



Effect of Financial Performance on Firm Value with Dividend Policy as Moderation

Pipit Nurafifah

Accounting

Sekolah Tinggi Ilmu Ekonomi Indonesia
Jakarta, Indonesia
Pipitafifah17@gmail.com

Abstract - This study aims to examine the effect of Financial Performance on Firm Value with Dividend Policy as Moderation in Mining Sector companies listed on the Indonesia Stock Exchange (IDX). The period used in this research is from 2015 to 2019. This research is a causal associative with a quantitative approach as measured by the panel data linear regression-based method and the Moderated Regression Analysis (MRA) interaction test with the EViews version 11 program. The population of this study is mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2015 until 2019. The sample was determined using a purposive sampling method. Based on the existing criteria, a sample of 12 companies was obtained so that the total observations in this study were 60 observations. The data used in this study are secondary data. The data collection technique uses the documentation method through the official website of each company and through the official IDX website: www.idx.co.id. The results of this study indicate that (1) Profitability has a positive effect on Firm Value, (2) Leverage has no effect on Firm Value, (3) Liquidity has a positive effect on Firm Value. Meanwhile, dividend policy as a moderating variable can only affect profitability on firm value.

Keywords: Firm Value, Profitability, Leverage, Liquidity, Dividend Policy

I. Introduction

The progress of the business world in the era of globalization with increasingly fierce competition from the influence of the economic, socio-cultural and political environment as well as technological advances that have made the world develop without borders.

The motivation to conduct research on mining sector companies is because similar research is mostly conducted in manufacturing companies. Then the phenomenon that is happening in Indonesia in the mining sector is experiencing the most turmoil related to economic trends and government policies. The mining sector in Indonesia is less competitive than other mining sectors in Asia Pacific. There are three reasons, namely uncertain regulations, high nationalism towards Indonesia's natural resources, and declining interest in investing in companies. A decrease in investment will have an impact on company value (Putri, et al, 2019).

Firm value is a reflection of the increase in the amount of equity and debt of a company. Firm value can also be interpreted as the expected profit that the company receives in the future which is recalculated with the correct interest rate (Qodir et al, 2016).

The company's performance reflects a company's strategic decisions, financing and operations. The good and bad condition of the company's performance illustrates the company's value. The financial report is information that can be used as a description of the company's performance. The better the company's financial statements, the better the company value will be so that it can convince external parties to see financial performance. Benchmark financial performance by using financial ratios in analyzing financial statements. The most dominant financial ratios in assessing the performance condition of a company are using liquidity ratios, leverage or solvency ratios, and profitability ratios. The objective of investors in investing is to get a high return, the better the financial performance, the better the return that investors will get.

Dividend policy can affect a company's good and bad judgment. Dividend policy can affect the market value of shares, sources of funding, investment opportunities and the company's liquidity ratio. So it can be concluded that dividend policy can describe the company's performance. Each company has its respective policies according to the company's cash capacity in distributing dividends to shareholders. Companies must consider the retained earnings that are not distributed as dividends, which will be used for future development (Setyawati, 2019).

The difference from some of the above studies makes researchers use moderating variables to strengthen the effect of profitability, leverage, liquidity on firm value. So that in this study the researcher decided to make a dividend policy which is thought to affect profitability, leverage, liquidity on firm value. Dividend policy is the determination of the portion of profit to be distributed to shareholders. Dividend payout policy decisions are important regarding whether cash flows will be paid to investors or will be retained for reinvestment by the company.

II. Landasan Teori

Agency Theory

Agency problems will not arise because the owner of the company is also the manager of the company. Thus there is no possibility of a difference between owner and manager. In a company in the form of a company, usually a separation has been made between the owner

of the company and the manager of the company. Owners or shareholders are those who include capital in the company, while the manager is the party appointed by the owner and given the authority to make decisions in managing the company. Due to the separation between the owner and the manager (management), it is inevitable that there may be differences in the interests of the owner and the management. In general, agency costs are defined as costs that arise because of a conflict of interest between company owners and management.

Signaling Theory (Signal Theory)

Brigham and Houston's opinion that signal theory is a theory about management's choice of actions in managing the company, which can be a signal for investors about management's assessment of future business prospects. The effect of signaling is due to the asymmetry information between management and shareholders (Suripto, 2015). Signal theory explains where a company has the urge to publish financial reports to external parties (Silviana, 2016). Signaling Theory is an action taken by company management to provide guidance or information for investors regarding how management views the company's prospects (Oktaryani 2018). This theory illustrates how a company should give signals to users of financial reports about managers' actions to realize owner desires. The purpose of publishing financial reports is to provide information and signals for shareholders in making investment decisions (Nurhayati, 2019).

The value of the company

The firm value of the company is the price available for sale by a prospective buyer if the company wants to sell. Firm value is the market value of outstanding debt and equity securities (Keown et al, 2004 in Dewi et al, 2017). Company value is a company's success in increasing its share price so that it can prosper the owners of capital. The higher the increase in stock prices can increase the company's stock price as well. A company has the main objective in maximizing company value. Company value is a selling value as an operating business that is being run by the company (Sartono, 2010: 487 in Fatimah et al. 2017).

Firm value can be defined as market value and can be measured by price to book value, which is the comparison between stock prices and book value per share (Brigham and Gapenski, 2006: 631 in Erari, 2015). Firm value can provide maximum benefits for the welfare of shareholders if the same price increases. The higher the share price, the higher the shareholder's wealth. The firm value equation can be stated as follows:

$$PBV = (\text{Market Price Per Share}) / (\text{Book Value Per Share})$$

Financial performance

Financial performance is an analysis carried out to see the extent to which a company has implemented the rules of financial implementation properly and correctly. For example, by making a financial report that meets the standards and provisions in SAK (Financial Accounting Standards) or GAAP (General Accepted Accounting Principle) and others. The use of financial ratios as a tool to analyze the company's financial performance, and how these financial ratios are seen by academics and investors as one of the supporters in decision making. For investors, there are three most dominant financial ratios that are used

as a reference to see the condition of a company's performance, namely the profitability ratio, the leverage ratio, and the liquidity ratio. (Fahmi, 2017).

Profitability

Profitability is the company's ability to generate profits for a certain period. Profitability in this study is represented by Return on Equity (ROE). ROE is the company's ability to generate profits based on the company's equity. Mathematically, Return On Equity is formulated as follows:

$$\text{ROE} = (\text{Net Profit After Tax}) / (\text{Total Equity})$$

Leverage

Leverage is described to see the extent to which the company's assets are financed by debt compared to own capital. DER is a comparison between the amount of long-term debt with equity or equity in company funding. DER is used as a measure of how much the company's capital can be used to pay its debts. Mathematically the Debt to Equity Ratio is formulated as follows:

$$\text{DER} = (\text{Total Payable}) / (\text{Total Equity})$$

Liquidity

Liquidity is the company's ability to fulfill obligations that are due, be it obligations to parties outside the company or inside the company. Liquidity in this study uses the Quick Ratio (QR). Mathematically, the Quick Ratio is formulated as follows:

$$\text{QR} = (\text{Current Asset}-\text{Inventory}) / (\text{Current Debt})$$

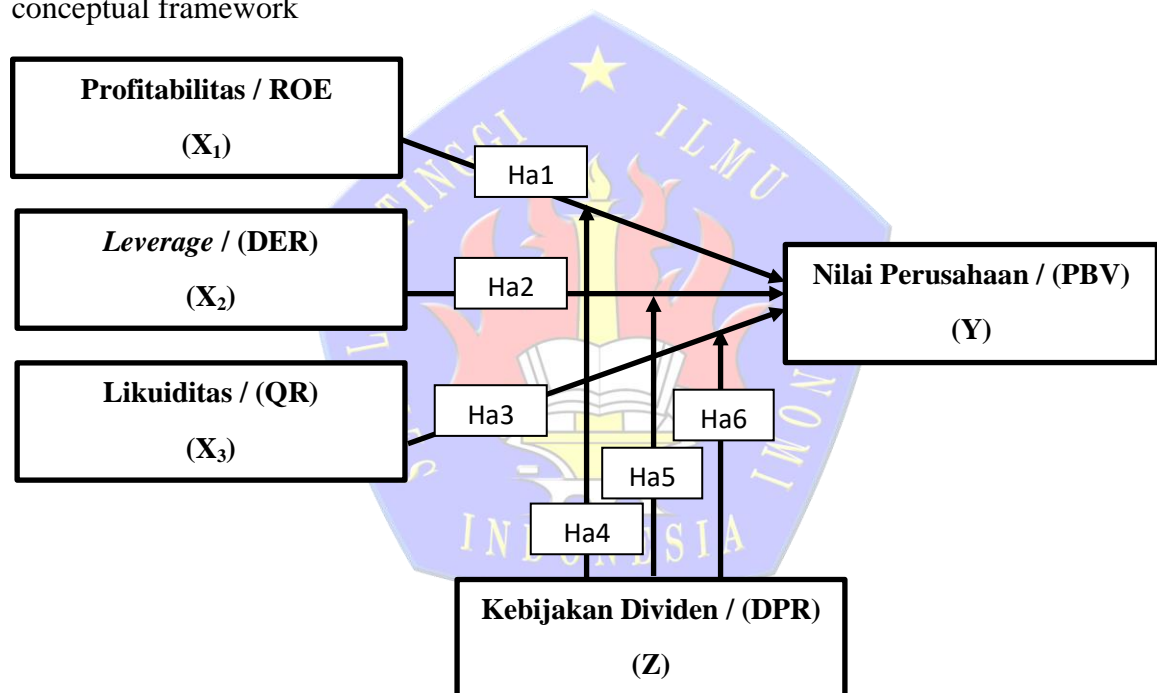
Dividend Policy

Dividend policy is the amount of cash paid to shareholders for the profits earned by the company in conducting business activities (Stephen, 2015: 113). Dividend policy is related to determining the amount of the dividend payout ratio, the percentage of net profit after tax that is distributed as dividends to shareholders. Dividend decisions are a part of company spending decisions related to the company's internal spending. This, with the size of the distribution of dividends can be influenced by the size of a company retained earnings. Company profit is a source of internal funds for a company. Dividend policy has a difference between shareholders and company managers. Shareholders expect a high

dividend payment by the company which is expected to increase the value of the company as well, but the company does not want a high dividend distribution to shareholders. This results in lower funds for management management if the higher dividends distributed to shareholders. Profits earned by the company should be distributed in the form of dividends to shareholders, but management is more interested in reinvesting company profits in the form of retained earnings (Rachman, 2016). The dividend payout ratio (DPR) formula is as follows:

$$\text{DPR} = (\text{cash dividend per profit}) / \text{EPS}$$

conceptual framework



Hypothesis Development

H1: Profitability as proxied by Return on equity (ROE) has a positive effect on firm value.

H2: Leverage as proxied by Debt to Equity Ratio (DER) has a positive effect on firm value.

H3: Liquidity, which is proxied by Quick Ratio (QR), has a positive effect on firm value.

H4: Dividend policy can moderate the effect of profitability, which is proxied by Return on equity (ROE) on firm value.

H5: Dividend policy can moderate the effect of leverage, which is proxied by Debt to Equity Ratio (DER), on firm value.

H6: Dividend Policy can moderate the effect of Liquidity as proxied by Quick Ratio (QR) on firm value.

III. Research methods

The research strategy in this study uses an associative strategy. Researchers use associative research because it is suitable to answer questions that are related between two or more variables. The aim is to provide an explanation of whether or not profitability, leverage, liquidity have an effect on firm value with a dividend policy as moderation in manufacturing companies on the IDX. In this research, we will use data taken from manufacturing companies on the Indonesia Stock Exchange, namely <http://www.idx.co.id> in the form of balance sheets, income statements, changes in equity reports and cash flow reports from mining sector companies that have presented in financial reports for the years 2015-2019. The approach used is a quantitative approach.

Population and Sample

The population used in this study are mining sector companies listed on the Indonesia Stock Exchange in 2015-2019. The population in this study was 49 companies. The sample collection uses purposive sampling which is a sampling technique based on the consideration of certain criteria.

Table 1. Sample selection procedure

NO	CRITERIA	TOTAL
1.	The population of mining sector companies listed on the Indonesian stock exchange	49
2.	Mining sector companies that do not have financial reports for the period 2015-2019	(10)
3	Companies that did not pay dividends in a row in the 2015-2019 period	(27)
Jumlah Sampel Akhir		12
Observation Year		5
Number of Observations		60

Operasioanal Variabel

Tabel 2. Operasional Variabel

Variabel	Indikator	Skala Pengukuran
Profitabilitas (X_1)	$ROE = \frac{\text{Laba Bersih setelah Pajak}}{\text{Total Ekuitas}}$	Rasio
Leverage (X_2)	$DER = \frac{\text{Total Hutang}}{\text{Total Ekuitas}}$	Rasio
Likuiditas (X_3)	$QR = \frac{\text{Aktiva Lancar} - \text{Persediaan}}{\text{Utang Lancar}}$	Rasio

Nilai Perusahaan (Y)	$PBV = \frac{\text{Harga Pasar per lembar Saham}}{\text{Nilai Buku per lembar Saham}}$	Rasio
Kebijakan Dividen (Z)	$DPR = \frac{DPS}{EPS}$	Rasio

IV. Discussion

Descriptive statistics

Descriptive analysis aims to describe the characteristics of each variable in this study. The variables used in this study include the dependent variable Price to Book Value (PBV) as well as independent variables, namely Return on Equity Ratio (ROE), Debt to Equity Ratio (DER), Quick Ratio (QR), and Dividend Payout Ratio (DPR) as Moderation. . Descriptive statistical analysis provides an overview or description of data seen from the mean (mean), standard deviation, variance, maximum, minimum.

Tabel 3. Statistik Deskriptif

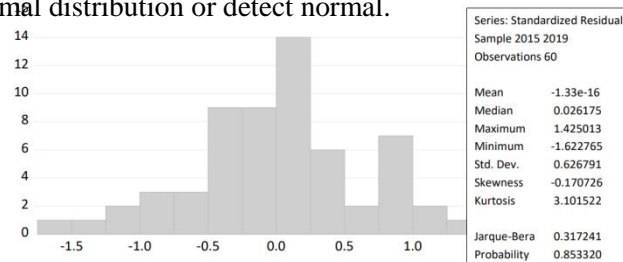
	PBV	ROE	DER	QR
Mean	1.246833	0.143833	1.016833	1.546667
Median	0.905000	0.120000	0.750000	1.390000
Maximum	4.460000	0.550000	3.430000	3.630000
Minimum	0.160000	-0.270000	0.310000	0.450000
Std. Dev.	0.986769	0.132666	0.756673	0.685033
Observations	60	60	60	60

In the table, it can be seen that the average value of the PBV, ROE, DER, and QR variables is greater than the standard deviation, meaning that the data distribution is well distributed.

Classic assumption test

1. Normality Test

Normality test is a test of the normality of data distribution. The regression model with good data is said to have a normal distribution or detect normal.



Based on the test using the Eviews program version 11, the graph results obtained with a probability value of $0.853320 > 0.05$, so it can be concluded that the research data is normally distributed.

2. Multicollinearity Test

Multicollinearity test is a test conducted to determine whether the regression model has a correlation between independent variables. Ways to determine the presence or absence of

multicollinearity includes: • If the correlation coefficient (R2) <0.80, the independent variable is free from multicollinearity and vice versa • if the correlation coefficient (R2)> 0.80 then the independent variable occurs multicollinearity. The multicollinearity test results can be seen in table 4.4 as follows:

Tabel 4. Uji Multikolinieritas

	ROE	DER	QR
ROE	1.000000	-0.443998	0.061464
DER	-0.443998	1.000000	-0.270245
QR	0.061464	-0.270245	1.000000

The results of the multicollinearity test in Table 4.9 show that all independent variables, namely ROE, DER, and QR have a value below 0.80, meaning $R^2 < 0.80$, so it can be concluded that the independent variable is free from multicollinearity.

3. Heteroscedasticity Test

The heteroscedasticity test aims to test whether the regression model is not uniform in variation from the residuals of one observation to another. Heteroscedasticity can be done by manually using the Glesjer test with the formula $resabs = abs(resid)$ which regresses the absolute residual value with the following criteria: A probability value > 0.05 means there is no problem with heteroscedasticity and a probability value < 0.05 means there is a problem with heteroscedasticity .

Table 5. Heteroscedasticity test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.767217	0.218257	3.515194	0.0009
ROE	0.295895	0.437336	0.676586	0.5015
DER	-0.064848	0.088473	-0.732970	0.4667
QR	-0.124565	0.078813	-1.580518	0.1197

From the output above, it can be seen that the probability value of the ROE, DER and QR variables has no heteroscedasticity problem. Because the probability value is more than 0.05. With a probability value of ROE of 0.5015, DER of 0.4667 and QR of 0.1197.

4. Autocorrelation Test

The autocorrelation test is used to test the relationship between members of a series of observations arranged in a cross section and time series. In this study using the Durbin Watson test in the autocorrelation assessment. A good regression model is one that is free from autocorrelation.

Table 6. Autocorrelation test

Durbin-Watson stat	1.749314	Prob(F-statistic)	0.000032
--------------------	----------	-------------------	----------

From the research results above, it is known that the Durbin-Watson stat value is 1.749314. The number of samples in this study were 60 (n) with 3 (k = 3) independent variables. In the Durbin Watson table, it is known that the value $4 - dL = 4 - 1.4797 = 2.5203$ and the value $4 - du = 4 - 1.6889 = 2.3111$ so that $dU < DW < 4 - Du$. So it can be concluded that in this study there were no autocorrelation symptoms

Model Selection

1. Chow or Likelihood Ratio test

The Chow test in this study uses the Eviews program version 11. The criteria for decision making in the Chow test are as follows: If the probability value $F >$ a significant value of 0.05, the most appropriate model to use is the common effect model (CEM). And if the probability value $F <$ significant value 0.05, the most appropriate model to use is the fixed effect model (FEM).

Tabel 7. Uji Chow

Effects Test	Statistic	d.f.	Prob.
Cross-section F	21.925719	(11,44)	0.0000
Cross-section Chi-square	112.136468	11	0.0000

Based on table 4.6, explaining the results of the chow test shows that the probability value of cross section F is $0.0000 < 0.05$, meaning that FEM is selected. Thus, the most appropriate model to use in estimating the regression equation is the fixed effect model (FEM).

1. The Hausman Test

The Hausman test is a test used to select the best approach between the random effect model (REM) and the fixed effect model (FEM) in estimating panel data.

Table 8. Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	5.894023	4	0.2072

Based on the data above, it shows the results of the Hausman test that the probability value of random cross section is $0.2072 > 0.05$, which means that REM is selected. Thus, the most appropriate model used in estimating the regression equation is the random effect model (REM).

1. Lagrange Multiplier (LM) Test

The Lagrange Multiplier (LM) test is a test used with the aim of choosing a better approach to estimating panel data, between the common effect model (CEM) and the random effect model (REM) approach.

Table 9. Lagrange Multiplier (LM) Test

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	56.10488	1.087522	57.19240
	(0.0000)	(0.2970)	(0.0000)

Moderated regression analysis (MRA)

Based on the regression estimation method, the test results are carried out using panel data regression models, the result is the Random Effect Model (REM) model that will be used in this study.

Table 10. Regression Model without Moderation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.729582	0.437751	1.666659	0.1013
ROE	2.054855	0.520749	3.945958	0.0002
DER	-0.101725	0.185172	-0.549355	0.5850
QR	0.284582	0.129282	2.201244	0.0319
Weighted Statistics				
Root MSE	0.346536	R-squared		0.316839
Mean dependent var	0.259254	Adjusted R-squared		0.267154
S.D. dependent var	0.422802	S.E. of regression		0.361945
Sum squared resid	7.205245	F-statistic		6.377024
Durbin-Watson stat	2.348731	Prob(F-statistic)		0.000273

The constant value is 0.729582, which means that the constant value shows that the company value is 0.729582 if the value of all independent variables is 0. Positive ROE coefficient is 2.054855, if each ROE increases, the firm value will increase by 2.054855 assuming other independent variables from the regression model are fixed. The negative DER coefficient is -0.101725, if each DER increases, the firm value will decrease by 0.101725, assuming the other independent variables from the regression model are fixed. QR is 0.284582, if each QR increases, the firm value will increase by 0.284582 assuming the other independent variables from the regression model are fixed.

Table 11. Regression Model with Moderation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.091642	0.400430	2.726172	0.0087
ROE	0.350479	0.741741	0.472509	0.6385
DER	-0.314522	0.175768	-1.789412	0.0794
QR	0.272230	0.133859	2.033703	0.0471
DPR	-0.424083	0.388610	-1.091282	0.2802
ROE*DPR	3.158927	0.914652	3.453694	0.0011
QR*DPR	-0.093642	0.182033	-0.514422	0.6091
Weighted Statistics				
Root MSE	0.323629	R-squared		0.434432
Mean dependent var	0.291733	Adjusted R-squared		0.358298
S.D. dependent var	0.433965	S.E. of regression		0.347634
Sum squared resid	6.284159	F-statistic		5.706140
Durbin-Watson stat	2.071260	Prob(F-statistic)		0.000063

From the table above, it can be seen that the adjusted R2 value of 0.358298 is greater than the adjusted R2 in table 4.13 of 0.267154. This means that the presence of the DPR variable as a moderating variable can increase the previous adjusted R2 value in table 4.13 of 0.267154 to 0.358298.

From the Moderated regression analysis (MRA) equation above, it is known that ROE is 0.350479, if each ROE increases, firm value will increase by 0.350479 assuming other independent variables from the regression model are fixed. DER is -0.314522, if each DER increases, the firm's value will decrease by 0.314522 assuming the other independent variables from the regression model are fixed. QR is 0.272230, if each QR increases, the company value will increase by 0.272230 assuming the other independent variables from the regression model are fixed.

The DPR is -0.424083, if each DPR increases, the company value will decrease by 0.424083 with the assumption that the other independent variables from the regression model are fixed. ROE * DPR of 3.158927 indicates that if each interaction between ROE and DPR dividend policy increases, the firm value will increase by 3.158927 assuming other independent variables from the regression model are fixed. QR * DPR of -0.093642 indicates that if each interaction between QR and the DPR's dividend policy increases, the company value will decrease by 0.093642 assuming other independent variables from the regression model are fixed.

Coefficient of Determination

Table 12. coefficient of determination

Adjusted R-squared	0.358298
--------------------	----------

The results obtained from the test of the coefficient of determination with an adjusted R2 value of 0.358298 means that 35.82% of the relationship level and the variation in value relevance resulting from the annual financial statements of mining sector companies can be influenced by ROE, DER and QR. Meanwhile, the 64.18% level of value relevance in the annual financial statements of mining sector companies may be influenced by other factors not examined in this study.

Research Findings

Effect of Profitability (ROE) on Firm Value

The first hypothesis (H1) proposed in this study. Profitability is proxied by the return on equity ratio (ROE) to firm value resulting in a probability value of $0.0002 < 0.05$ with the ROE variable coefficient of 2.054855 that an increase of 1 unit of ROE will cause an increase in PBV of 2.054855 units. The results of this research test can be concluded that the level of a company's ability to generate profits has a significant positive effect on company value in mining sector companies from 2015 to 2019 listed on the Indonesia Stock Exchange (IDX) so that H_0 is rejected and H_a is accepted.

Based on the theory of signaling, companies that have increasing income will signal that the company has good prospects in the future. This shows that if the level of profitability in a company is high, it will increase investor confidence in the company because the high level of profitability can be perceived as a positive signal for investors, besides this increase will be considered as company growth in the future and a determinant of company value.

The results of this study are in line with the results of research conducted by Setyawati (2019) which found that profitability has a positive and significant effect on firm value. Thus this first hypothesis can be proven.

The Effect of Leverage (DER) on Firm Value

The second hypothesis (H2) proposed in this study is that leverage is proxied by a debt to equity ratio (DER) to firm value resulting in a probability value of $0.5850 > 0.05$ with the DER variable coefficient of -0.101725, meaning that the DER variable has no effect on firm value in the mining sector companies. 2015-2019 period which is listed on the Indonesia Stock Exchange (BEI) so that H_0 is accepted and H_a is rejected. The results of this research test can be concluded that the ability of a company to fulfill all of its obligations using owner's capital does not have a significant effect on the value of the mining sector companies for the period 2015 to 2019 listed on the Indonesia Stock Exchange (IDX) so that H_0 is accepted and H_a is rejected.

Based on agency theory, a high DER ratio indicates that the company has high debt. The level of corporate debt can affect the company's financial performance and will have an impact on the appreciation and depreciation of its share prices. The high DER will create a risk which is commonly known as Financial Risk which is the risk that is borne by shareholders as a result of the use of debt by the company. Risks that arise relate to the depreciation of share prices. In another case, investors assume that companies in developing their business need debt to finance their operations. Companies cannot rely solely on their own capital. Because of these differences, the effect of DER is less significant on firm value.

The results of this study are supported by the results of previous studies conducted by Firmansyah et al (2019) which provide evidence that leverage has no effect on firm value. Thus the second hypothesis cannot be proven.

Effect of Liquidity (QR) on Firm Value

The third hypothesis (H3) proposed in this study, liquidity is proxied by the quick ratio (QR) to firm value, resulting in a probability value of $0.0319 < 0.05$ with the DER variable coefficient of 0.284582 indicating that each increase in PBV is 0.284582 units. The results of this research test can be concluded that the level of the company's ability to meet its short-term obligations quickly and on time can affect the value of the mining sector companies for the period 2015-2019 listed on the Indonesia Stock Exchange (BEI) so that H_0 is rejected and H_a is accepted.

Based on the signaling theory, the higher the liquidity ratio of a company will reflect that the company's ability to fulfill its short-term obligations in a timely manner will give a positive signal to investors that the company's financial condition is in good condition because the company has the funds to fulfill its obligations. The opinion or perception of investors will increase the demand for company shares and will have an effect on increasing the value of the company.

The results of this study are in line with the results of research conducted by Yanti and Darmayanti (2019) which provide evidence that liquidity has a positive effect. He also stated that the greater the company's liquidity, the greater the company's ability to pay dividends to shareholders. So that it can help the continuity of the company's operational activities. Thus the third hypothesis can be proven.

Effect of Profitability (ROE) on Firm Value with Dividend Policy moderated.

The fourth hypothesis (H4) proposed in this study is that profitability is proxied by return on equity ratio (ROE) to firm value with a moderated dividend policy resulting in a probability value of $0.0011 < 0.05$ with an ROE variable coefficient of 3.158927 meaning that the Dividend Policy variable can moderate the effect of ROE towards the relationship, which is positive for firm value so that H_0 is rejected and H_a is accepted. Based on the results of this study, it shows that dividend policy is able to moderate the relationship between profitability and firm value, which is able to significantly strengthen the moderation of the relationship between profitability and the value of the mining sector companies from 2015 to 2019 listed on the Indonesia Stock Exchange. In this study, the dividend payout ratio moderates or strengthens the relationship between profitability and firm value, which is evident from the significant value of less than 0.05. The dividend policy variable measured by the dividend payout ratio can significantly moderate the relationship between profitability and firm value. The optimal dividend policy can increase the company value because investors will tend to want certainty of dividend payments and high returns on their investment. Based on the theory of relevance, namely the high distribution of dividends to shareholders along with the increase in profitability will affect the value of the company. This dividend payment can reduce the uncertainty that investors face. Investors provide a higher value on dividends than the expected capital gain from stock growth if the company retains profits or does not distribute dividends as dividends to shareholders.

The results of this study are in line with the results of research conducted by Setyawati (2019) which provides evidence that dividend policy can moderate the effect of profitability on firm value with a positive relationship. Dividend distribution tends to have a positive impact on company value because dividend payments will increase investors' interest in investing so that the company's stock price will also increase. Thus the fourth hypothesis can be proven.

Effect of Leverage (DER) on Firm Value with Dividend Policy moderated.

The fifth hypothesis (H5) proposed in this study is that leverage is proxied by a debt to equity ratio (DER) on firm value with a moderated dividend policy resulting in a probability value of $0.9190 > 0.05$ with a DER variable coefficient of 0.029573 meaning that the Dividend Policy variable cannot moderate the effect of DER on firm value so that H_0 is accepted and H_a is rejected. Based on the results of this study, it shows that dividend policy is not able to moderate the relationship between leverage and firm value, which can weaken the relationship between leverage and the value of companies in the mining sector for the period 2015 to 2019 listed on the Indonesia Stock

Exchange. In this study, the dividend payout ratio does not moderate or weaken the relationship between leverage and firm value, which is evident from the results of a significant value greater than 0.05. The dividend policy variable measured by the dividend payout ratio cannot moderate the relationship between leverage and firm value, which means that the high dividend payments to investors, along with the high leverage of a company, cannot affect firm value.

Based on the irrelevance theory, dividend payments to shareholders along with increasing DER cannot affect firm value. One of the dividend policies that has irrelevant dividend implications is the dividend payout as a residual decision. If the company still has a higher debt, it will prioritize paying the debt first. If the company has financed its debt and then still has the remaining profit from debt financing, then it will be distributed as cash dividends to shareholders.

The results of this study are supported by the results of research conducted by Qodir (2016) which provides evidence that dividend policy cannot moderate the effect of leverage on firm value. Thus the fifth hypothesis cannot be proven.

The Effect of Liquidity (QR) on Firm Value with Dividend Policy moderated.

The sixth hypothesis (H6) proposed in this study, liquidity is proxied by a quick ratio (QR) to firm value, moderated by dividend policy, produces a probability value of $0.6091 > 0.05$ with a QR variable coefficient of -0.093642 meaning that the Dividend Policy variable cannot moderate the effect of QR on value. company so that H_0 was accepted and H_a was rejected. Based on the results of this study, it shows that the dividend policy is not able to moderate the relationship between liquidity and firm value, which is to weaken the moderation of the liquidity relationship to the value of mining sector companies from 2015 to 2019 listed on the Indonesia Stock Exchange. In this study, the dividend payout ratio cannot moderate or weaken the relationship between liquidity and firm value, which is evident from the results of a significant value greater than 0.05.

Based on the irrelevance theory, namely dividend payments to shareholders along with the increase in the quick ratio cannot affect firm value. In accordance with the implications of the dividend payout as a residual decision. Companies prioritize paying their short-term debt first. If the company has financed its short-term debt, then it still has the remaining profit and then it will be distributed as cash dividends to shareholders.

The results of this study are supported by the results of research conducted by Ningrum (2016) which provides evidence that dividend policy cannot moderate the effect of liquidity on firm value. Thus the sixth hypothesis cannot be proven.

Conclusion

1. Partially profitability, which is proxied by return on equity ratio (ROE), has a positive and significant effect on the value of mining sector companies listed on the Indonesia Stock Exchange, meaning that when the return on equity ratio (ROE) increases, the company value will also increase.
2. Partially, leverage proxied by debt on equity ratio (DER) has no effect on company value in mining sector companies listed on the Indonesia Stock Exchange (IDX), meaning that when DER has increased or decreased, it has no effect on company value.
3. Partially liquidity, which is proxied by the quick ratio (QR), has a positive and significant effect on company value in mining sector companies listed on the Indonesia Stock Exchange (IDX), meaning that when liquidity increases, it can increase company value.
4. Partially dividend policy is able to moderate the effect of profitability proxied by ROE on company value in mining sector companies listed on the Indonesia Stock Exchange

(IDX) in a positive direction, meaning that when high dividend payments are accompanied by a high increase in profitability it can increase company value.

5. Partially the dividend policy cannot moderate the effect of leverage proxied by DER on the value of mining sector companies listed on the Indonesia Stock Exchange (IDX), meaning that when high dividend payments are accompanied by an increase in debt, it cannot affect company value.

6. Partially the Dividend Policy cannot moderate the liquidity proxied by QR on the value of companies in the mining sector listed on the Indonesia Stock Exchange (IDX), meaning that even though dividend payments increase accompanied by an increase in corporate liquidity, it cannot affect company value.

Research Limitations

Future researchers are expected to pay attention to the following:

1. Researchers only use annual financial reports in compiling research data so that future researchers are expected not only to use annual financial reports as secondary data collection but also to use sustainability reports.
2. In this study using only 5 years of researchers, a longer period of years is needed to measure the value of the company.
3. This study only obtained an influence of 35.82% of the independent variables, so that further researchers can add other variables.

DAFTAR REFERENSI

- Aff, J. B. F. (2017). The Effect Of Asset Structure And Firm Size On Firm Value With Capital Structure As Intervening Variable. *Jurnal Business & Financial Affairs* 6(4), 4–8.
<https://doi.org/10.4172/2167-0234.1000298>
- Aggarwal D, Padhan Pc (2017) Impact Of Capital Structure On Firm Value: Evidence From Indian Hospitality Industry. *Theoretical Economics Letters* 7: 982-1000.
- Almurni, S., & Yuliana, Y. (2020). The Influence Of Corporate Governance And Corporate Social Responsibility On Corporate Values In Manufacturing Company Industrial Sectors Consumption Goods Listed On Indonesia Stock Exchange. *127(Aicar2019)*, 28–32.
<https://doi.org/10.2991/Aebmr.K.200309.007>
- Bagus, I. G., Pratama, A., & Wiksuana, I. G. B. (2016). Pengaruh Ukuran Perusahaan Dan Leverage Terhadap Mediasi. *E-Jurnal Manajemen Unud*, 5(2), 1338–1367.
- Chasanah, A. N., & Adhi, D. K. (2017). Profitabilitas, Struktur Modal Dan Likuiditas Pengaruhnya Terhadap Nilai Perusahaan Pada Perusahaan Real Estate Yang Listed Di Bei Tahun 2012-2015. *Fokus Ekonomi*, 12(2), 129–146.
- Dama, D., & Tulung, J. (2017). Pengaruh Struktur Modal Dan Profitabilitas Terhadap Nilai Perusahaan Dengan Insider Ownership Sebagai Variabel Intervening Pada Perusahaan Pertambangan Periode 2011-2015. *Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 5(2), 1532–1538.
- Dang, H. N., Vu, V. T. T., Ngo, X. T., & Hoang, H. T. V. (2019). Study The Impact Of Growth, Firm Size, Capital Structure, And Profitability On Enterprise Value: Evidence Of Enterprises

- In Vietnam. *Journal Of Corporate Accounting & Finance*, 30(1), 144–160.
<https://doi.org/10.1002/jcaf.22371>
- Fatimah, Malavia, R. M., Wahono, B., (2017). Pengaruh Good Corporate Governance Terhadap Nilai Perusahaan Dengan Kinerja Keuangan Sebagai Variabel Intervening. *E-Jurnal Riset Manajemen Prodi Manajemen*. 51-69
- Firmansyah (2019) Pengaruh Leverage, Likuiditas, Komisaris Independen, Dan Ukuran Perusahaan, Terhadap Nilai Perusahaan Dengan Kebijakan Dividen Sebagai Variabel Moderating. *Jurnal Studia*. 7(3), 109–120.
- Ghozali Iman. (2013). *Aplikasi Analisis Multivariate Dengan Program Ibm Spss 21*. Semarang: Badan Penerbit Universitas Diponegoro.
- Hasibuan, V., Ar, M., & Np, N. (2016). Pengaruh Leverage Dan Profitabilitas Terhadap Nilai Perusahaan (Studi Pada Perusahaan Property Dan Real Estate Yang Terdaftar Di Bursa Efek Indonesia Periode Tahun 2012-2015). *Jurnal Administrasi Bisnis S1 Universitas Brawijaya*, 39(1), 139–147.
- Hendryadi. (2014). *Metode Penelitian Pedoman Penelitian Bisnis Dan Akademik*, Lpmp Imperium.
- Irfan Fahmi. (2017). *Analisis Kinerja Keuangan*. Bandung: Alfabeta.
- Lumapow, L. S., Arthur, R., Tumiwa, F., (2017). The Effect Of Dividend Policy , Firm Size , And Productivity To The Firm Value. *Journal Of Finance And Accounting*, 8(22), 20–24.
- Maha Dewi, D., & Sudiarta, G. (2017). Pengaruh Profitabilitas, Ukuran Perusahaan, Dan Pertumbuhan Aset Terhadap Struktur Modal Dan Nilai Perusahaan. *E-Jurnal Manajemen Universitas Udayana*. 2302-8912
- Mayarina, N. A., Mildawati, T., (2017). Pengaruh Rasio Keuangandan Fcf Terhadap Nilai Perusahaan: Kebijakan Dividen Sebagai Pemoderasi. *Journal Of Chemical Information And Modeling*, Volume 6, Nomor , 2460-0585.
- Mery, K., Zulbahridar, Z., & Kurnia, P. (2017). 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. *Jurnal Online Mahasiswa Fakultas Ekonomi Universitas Riau*, 4(1), 2000–2014.
- Mulyawan, S. (2015). *Manajemen Keuangan*. Cv Pustaka Setia
- Ngurah, A. A., Adi, D., & Lestari, P. V. (2016). Pengaruh Kebijakan Dividen, Likuiditas, Profitabilitas Dan Ukuran Perusahaan Terhadap Nilai Perusahaan. *E-Jurnal Manajemen Unud*, Vol. 5, No.7, 2016: 4044 – 4070.
- Nurhayati, T. (2019). Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan Sebagai Dengan Kebijakan Dividen Sebagai Moderasi. *Jurnal Ilmu Dan Riset Akuntansi*, 8(8), 2460-0585.
- Oktaryani, G. . S., & Mannan, S. S. A. (2018). The Moderating Effect Of Dividend Policy On Free Cash Flow And Profitability Towards Firm Value. *Jmm Unram - Master Of Management Journal*, 7(3), 1. <https://doi.org/10.29303/jmm.v7i3.311>
- Oktaviani, R. F., Mulya, A. A., (2018). Pengaruh Struktur Modal Dan Profitabilitas Terhadap Nilai Perusahaan Dengan Kebijakan Dividen Sebagai Moderasi. *Jurnal Akuntansi Dan Keuangan*. Vol. 7 No. 2, 2252 7141. <https://doi.org/10.1017/Cbo9781107415324.004>
- Prawesti Ningrum, E., & Ri. Tobing, W. (2016). Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan Dengan Kebijakan Dividen Sebagai Variabel Moderating Pada Perusahaan Manufaktur Di Bursa Efek Indonesia. *Jurnal Karya Ilmiah*, 16(3), 185–304.
- Purwohandoko. (2017). The Influence Of Firm’s Size, Growth, And Profitability On Firm Value With Capital Structure As The Mediator: A Study On The Agricultural Firms Listed In The Indonesian Stock Exchange. *International Journal Of Economics And Finance*, 9(8), 103. <https://doi.org/10.5539/ijef.v9n8p103>
- Qodir, D., Suseno, Y. D., & Wardiningsih, S. S. (2016). Pengaruh Current Ratio Dan Debt To Equity Ratio Terhadap Nilai Perusahaan Dengan Kebijakan Dividen Sebagai Variabel Moderasi. *Jurnal Manajemen Sumber Daya Manusia*, 10(2), 161–172.

- Rachman, N. A. (2016). Sektor Industri Food And Beverages Yang Terdaftar Di Bursa Efek Indonesia (Bei) Pada Tahun 2011- 2015. *Jurnal Pendidikan Dan Ekonomi*, 5(5), 405–416.
- Ramdhonah, Z., Solikin, I., & Sari, M. (2019). Pengaruh Struktur Modal, Ukuran Perusahaan, Pertumbuhan Perusahaan, Dan Profitabilitas Terhadap Nilai Perusahaan (Studi Empiris Pada Perusahaan Sektor Pertambangan Yang Terdaftar Di Bursa Efek Indonesia Tahun 2011-2017). *Jurnal Riset Akuntansi Dan Keuangan*, 7(1), 67–82.
<https://doi.org/10.17509/Jrak.V7i1.15117>
- Rigopoulos G. (2015). *Real Options Valuation Frameworks And Adoption Issues. International Journal Of Information, Business And Management* 7(4).
- Roos, N. M., Manalu, E. S., (2019). Pengaruh Kepemilikan Manajerial, Kepemilikan Institusional, Dan Kesempatan Investasi Terhadap Kebijakan Dividen Dengan Likuiditas Sebagai Variabel . *Journal Of Accounting And Business Studies*. 4(1), 24–39.
- Ross, A Stephen., R W Westerfield., B D Jordan., Joseph Lim Dan Ruth Tan. (2015). *Fundamentals Of Corporate Finance*. New York: Mcgraw-Hill.
- Setyawati, W. (2019). Pengaruh Struktur Kepemilikan, Struktur Modal, Profitabilitas Terhadap Nilai Perusahaan Dengan Kebijakan Dividen Sebagai Moderasi (Studi Empiris Pada Perusahaan Sektor Pertambangan Yang Terdaftar Di Bei Periode 2011-2015). *Jurnal Akuntansi Berkelanjutan Indonesia*, 2(2), 214–240.
<https://doi.org/10.32493/Jabi.V2i2.Y2019.P214-240>
- Silitonga, H. P., Tua, R. S., Susanti, E., (2018). Dampak Quick Ratio Dan Long Term Debt To Equity Ratio Terhadap Nilai Perusahaan. *Jurnal Mutiara Akuntansi*, 9 Volume 4 Nomor 2 Tahun 2019
- Suardikha, K. A. & M. S. (2016). Pengaruh Struktur Kepemilikan Saham, Struktur Modal Dan Profitabilitas Pada Nilai Perusahaan Kadek Apriada Made Sadha Suardikha. *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*, 52(5), 201–218.
- Sudana, I. M. (2015). *Manajemen Keuangan Perusahaan Teori & Praktik*. Erlangga.
- Suripto. (2015). *Manajemen Keuangan*. Yogyakarta: Graha Ilmu.
- Suwardika, I Nyoman Agus & I Ketut Mustanda. 2017. Pengaruh Leverage, Ukuran Perusahaan, Pertumbuhan Perusahaan, Dan Profitabilitas Terhadap Nilai Perusahaan Pada Perusahaan Properti. *E-Jurnal Manajemen Unud Vol 6 No. 3, 2017* : 1248-1277.
- Utami, P., & Welas. (2019). Pengaruh Current Ratio, Return On Asset, Total Asset Turnover Dan Debt To Equity Ratio Terhadap Nilai Perusahaan. *Jurnal Akuntansi Dan Keuangan*, 8(1), 57–76.
- Wardani, B. M., Priyawan, S., & Riyadi, S. (2019). Pengaruh Penerapan Tata Kelola, Rasio Likuiditas, Dan Tingkat Efisiensi Terhadap Nilai Perusahaan Dengan Kinerja Keuangan Sebagai Variabel Intervening Pada Perusahaan Perbankan Di Bei. *Jurnal Manajerial*, 6(2), 21. <https://doi.org/10.30587/Manajerial.V6i2.966>
- Wardhany, D. D. A., Hermuningsih, S., & Wiyono, G. (2019). Pengaruh Profitabilitas Leverage Dan Ukuran Perusahaan Yang Tergabung Dalam Lq45 Pada Periode 2015-2018. *Journal Of Chemical Information And Modeling*, 2(1), 216–224.
<https://doi.org/10.1017/Cbo9781107415324.004>
- Widyasari, D., Paminto, A., & Judiarni, J. A. (2018). Pengaruh Profitabilitas Dan Kebijakan Hutang Terhadap Nilai Perusahaan Dengan Kebijakan Dividen Sebagai Variabel Moderasi Studi Kasus Perusahaan Manufaktur Influence Of Profitability And Debt Policy To Firm Value With Dividend Policy As Moderate Variable. *Fakultas Ekonomi Dan Bisnis Universitas Mulawarman, Samarinda*, 2018.

www.idx.co.id

www.ojk.go.id