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The Effect Of Leverage And Profitabilitas On Company Value With Dividen Polici As An Intervening Variable

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ABSTRACT

Firm value is the investor's perception of the company which is often associated with stock prices. The higher the stock price of a company, the higher the company's value, the company's value is important because it can reflect the rate of return on investment from investors. This study aims to determine the effect of Leverage (XI) on profitability (X2) on Firm Value (Y) through dividend policy as an Intervening Variable (Z). The population in this study is the Property, Real Estate and Building Construction sector companies registered at BEL. The sample in this study was taken by purposive sampling technique, totaling 16 companies, the data analysis used was descriptive analysis and path analysis.

The results of this study indicate that leverage has a significant negative effect on firm value, profitability has a significant positive effect on firm value and dividend policy is able to mediate the relationship between profitability and firm value and cannot mediate the relationship between leverage and firm value.

Keywords: Firm Value, Leverage, Profitability, Dividend Policy

1. INTRODUCTION

1.1 BACKGROUND

In general, the main goal of a company is to maximize profits and increase the prosperity of company owners by increasing the value of the company. Dwiyanti (2022) company value is the selling value of a company that becomes an operating business. Firm value can be measured using price to book value (PBV), which is a financial ratio that compares the share price and the book value per share. If the PBV value is high, the prosperity level of the shareholders will also be high. Setiawati (2020) states that there are several factors that affect company value, namely leverage, profitability, company size, managerial ownership, dividend policy, and capital structure. Leverage is the use of debt by a company to finance the company's operational activities, leverage is also interpreted as a company policy to use funds obtained from outside the company, Dewantari et al (2018). Leverage in this study is described by the Debt to Equity Ratio (DER). DER is a ratio that compares total debt to total equity. In the research conducted by Mardiana and Amin (2020) it shows that leverage has no effect on firm value, while the research by Widiyanti and Yadnya (2020) found that leverage has a significant effect on firm value. Then the next factor is profitability which can be the main goal of a company, therefore profitability is considered very important in a company and can be measured using Return On Equity (ROE) because ROE is able to show how much equity contributes to creating net profit.

The next factor that can affect the value of the company is the dividend policy. Roswandi (2021) dividend policy is one of the factors that can affect company value, dividend policy in a company is a complex entity because it can involve the interests of various related parties.

1.2 REASERCH PROBLEM

In this study, there are research problems that focus on how influence leverage and profitability on company values in the property, real estate and building construction sectors as well as how the influence of dividend policy as an intervening variable, is it able to mediate the variables used or not.

1.3 REASERCH QUESTIONS

Based on the description on the background and the formulation of the problem, the writer can draw the following research questions:

1. Does leverage have a positive effect on firm value in companies as dirty as real estate property and building construction listed on the IDX?
2. Does profitability have a positive effect on firm value in the company the property real estate and building construction sectors which are listed on the Stock ExchangeIndonesia?
3. Does Leverage have a positive effect on firm value through policy dividends as an intervening variable?
4. Does Profitability have a positive effect on firm value with dividend policy as an intervening variable?
5. Does dividend policy have a positive effect on firm value?

1.4 REASERCH OBJECTIVES

Based on the formulation of the problem that has been described above, the purpose of this study is:

1. To find out whether leverage has a positive effect on firm value in companies as dirty as real estate property and building construction listed on the IDX?
2. To find out whether profitability has a positive effect on firm value in property real estate and building construction companies listed on the Indonesia Stock Exchange?
3. To find out whether leverage has a positive effect on firm value through dividend policy as an intervening variable?
4. To find out whether Profitability has a positive effect on value companies with dividend policy as an intervening variable?
5. To find out whether dividend policy has a positive effect on firm value.

2. LITERATURE REVIEW

2.1 Theoritical Review

2.1.1 Signaling Theory

Signal theory according to Brigham and Houston (1997:439) in Solekah (2022) is a decision used by the management of a company in providing signals to users of company financial statements such as investors to describe company prospects. Signaling theory can emphasize why information has an important role given by outsiders to recipients of investment decisions. The link between signaling theory and this research is that it can show that dividends are often considered a signal for investors in assessing a company, because dividend policy is considered to affect a company's stock price. An increase in the amount of cash dividends is considered a signal that the company has good prospects in the future, an increase in dividends can also cause an increase in stock prices and an increase in company value.

2.1.2 Bird In The Hand Theory

Bird in the hand theory explains that by providing high dividends, then the company's stock price will also be higher which will have an impact on the company's value. Thus a company can set a high dividend payout ratio and offer a high dividend yield to reduce costs capital.

2.1.3 Company Value

Solekah (2022) Firm value is an assessment of company performance which can be reflected in share prices originating from demand and supply of the capital market which can reflect public assessments of company performance.

According to Harmono (2017: 114) indicators that affect company value can be done by using:

a. Price book Value
b. Price Earning Ratio
c. Earning Per Share
d. Tobin's Q

2.1.4 Leverage

Leverage (Debt) is the company's ability to fulfill short- term or long- term obligations or how much the company's ability is financed with debt Diah and Abudanti (2018). Leverage is often denoted by the debt to equity ratio (DPR) which reflects the ratio between total debt to equity. Leverage indicators are Debt Ratio, Debt To Equity Ratio and Times Interest Ratio. According to Kasmir (2014: 155) in (Irfandi 2019) the indicators used to measure leverage are:

a. Debt To Equity Ratio
b. Debt Ratio
c. Times Interest Earned Ratio

2.1.5 Profitability

According to Sartono (2001) in Jumiati (2018), profitability is the ability of a company to earn profits, in this case related to total assets, sales, and own capital. The prospects of a company are considered to be better if the profitability growth is good, this can be assessed as getting better in the eyes of investors. Novrita (2013) states that there are factors that can affect profitability companies includ:

a. Type of company b. Company age
c. Company scale d. Production price
e. The resulting product

The profitability indicators are as follows:

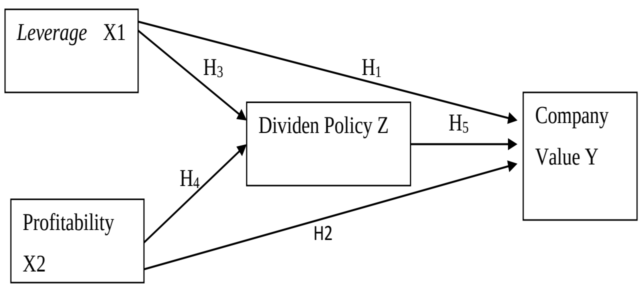
a. Return On Equity
b. Net Profit Margin
c. Return On Asset

2.1.6 Dividend Policy

Fery and Yulandari (2020) Dividend policy is making decisions related to profits earned by the company for the current year which will be distributed to shareholders or these profits are retained in the form of retained earnings. Basically, the company will increase dividend payments if management believes that the company will achieve a high level of profitability in the future and will reduce dividends if there is insufficient cash flow. Signaling Theory states that companies make dividend adjustments to show a signal about the company's prospects.

Masyandi, Sunarta and Mulyaningsih (2018) explain indicators of dividend policy is:DPR is a ratio that shows the results of a comparison between cash dividends per share and earnings per share allocated in the form of dividends DPR can be used as a proxy in establishing a company's dividend policy, namely a company's decision making regarding the size of cash dividends distributed to shareholders.

2.2 CONSEPTUAL FRAMEWORK



3. REASERCH METHODS

3.1 Populasion and Sample

The population in this study are all property, real estate and building construction companies listed on the Indonesia Stock Exchange for the 2018-2021 period. The sample of this study were 16 property, real estate and building construction companies based on the following criteria: property companies, real estate and building construction listings on the IDX, companies that did not distribute financial statements during that period, companies that did not distribute dividends consecutively in period 2018-2021. The sample selection in this study used a purposive sampling technique.

3.2 Variable operational Definitions

a. Bound Variable (Y)

Firm value is the investor's perception of the company which is often associated with stock prices. Firm value can be measured by the Price Book Value or PBV ratio. PBV is the ratio to measure how much the stock price is in the market with the book value of the shares, a high PBV will make the market believe in the company's future prospects.

b. Leverage

Leverage (debt) is one of the external financing used by companies to finance their funding needs. The greater the leverage, the greater the investment risk

c. Profitability

Profitability is a company's ability to earn profits, which relates to total assets, sales and own capital. The higher this ratio means the more efficient the use of own capital by the company's management.

d. Mediation Variable (Z)

Dividend policy is a decision whether the profits earned by the company will be distributed to shareholders as dividends or will be retained in the form of retained earnings to finance future investments. The dividend payout ratio is the ratio of the total dividends issued to shareholders to net income company obtained.

3.3 Data Analysis Thecniques

Data analysis techniques used in this study are:

1. Descriptive Statistics
   Descriptive statistics are statistics that are used to analyze data by describing or describing the collected data as it is without intending to make general conclusions and generalizations.
2. The classical assumption test is used to determine the feasibility of the model in research. This test consists of a normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.
3. Analysis of the Coefficient of Determination R2 used to measure how far the ability of the model to explain variations in the dependent variable.
4. Path analysis which is path analysis is used by using correlation, regression fan path so that it can be known to arrive at the intervening variable.
5. T test and F test

4. RESULTS AND DISCUSSION

4.1 Descriptif Statistical Analysis

Table 4.1 descriptif statistic

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Value of company	64	0.02	4.05	1.052	0.69683
Leverage	64	4.33	308.88	90.1552	71.39463
Profitability	64	0.7	70.23	9.9092	9.65551
Dividend Policy	64	0.56	920.58	72.568	126.7465
Valid N (listwise)	64				

The data above is the result of calculations from Descriptive Statistics analysis.

It is known that DER has a mean value of 90.1552, a maximum value of 308.88, a minimum value of 4.33 with a standard deviation of 71.39463. ROE (Return on Equity) has a mean value of 9.9092 with a maximum value of 70.23, a minimum value of 0.70 and a standard deviation of 9.65551. then the dividend policy has a mean value of 72.5680, the minimum value of the DPR is 0.56 the maximum value is 920.58 with a standard deviation value of 126.74646 and finally PBV which has a mean of 1.0520, a maximum value of 4.05, a minimum value of 0.02 and a standard deviation of 0.69683.

4.2 Normality Test

Based on the results of the normality test using the Kolmogorov- Smirnov one- sample test, it can be seen that the significant values in models 1 and 2 show values of 0.199 and 0.226 0.05. This shows the residual value is normally distributed or the results meet the basic assumptions of normality. From the results of this analysis it can be concluded that the data models 1 and 2 are normally distributed.

4.3 Multicollinearity Test

Table 4.2 Mulricollinearity

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	LEVERAGE	.981	1.019
	PROFITABILITY	.981	1.019

a. Dependent Variable: COMPANY VALUE

Table 4.2 Multicollinearity Test

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	LEVERAGE	.859	1.164
	PROFITABILITY	.975	1.026
	DIVIDEN POLICY	.861	1.161

The multicollinearity test is carried out by looking at the tolerance value and the VIF multicollinearity test.

If the tolerance value or VIF value is close to or is around number one, then it is between independent variables do not occur multicollinearity. Show value exists multicollinearity is the Tolerance value ≥ 0.1 and the VIF value ≤ 10. From the calculation results

carried out did not find any multicollinearity problems in each of the regression models used in this study, because the profitability correlation value has a VIF value 1.019 and in the second model leverage has a VIF value of 1.164 and a profitability of 1026 and dividend policy has a VIF value of 1.161.

4.4 Heteroskedasticity test

Table 4.4 Heteroskedasticity

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.348	.135		2.571	.014
	LEVERAGE	.006	.013	.078	.504	.617
	PROFITABILITY	-.029	.029	-.153	-.984	.331

a. Dependent Variable: ABS_1

Table 4.4 Heteroskedasticity

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.334	.140		2.388	.022
	LEVERAGE	.005	.014	.058	.346	.731
	PROFITABILTY	-.027	.030	-.144	-.913	.367
	DIVIDEN pOLICY	-.001	.008	-.030	-.178	.859

a. Dependent Variable: ABS_RES2

Based on the two tables above, it can be seen that there are no symptoms of heteroscedasticity because each variable has a significance value of more than > 0.05

4.5 Autocorrelation Test

Tests carried out for model 1 with 2 variables obtained dl and du values of 1.5315 and 1.6601, (4- du) so the autocorrelation values were between 1.5315 <1.941 <2.3399, so it can be concluded that there is no autocorrelation in model 1. For models that 2nd with 3 variables obtained DW values for dl and du values of 1.4990 and 1.6946 (4- du) then the autocorrelation value is between 1.4990<1.641<2.3054 so it can be concluded that in the 2nd model there is no autocorrelation.

4.6 Hipotesis Testing

a. F Test

Table 4.5 Hipostesis

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.910	3	1.303	13.778	.000[a]
	Residual	4.920	52	.095		
	Total	8.830	55			

a. Predictors: (Constant), DIVIDEN POLICY, LEVERAGE, PROFITABILITTY

b. Dependent Variable: COMPANY VALUE

Based on the table above it can be concluded that the variables DER, ROE, and DPR effect on the value of the Company.

b. t test

The t test was carried out to compare tcount with the table at the 5% or 0.05 confidence level. If the sig value is less than 0.05 then H, is rejected and H is accepted, meaning that the independent variables tested are influential and significant and vice versa if the sig value is more than 0.05, it means that Ho is accepted and Ha is rejected, which means that the independent variables tested have no effect. to the dependent variable.

b. T Test

Table 4.6 t Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.476	.207		2.301	.027
	LEVERAGE	-.006	.020	-.043	-.286	.777
	PROFITABILITY	.114	.044	.367	2.597	.013
	KEBIJAKAN DIVIDEN POLICY	.028	.012	.355	2.367	.023

a. Dependent Variable: COMPANY VALUE

c. Coeeficien Determination

Table 4.7

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.338[a]	.114	.071	.43126

a. Predictors: (Constant), PROFITABILITY, LEVERAGE

R square of 0.114 or 11.4% dividend policy is influenced by leverage and profitability while 89.6% is influenced by other variables not examined.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.472[a]	.223	.165	.40893

a. Predictors: (Constant), DIVIDEN POLICY, PROFITABILITY, LEVERAGE

R square of 0.223 or 22.3% company value is influenced by Leverage, Profitability and dividend policy. While 77.7 is influenced by other variables not examined.

d. Equation Regression Test

Based on the results of model 1 regression testing, the SPSS output results provide an unstandardized beta Leverage value of 0.19 and a significant value of 0.859 (> 0.05), which means that Leverage has a negative effect on firm value, so it can be concluded that H1 is Rejected. Furthermore, profitability has an unstandardized value of 0.044 with a significant value of 0.000 (<0.05), which means that profitability has a positive effect on firm value, and it can be concluded that H2 is accepted. while testing the regression model 2, the SPSS output results are the regression equation (2). The significance value for leverage on firm value through dividend policy as an intervening variable is 0.777, which means more than 0.05 with an unstandardized value of 0.000 so that it does not have a negative effect on firm value and H3 is rejected. Profitability on company value through dividend policy as an intervening variable has a significance value of 0.000 which is less than <0.05 with an unstandardized value of 0.114 so that it has a positive and significant effect and H4 is accepted. The effect of dividend policy on firm value has a significant value of 0.023 meaning less than <0.05 with an unstandardized value of 0.28 so that dividend policy has a positive effect on firm value and H5 Accepted.

4.7 Reaserch Results

Effect of Leverage on Firm Value

The results of the Debt To Equity Ratio (DER) test on firm value show that there is a negative effect which means that if the company has a high level of debt it will not affect firm value. Some of the indicators used in measuring leverage are the Debt To Equity Ratio (Syamsudin (2009:67) describing leverage financed by debt compared to own capital.

Effect of Profitability on Company Value

In the second hypothesis, it is formulated that profitability has a positive effect on firm value, which means that by increasing profitability, firm value will also increase. So that the second hypothesis is accepted. High profitability will provide a positive signal to investors that the company is in a favorable condition. From this it can attract investors to invest shares in the company.

The Effect of Leverage on Firm Value Through Dividend Policy as an Intervening Variable.

The third hypothesis states that leverage has a positive effect on firm value through dividend policy. The results of this study could not prove the hypotheses that had been formulated and the third hypothesis was rejected.

The results of this study explain that the greater the burden borne by the company if the leverage is high and influential in paying debts, it will cause smaller dividends to be distributed or not even distributed dividend.

The Effect of Profitability on Firm Value Through Dividend Policy As Intervening Variables

In the fourth hypothesis it is formulated that profitability has a positive and significant effect on firm value with dividend policy as an intervening variable. The results of this study prove that profitability has a positive and significant effect on firm value through dividend policy so that H4 is accepted. According to the signal theory, information has a very important role given by companies to investors, because information can provide notes, an overview of the state of a company. so that investors have no doubts to invest.

The Effect of Dividend Policy on Firm Value

In the fifth hypothesis it is formulated that dividend policy has a positive effect on firm value. the results of tests conducted proved that the dividend policy has a positive effect on firm value. so it can be concluded that H5 is accepted. According to the Bird In The Hand Theory states that by giving high dividends, the company's stock price will be higher which will have an impact on the value of the company.

5. CONCLUSIONS AND SUGESTIONS

5.1 CONCLUSION

1. Leverage has no effect on company value or has a negative effect
2. Profitability has a positive effect on firm value
3. Leverage on firm value through an influential dividend policy negative and significant
4. Profitability on firm value through influential dividend policypositive and significant
5. And the dividend policy on firm value has a significant positive effect.

5.2 REASERCH IMPLICATIONS

5.2.1 Theritical implication

This research model uses an analytical tool, namely the SPSS application so that the results of this analysis can strengthen theoretical concepts and provide empirical support for findings or from previous studies.

The literature that describes leverage, profitability and dividend policy has been strengthened based on the concept of theoretical concern and empirical support regarding the relationship between the independent variable (leverage and profitability) the dependent variable (firm value) and the intervening variable (dividend policy) property, real estate and building construction registered with BEI. There are several important things related to this research namely

a. The results of this study show that leverage has a negative effect on firm value. This research is supported by previous research conducted by Yudiana (2016) which states that leverage has a negative effect on firm value. And the research by Swardika and Mustanda (2017) has the result that leverage has a negative and significant effect on firm value. On the other hand, this study contradicts research conducted by Widyanti and Yadnya (2020) with the results of leverage having a positive and significant effect on firm value.

b. Profitability has a positive and significant effect on company value and can strengthen research conducted by Yuniati et al (2016) and Nofrita (2013) with the result that profitability has a significant positive effect can strengthen the research conducted by Yuniati et al (2016) and Nofita (2013) with the result that profitability has a significant positive effect on company value

c. Leverage has a positive effect on firm value through kindness dividends as an intervening variable This research supports research conducted by Roswandi (2021) which states that leverage has a negative effect on firm value through dividend policy as an intervening variable.

d. Profitability has a positive effect on firm value through dividend policy as an intervening variable. The results of this study are in line with research conducted by Siahan et al (2019) with profitability resultshas a positive and significant effect on firm value through dividend policy as an intervening variable

e. Dividend goodness has a positive effect on firm value This research is in line with research conducted by Nofrita (2014) with the results of dividend policy having a significant positive effect on firm value and research conducted by Setyabudi (2019) with the results of dividend policy having a positive effect on firm value. company

5.3 PRACTICAL IMPLICATIONS

The results of this study can practically be used as material for consideration of property, real estate and building construction companies while maintaining corporate value so that they can prosper owners and shareholders. This research can also provide information and knowledge about leverage, profitability, and dividend policy and company value

5.4 REASERCH LIMITATIONS

This research has limitations which the authors consider to be the basis for doing so improvements or developments in previous research which is relevant. The limitations of this research are as follows:

1. This study only includes 4 variables, namely leverage, profitability, firm value with dividend policy.
2. The sample in this study is too small due to the lack of companies paying dividends in the research period used.

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