,000 | 12,602 | ,000[b] |
| | Residual | ,000 | 49 | ,000 | | |
| | Total | ,000 | 53 | | | |

*a. Dependent Variable: Nilai Perusahaan; b. Predictors: (Constant), ProfitabilitasXKebijakan Deviden, Profitabilitas, Leverage, LeverageXKebijakan Deviden*

Based on the table obtained an F count of 12.602, using a confidence level of 95%, a = 5%, obtained for F Table of 2.43. Value of F Count> F Table (12.602> 2.43), then Ho is rejected. This means that there is a significant influence between Profitability, Leverage, Dividend Policy as moderating variables together on Firm Value. So it can be concluded that Profitability, Leverage, Dividend Policy as moderating variables together affect Firm Value.

## 4. DISCUSSION

### 4.1 The Effect of Leverage on Firm Value

From the above analysis, it can be concluded that Sig> 0.05 is seen, which means that there is a significant influence between Leverage and. From this research, it can be concluded that leverage cannot be used as a factor to assess the company. The results differ from the research by obtaining the Leverage results that affect firm value [3].

### 4.2 The Effect of Profitability on Firm Value

From the analysis above, it can be concluded that Sig <0.05 is seen, which means that there is a significant influence between Profitability and Firm Value. From this research it can be concluded that profitability can be used as a factor to assess the company, increasing profitability means increasing company value. The results are the same as research which states that profitability affects firm value [5].

### 4.3 Dividend Policy moderates Leverage on Firm Value

From the above analysis, it can be concluded that Sig <0.05 is seen, which means that dividend policy can moderate leverage on firm value. From these results it can be concluded that dividend policy can strengthen the influence of leverage on firm value. The results differ from research where the results of dividend policy cannot moderate leverage on firm value [12].

### 4.4 Dividend Policy moderates Profitability on Firm Value

From the above analysis, it can be concluded that Sig <0.05 is seen, which means that dividend policy can moderate profitability against firm value. From these results it can be concluded that dividend policy can strengthen the influence of leverage on firm value. The results are the same as with the results of dividend policy can moderate profitability against firm value [12].

## 5. CONCLUSION

From the results of this study, the following conclusions can be drawn:

1) Leverage has no significant effect on Firm Value with the direction of the positive regression coefficient, in other words, it can increase Firm Value. Thus simultaneously, Leverage can increase Company Value

2) Profitability has a significant effect on Firm Value with the direction of the positive regression coefficient, in other words, it can increase Firm Value. Thus simultaneously, Profitability can increase Company Value.

3) Dividend policy moderating leverage affects Firm Value with the direction of the positive regression coefficient, in other words, it can increase Firm Value. Simultaneously, the Dividend Policy moderates leverage affects Firm Value.

4) Dividend Policy moderates Profitability has an effect on Firm Value with a negative regression coefficient in other words it can

increase Firm Value but not in the same direction. Simultaneously, Dividend Policy moderates Profitability affects Firm Value.

## 6. SUGGESTION

Some suggestions that can be put forward in the results of this study are due to the imperfections of the research conducted by the author, so the authors provide suggestions that are expected to be able to add knowledge from this research, namely as follows:

1. Further research is needed to be able to find out more things to influence Company Value.
2. The research time should be made long, to provide a better picture. Because the results are likely to be different when using different periods.

## COMPETING INTERESTS

Author has declared that no competing interests exist.

## REFERENCES


1. Mu'azizah Rahmatul, Sri Ruwanti, Tumpal Manik. Pengaruh Net Profit Margin (NPM), Sales Growth, Current Ratio, Keputusan Investasi, Dan Return On Asset (ROA) Terhadap Nilai Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Periode 2014-2016. Universitas Maritim Raja Ali Haji (UMRAH); 2018.
2. Available:www.kompas.com
3. Khoeriyah Agustina. Pengaruh Size, Leverage, Sales Growth dan IOS Terhadap Nilai Perusahaan. Profita: Komunikasi Ilmiah Akuntansi dan Perpajakan; 2020.
4. Pernamasari R dan Mu'minin FMJ. Studi Good Corporate Governance dan Manajemen Laba terhadap Nilai Perusahaan: Perusahaan Jakarta Islamic Index, Jurnal Online Insan Akuntan. 2019;4 (1):87-102.
5. Putri Renalita ST. Effect of Corporate Social Responsibility Disclosure, Good Corporate Governance Implementation, and Profitability on Corporate Value (Asean Country Study 2016-2018). Saudi Journal of Business and Management Studies; 2020.
6. Fista, Bela Febriana, Dini Widyawati. Pengaruh Kebijakan Deviden, Pertumbuhan Penjualan, Profitabilitas, dan Ukuran Perusahaan Terhadap Nilai Perusahaan. Jurnal Ilmu dan Riset Akuntansi. STIE Surabaya; 2017.
7. Suwardika I, Nyoman Agus, Ketut Mustanda I. Pengaruh Leverage, Ukuran Perusahaan,Pertumbuhan Perusahaan dan Profitabilitas Terhadap Nilai Perusahaan Pada Perusahaan Properti. Universitas Udayana (Unud); 2017.
8. Dhani, Isabella Permat AA , Gde Satia Utama. Pengaruh Pertumbuhan Perusahaan, Struktur Modal dan Profitabilitas Terhadap Nilai Perusahaan. Jurnal Riset Akuntansi dan Bisnis Universitas Airlangga; 2017.
9. Setiawati Loh Wenny, Melliana Lim. Analisis Pengaruh Profitabilitas, Ukuran Perusahaan, Leverege, dan Pengungkapan Sosial Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Periode 2011-2015. Jurnal Akuntansi Universitas Katolik Indonesia Atma Jaya; 2018.
10. Amijaya,Tisna , Irene Rini Demi Pangestuti & Wisnu Mawardi. Analisis Pengaruh Struktur Modal, Profitabilitas, Likuiditas, Kebijakan Deviden, Sales Growth, dan Ukuran Perusahaan Terhadap Nilai Perusahaan (Studi Pada Perusahaan Manufaktur yang listed di Bursa Efek Indonesia Periode Tahun 2012-2014). Universitas Diponegoro; 2016.
11. Rakasiwi Faradila Wily, Ari Pranaditya, Rita Andini. Pengaruh EPS, Ukuran Perusahaan, Profitabilitas, Leverage, Sales Growth, dan Kebijakan Deviden Terhadap Nilai Perusahaan Pada Industri Makanan dan Minuman Yang Terdaftar Di Bursa Efek Indonesia Tahun 2010-2015. Universitas Pandanaran; 2017.
12. Kiki Noviem Merry. Pengaruh likuiditas, leverage dan profitabilitas terhadap nilai perusahaan dengan kebijakan dividen sebagai variabel moderasi pada perusahaan pertambangan yang terdaftar di bursa efek indonesia tahun 2011-2014. Jon Fekon; 2017.
13. Michael C Jensen, William H Meckling. Theory of the firm: Managerial behavior, agency costs and ownership structure. Journal of financial Economics. 1976;3(4).
14. Mey Rina Putri Andika Sari dan Nur Handayani. Pengaruh Profitabilitas, Ukuran Perusahaan, dan Leverage terhadap Nilai Perusahaan Transportasi. Jurnal Ilmu dan Riset Akuntansi. 2016; 5(9).
15. Roosiana Ayu Indah Sari dan Maswar Patuh Priyadi. Pengaruh Leverage,

Profitabilitas, Size, Growth Opportunity Terhadap Nilai Perusahaan. Jurnal Ilmu dan Riset Akuntansi. 2016;5(10).
16. Agus Sartono. Menejemen Keuangan Teori dan Aplikasi. Edisi 4. BPFE Yogyakarta; 2010.
17. Ahmad,Kamaruddin. Dasar-dasar Manajemen Investasi dan Portofolio, Jakarta: Rineka Cipta; 2004.
18. Hery. Analisis Laporan Keuangan. Jakarta: Grasindo; 2016.
19. Ghozali Imam. Aplikasi Analisis Multivariate dengan Program IBM SPSS 21 Update PLS Regresi. Semarang: Badan Penerbit Universitas Diponegoro; 2013.



*Peer-review history:*
*The peer review history for this paper can be accessed here:*
*http://www.sdiarticle4.com/review-history/70007*