Dividend Policy Moderated the Influence of Profitability, Company Size, Liquidity on the Value of Banking Companies 2016–2020

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**ABSTRACT**

In the current era, investment activity is certainly an interesting thing because it can be used as passive income. In investing there must be a risk. The thing that is most feared is the risk of loss. To minimize future possibilities, investors can pay attention to the information in the company's financial statements. One of the benchmarks that can be used is by looking at the value of the company as reflected in its share price. This study aims to obtain empirical evidence on the effect of profitability, company size, and liquidity on company value moderated by dividend policy on banking companies listed on the Indonesia Stock Exchange in 2016–2020. The method in determining the sample in this study used purposive sampling, resulting in a total sample of 9 companies with a total sample of 45 years of observation. Data were carried out using multiple linear regression and Moderated Regression Analysis (MRA). The results showed that profitability had a significant positive effect on company value. Company size and liquidity have a negative and insignificant effect on company value. Dividend policy is not able to moderate the effect of profitability, company size, and liquidity on company value.

**Keywords:** company size, company value, dividend policy, liquidity, profitability.

I. INTRODUCTION

A company founded certainly has a purpose. Husnan, (2006:5) states that in general, all companies have two goals, namely short-term goals, and long-term goals. The short-term goal is to make a profit, while the long-term goal of the company is to increase its value of the company. The value of the company can be observed from the company's stock price. Companies that have a high value will be able to increase the prosperity of shareholders. Every company certainly wants a high company value because it also indirectly shows the prosperity of shareholders is also high (Wardoyo & Verónica, 2013).

According to Kompas.com, four banking companies entered the 19th edition of Forbes magazine in 2021 as the world's largest public companies out of a total of 2000 companies. This means that banking companies have good performance and tend to be favored by investors. Banking functions to handle public money management and is played in various forms of investment, such as purchasing securities, providing credit, and others, therefore banking is a company full of risks. (Putra & Juniarti, 2016). Banks can help the growth of the national economy through the management of stored funds and then these funds are used to improve the welfare of the community. This shows that banks have an important role in the country's economy. Good and bad bank performance can be seen from the value of the company. Good company value is reflected in the movement of its share price. according to Harmono (2009, p. 233), company value is the company's performance which can be reflected in the share price derived from the demand and supply of the capital market which reflects the public's assessment of the company's performance. High company value reflects good company performance and can reflect the level of profits obtained by shareholders. according to Agila (2018) that the value of the company can be maximized if the wealth of shareholders is maximized.

There are several indicators of company value, namely Price Earning Ratio (PER), Tobin's Q, and Price to book value (PBV). According to cnbcindonesia.com (30/3/2020), the Composite Stock Price Index (JCI) fell by 30%, which made the stock prices of leading issuers corrected quite deeply. The weakening of the JCI caused the shares of top banks to sag and recorded a low PBV. PBV is used in valuing companies because it is more appropriate. After all, PBV includes equity as a calculation to find book value or book value. Several banks that experienced a decline in PBV were: 1) PT Bank Negara Indonesia Tbk (BBNI), PBV 0.57 times, and price of Rp 3,720/share. 2) PT Bank Rakyat Indonesia Tbk (BBRI), PBV 1.80 times, price IDR 3,010/share. 3) PT Bank Central Asia Tbk (BBCA), PBV 3.89 times, price IDR 27,475/share. According to data from the Indonesia Stock Exchange (IDX), there are several banks whose PBV has decreased and has a value of less than 1, including Bank Danamon, Bank Bumi Arta, Bank Woori Saudara Indonesia 1906.

According to Republika.co.id according to data from the Financial Services Authority, return on assets (ROA) in 2016 decreased to 2.23% from 2015 which was 2.32%. Banking ROA as of November 2017 by 2.48%, 2018 by 2.52%, as of
September 2019 by 2.48%, and as of May 2020 by 2.08%. This data shows that the ROA of banking companies fluctuated and decreased in 2016, 2019, and 2020. According to IDX data, several banks experienced a decline in ROA from 2016 to 2020, namely BBRI, BJBR. There is a problem with the value of companies in the banking sub-sector, which can be seen in several banks whose PBV ratio is weak and is worth less than 1 and fluctuations occur and even some banks experience a decline in profitability. A low PBV indicates that the stock price is relatively cheap and according to Sahamgain.com, a low PBV indicates that the company's fundamental performance is not good. Fluctuations and declines that occur cause uncertainty about the profits obtained by shareholders. This is the main issue of research.

Company value is very important for companies going public because it can increase the attractiveness of investors to invest (Dewi & Astika, 2019). Based on the phenomenon that occurs in this study, the value of the company is proxied by PBV. PBV is a comparison between the market price per share and the book value per share (Safitri & Suwitho, 2015). PBV as a measurement because PBV in several banking companies experienced a weakening and there were banking companies that recorded a PBV of less than 1. PBV has advantages, one of which is book value is a stable measure that can be compared with market prices, with PBV you can compare similar companies. The PBV ratio can describe the potential price movements of a stock and is widely used in making investment decisions (Situpu & Wibisono, 2015). Companies that are doing well will usually have a PBV above 1, which represents a market value that is higher than its book value (Welley & Untu, 2015).

The short-term goal of a company is to make a profit. Profitability is the company's ability to earn profits in relation to sales, own capital, and total assets (Wijagustini, 2010, p. 7). Profitability is the main key to supporting the sustainability and development of the bank. Profitability obtained from credit activities is in the form of the difference between the cost of funds and interest income received from debtors (Prasetyo, 2015). Profit receipts can be used as a new source of funding for the company and used to improve the welfare of investors. This shows the problem of profitability is important.

Profitability indicates the relationship with the value of the company and becomes an attraction for investors. This is because profitability is formed from the results of management's efforts on the funds invested by shareholders (Wijaya & Sedana, 2015). According to signal theory, high profitability will show a positive signal to investors. The profitability ratio in this study is proxied through return on assets or ROA. Profitability is proxied by ROA because seen from the notion of profitability, this indicator can show the effectiveness or efficiency of management in managing assets owned to earn income, besides that ROA is used to compare performance with competing companies, as well as according to research phenomena. The greater the ROA of a company, the greater the level of profit achieved and the better the position of the company in terms of asset use.

Santosa et al. (2020), Endri and Fathon (2020), Kurniawan and Putra (2019), Dewi nd Astika (2019), Malino and Wirawati (2017) obtained the results that profitability has a significant positive effect on company value. However, Warouw et al. (2016), Hirdinis (2019) results in profitability do not affect company value.

Companies that have high profits, of course, start with high funds or capital. A company will find it easier to obtain funds if the size of the company is large. The size of the company in question is the size of the company. The size of the company in terms of the field of business that is run (Rizal et al., 2019). Novianti & Agustian (2019) explained that the size of the company is seen from the business it operates and can be calculated based on total assets, total sales, and average sales.

The size of the company has a relationship with the value of the company because if the size of the company is large, it will make it easier for the company to get funds from investors. After all, large companies can determine the bargaining power of financial contracts. (Rizal et al., 2019). Companies that have large funds or assets tend to create large profit opportunities as well. This is what investors like because if the size of the company is large, the profits of large companies will indirectly result in profits for investors as well. Total assets owned by the company can show the size of a company (Prastuti & Sudiartha, 2016). The company size variable in this study is proxied by the natural logarithm (Ln) of total assets. Wasista and Putra (2019), Yanti and Darmayanti (2019), Supriyadi et al. (2019), Tui et al. (2017), and Anton (2016) show the results that company size has a positive influence on company value. However, Rizal et al. (2019) which results in company size has no effect on company value, while Prastuti & Sudiartha (2016), Ramdhonah et al. (2019), Andaswari et al. (2019) obtain the results that the size of the company has a negative effect on the value of the company.

Another factor that can affect company value is liquidity, according to Kasmir (2014, p. 110). Liquidity is the ability of a company to meet obligations or short-term debt smoothly and on time. Bank liquidity is the bank's ability to meet the possibility of withdrawing deposits by depositors or to meet the needs of the community in the form of credit. The higher the company's ability to fulfill its obligations, this tends to be seen as a positive signal by investors. Investors tend to assess the company as having good performance, which will have an impact on increasing stock prices and affect the value of the company (Putra & Lestari, 2016). A bank is said to be liquid if the bank can pay all its debts, especially savings deposits, current accounts, and time deposits when billed, and can fulfill all credit applications that are eligible to be financed. In banking, loans or loans are included in assets, while deposits/deposits are included in liabilities because all funds including interest earned from lending will be used to pay for total deposits including interest on deposits.

According to the circular letter of BI No.6/23/DPNP dated May 31, 2004, regarding procedures for assessing bank soundness and BI regulation no. 6/10/PBI/2004 concerning the rating system for the soundness of commercial banks which has been updated to become the regulation of the financial services authority number 4/Pojk.03/2016, liquidity assessment can be seen from the LDR ratio (Loan to Deposit Ratio). The LDR ratio can calculate the amount of credit given by the bank to the funds received by the bank where credit interest and total credit are assets, while interest on deposits and bank funds are liabilities. According to Kasmir...
(2014, p. 225), LDR is a ratio to measure the composition of the amount of credit given compared to the amount of public funds and own capital used. LDR is a bank's health level because it can measure how capable assets are in meeting their obligations. The safe limit of a bank's LDR is around 80%, but the maximum LDR limit is 110% (Kasmir, 2014). The higher the LDR ratio, the lower the liquidity of the bank concerned. Vice versa, the lower the LDR ratio, the higher the liquidity of the bank concerned (Antoro & Hermuningsih, 2018).

Indrawaty and Mildawati (2018), Lukita and Ariesta (2019), Yanti and Darmayanti (2019) obtained the results that liquidity has a positive effect on company value. This result contradicts Laily (2019), Antoro and Hermuningsih (2018) who obtain liquidity results have no effect on company value, while Putri and Wiksuana (2021) obtaining liquidity results has a negative effect on company value.

Based on the differences in the results of the effect of profitability, company size, and liquidity on company value, there is a research gap that may be influenced by other variables. This study adds a dividend policy variable as a moderating variable. Dividend policy has a relationship with company value because high dividend payouts can give rise to a positive signal that the company's performance is good. This tends to cause investors to compete to buy the shares which cause the share price to be higher. The ups and downs of stocks are driven by the forces of supply and demand, if demand is high then prices will rise and vice versa. The company's ability to pay high dividends is related to the company's ability to earn profits. The higher the company's ability to earn profits, it is predicted that the higher the company's ability to pay dividends, thus encouraging an increase in company value. The increase in company value moderated by the dividend policy is also predicted to be caused by the size of the company and its level of liquidity. The larger the size of the company indicates the assets of the large company so as to create higher profit opportunities or profitability and companies that have a high level of liquidity tend to be able to distribute higher dividends. (Putri & Wiksuana, 2021). This statement is the reason the researcher uses dividend policy as moderation on company value, as well as moderating dividend policy from the results of previous research conducted by Indrawaty and Mildawati (2018), Prasetya & Musdholifah (2020), Antoro and Hermuningsih (2018) found inconsistent results. Another reason is that dividend policy is also the center of attention of many parties such as investors and other parties who have an interest, so it is hoped that this research can be a reference in the future.

The existence of dividends can affect shareholder wealth (Adesola & Okwong, 2009). Dividends are obtained when the company earns a profit. A dividend policy is often considered as a signal for investors in assessing the good or bad performance of a company. According to Sartono (2014, p. 281) 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 for investment financing in the future.

Shareholders in investing always pay attention to future profits, therefore shareholders need to get accurate and correct information about the company through financial statements. Agency theory states that in a company there are agents (company managers) and principals (investors/shareholders) who have different goals. The agent can harm the principal if the agent does not present the actual state of the company, this happens because the agent has more information than the principal. This situation will lead to information asymmetry caused by a conflict of interest.

The emergence of a conflict of interest between managers and shareholders requires shareholders to incur agency costs to supervise managers (Putri & Wiksuana, 2021). Rahmasari et al. (2019). There are several alternatives to reduce agency costs, namely, increasing share ownership on the management side so that managers will certainly share in the losses, increasing the dividend payout ratio (DPR) so that it is not much free cash flow and managers will certainly look for new sources of funding from external parties.

Dividend policy brings information about the company's prospects for future profit growth and this information can invite responses from investors so that it will affect the value of the company (Chandra et al., 2017). In accordance with the bird in the hand theory that investors prefer dividends to capital gains. High dividends cause high stock prices and will have an impact on company value (Prastuti & Sudjiatno, 2016). Dividends in this study are proxied by the Dividend Payout Ratio (DPR) which shows how big the portion of profits distributed by the company is to be used as dividends. DPR can explain the comparison between total dividends and net income (Rachman, 2016). Dividends paid have a high value meaning the company is considered to have good profits and vice versa, therefore the level of dividend payments will increase the value of the company. (Palupi & Hendiarto, 2018). High dividends are obtained from the ability to earn high profits, which tend to be influenced by the size of the company and the company's ability to pay its obligations. Santosia et al. (2020), Endri and Fathony (2020), Octaviani and Astika (2016), Suartawan and Yasa (2017), Dewi and Wirasedana (2018) state that dividend policy has a positive effect on company value. This result contradicts Nurhayati (2013), Chandra et al. (2017) who obtain dividend policy results have no effect on company value. Antoro and Hermuningsih (2018), Indrawaty and Mildawati (2018) added dividend policy as a moderating variable and found inconsistent results.

Based on this background, this research will use banking companies with data from 2016 to 2020. The reason for choosing the banking sub-sector is because according to Kompas.com, four banking companies will enter Forbes magazine in 2021 as the largest public companies in the world. This statement shows that banking companies have good performance, but there are problems where the value of the company as measured by PBV tends to weaken and there are even some banks whose PBV is less than 1 and profitability as measured by ROA shows fluctuations. This will affect the views of investors. This study was also conducted to re-examine due to inconsistent results from previous studies. The difference between this study and previous research is that in this study the authors used dividend policy as a moderating variable to measure profitability, company size, and liquidity on company value. The author also uses data from a different range of years, namely banking companies in 2016–2020 so that later this
companies in 2016–2020 is multiple regression analysis and Moderated regression analysis

III. RESULTS AND DISCUSSION

A. Moderated Regression Analysis (MRA)

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.290</td>
<td>7.685</td>
<td></td>
<td>0.298</td>
<td>0.767</td>
</tr>
<tr>
<td>ROA</td>
<td>1.334</td>
<td>0.440</td>
<td></td>
<td>1.028</td>
<td>0.004</td>
</tr>
<tr>
<td>Size</td>
<td>-0.082</td>
<td>0.236</td>
<td>-0.111</td>
<td>-0.349</td>
<td>0.729</td>
</tr>
<tr>
<td>LDR</td>
<td>-0.010</td>
<td>0.014</td>
<td>-0.181</td>
<td>-0.749</td>
<td>0.459</td>
</tr>
<tr>
<td>DPR</td>
<td>-0.226</td>
<td>0.204</td>
<td>-2.782</td>
<td>-1.108</td>
<td>0.275</td>
</tr>
<tr>
<td>ROA*DPR</td>
<td>-0.017</td>
<td>0.011</td>
<td>-0.742</td>
<td>-1.556</td>
<td>0.128</td>
</tr>
<tr>
<td>Size*DPR</td>
<td>0.008</td>
<td>0.006</td>
<td>3.410</td>
<td>1.354</td>
<td>0.184</td>
</tr>
<tr>
<td>LDR*DPR</td>
<td>0.000</td>
<td>0.000</td>
<td>-0.112</td>
<td>-0.275</td>
<td>0.785</td>
</tr>
</tbody>
</table>

Adjusted R Square = 0.609
F sig: 0.000

An adjusted R2 value of 0.609 means a 60.9% change (up and down) in company value (PBV) which is influenced by profitability (ROA), company size (SIZE), liquidity (LDR), dividend policy (DPR), profitability (ROA) with dividend policy (DPR), company size (SIZE) with dividend policy (DPR) and liquidity (LDR) with dividend policy (DPR), while the remaining 39.1% is influenced by other factors outside this research.

The results of the simultaneous significance test (F test) obtained F-significance value of 0.000. A significant value of 0.000 <0.05 means that profitability (ROA), company size (SIZE), liquidity (LDR), dividend policy (DPR), profitability (ROA) with dividend policy (DPR), company size (SIZE) with dividend policy dividends (DPR) and liquidity (LDR) with dividend policy (DPR) are significantly related to company value (PBV) and the model is feasible to use.

B. Effect of Profitability (ROA) on Company Value (PBV)

Based on the results of the t-test of the effect of profitability (ROA) on company value (PBV), a significance value of 0.004 was obtained with a positive regression coefficient of 1.334. The positive regression coefficient indicates the direction of the influence of profitability (ROA) on company value (PBV), which is a positive influence. A significance value of 0.004<0.05 indicates that the hypothesis is accepted. This result means that profitability, as measured by (ROA), has a significant positive effect on company value as measured by (PBV). This means that if the profitability (ROA) is getting better, then the company value (PBV) is getting better, conversely, if the profitability (ROA) is getting worse, the company value (PBV) will be getting worse.

Profitability in general can be interpreted as the ability of a company to generate profits or profits during a certain period. This result means that the greater the profit earned by the company, the greater the value of the company and vice versa. The higher the profitability, the higher the productivity of assets in obtaining net profits. Profit is one of the things that attract investors. An increase in profits will lead to an increase in the company's prospects in the future and will have an impact on the good value of the company. The more growth or the high profit generated will cause the return obtained by investors to increase, this will make investors increasingly

II. METHODOLOGY

This research uses an associative quantitative approach. Quantitative approach is a research method based on the philosophy of positivism, used to examine certain populations or samples, data analysis is quantitative while the associative approach is a research problem formulation that states the relationship between two or more variables. The location of this research was conducted on banking companies listed on the Indonesia Stock Exchange from 2016 to 2020 through the website www.idx.co.id. The object of research in this study is the value of banking companies listed consecutively on the Indonesia Stock Exchange (IDX) for the 2016 period; Banking companies that distributed dividends in a row during the 2016–2020 period; Banking companies that publish financial reports and complete annual reports as required in the research during the 2016–2020 period. The number of samples found at this time was 9 samples, with a period of 5 years (2016–2020) a total of 45 observations. The data collection method used in this study is the non-participant observation method. The data analysis technique used to determine and analyze the value of banking

A. Research Hypothesis

H1 : Profitability has a positive effect on company value
H2 : Company size has a positive effect on company value
H3 : Liquidity has a positive effect on company value
H4 : Dividend policy is able to moderate the effect of profitability on company value
H5 : Dividend policy is able to moderate the effect of company size on company value
H6 : Dividend policy is able to moderate the effect of company liquidity on company value

The population of this study is all banking companies, totaling 47 companies listed on the Indonesia Stock Exchange (IDX) for the 2016–2020 period. The method in selecting the sample is a purposive sampling technique with the criteria that banking companies are listed consecutively on the Indonesia Stock Exchange (IDX) during the 2016–2020 period; Banking companies that distributed dividends in a row during the 2016–2020 period; and banking companies that publish financial reports and complete annual reports as required in the research during the 2016–2020 period. The number of samples found at this time was 9 samples, with a period of 5 years (2016–2020) a total of 45 observations. The data collection method used in this study is the non-participant observation method. The data analysis technique used to determine and analyze the value of banking

Fig. 1. Conceptual Framework.
want to increase the demand for their shares. Following the signal theory, that the company issues a signal in the form of information that can explain the state of the company, the more profits the company gets will be seen as a positive signal by investors, which in the end investors want to benefit themselves more so that investors tend to increase the demand for their shares.

C. Effect of Company Size (SIZE) on Company Value (PBV)

Based on the results of the t-test of the effect of company size (SIZE) on company value (PBV), a significance value of 0.729 was obtained with a negative regression coefficient of -0.082. The negative regression coefficient indicates the direction of the effect of company size (SIZE) on company value (PBV), which is a negative effect. A significance value of 0.729>0.05 indicates that the hypothesis is rejected. This result means that company size as measured by (SIZE) has no effect on company value as measured by (PBV) partially. This means that large or small company size (SIZE) does not affect the company value (PBV). The results of this study indicate that company size is not able to affect company value. This means that the size of the company is not something that makes investors decide the direction of their investment. Investors will look at various aspects before deciding to invest, one of which is the company's performance and the good name or image of the company. In addition to paying attention to the company's ability to generate profits, the market also responds to the company's CSR (corporate social responsibility) disclosures and nowadays investors pay more attention to CSR. Investors tend to pay attention to CSR because these activities can reflect an outsider's assessment of the company. CSR disclosure is expected to be considered by investors before investing because it contains social information that has been carried out by the company. CSR activities that can be carried out by banks include the construction of public facilities, assistance for natural disasters such as COVID-19 assistance, educational facilities such as scholarships, health and worship, and environmental conservation. This activity can certainly affect the company's image. In general, investors in investing will choose companies with good prospects, regardless of the size of the company. When investors hear rumors that a company has problems and is rumored to be bankrupt, investors tend not to invest their shares regardless of the size of the company. The negative direction of the results of this study is caused if the size of a large company is considered to cause less efficient management of supervision in the company's activities to reduce the value of the company. It can also be due to a large number of assets, the possibility of hampering the company's operations due to the large number of funds embedded in assets, and the impact on non-optimal profit generation. When the company's assets are large, management tends to be more flexible in utilizing these assets and lacks consideration or supervision. This reason can occur because of differences in interests that cause conflicts of interest and support agency theory. Shareholders tend to have an interest in maximizing the value of the company to maximize the welfare of shareholders, while the management tends to maximize their profits in the form of bonuses or incentives for their services without considering the risk of losses incurred.

D. Effect of Liquidity (LDR) on Company Value (PBV)

Based on the results of the t-test of the effect of liquidity (LDR) on company value (PBV), a significance value of 0.459 was obtained with a negative regression coefficient of 0.01. The negative regression coefficient indicates the direction of the influence of liquidity (LDR) on company value (PBV), which is a negative influence. A significance value of 0.459>0.05 indicates that the hypothesis is rejected. This result means that liquidity, as measured by (LDR), does not affect the company value as measured by (PBV). This means that the increase or decrease in liquidity (LDR) does not affect the company value (PBV). The liquidity assessment can be seen from the LDR (Loan to Deposit Ratio) ratio. A high LDR ratio indicates high lending. High credit distribution will certainly increase the company's profits, but also with high credit, the possibility of bad debts or defaults is high. This is what causes the value of the company to decrease. The results of the study show that liquidity (LDR) does not affect company value (PBV), it can be caused by credit disbursed by banks that do not contribute much to generating profits, so there is no effect on the company value. Credit does not contribute much to generating profits due to high bad debts, so this creates a negative signal for investors. Credit does not contribute much to generating profits considering the last 2 years the Covid-19 pandemic and the impact of the pandemic in Indonesia, where many people want credit to survive but are unable to pay off their credit debts or fail to pay. The negative results in this study indicate that the high LDR ratio indicates low liquidity due to the large number of available third-party funds used to finance trade receivables so the amount of funds ready to be used is small. Large trade receivables can cause bad loans which lead to reduced interest income and of course affect liquidity because the interest income will later be used for financial obligations and have an impact on the decline in company value. Banking generally benefits from 2 things, namely spread-based income and fee-based income. Spread-based income is the bank's profit from the difference between deposit interest and loan interest (credit), while fee-based income is the bank's profit from transactions in bank services. Another possibility is that the bank's income is not only from interest income from loans but also from commission-based income or fee-based income and maybe in this digital age, banks benefit more from fee-based so that the LDR ratio does not affect the value of the company too much. Investors tend to see the company's growth from the profit generated, not from the size of the company's liquidity.

E. The Ability of Dividend Policy (DPR) in Moderating the Effect of Profitability (ROA) on Company Value (PBV)

Based on the results of the t-test of the ability of dividend policy (DPR) in moderating the effect of profitability (ROA) on company value (PBV), a significance value of 0.128 was obtained with a negative regression coefficient of 0.017. The negative regression coefficient indicates the direction of the ability of dividend policy (DPR) in moderating the effect of profitability (ROA) on company value (PBV), which is a negative effect. A significance value of 0.128 > 0.05 indicates that the hypothesis is rejected. This result means that dividend policy as measured by (DPR) is not able to moderate the effect of profitability measured by (ROA) on company value.
value as measured by (PBV). This means that a large or small dividend policy (DPR) does not affect the effect of profitability (ROA) on company value (PBV). The results of this study indicate that dividend policy does not play a role in the influence of profitability on company value. High profitability is indeed able to give a positive signal about the company's value to investors/potential investors, but it turns out that dividend policy is not able to strengthen investors' assessment of company shares when there is an increase in profitability. The higher the company's profit does not necessarily pay out high dividends, so it is not able to affect the value of the company. This result can be caused by the period of measuring the variables simultaneously while investors tend to react after knowing the company's profitability. This result contradicts the signal theory which states that high corporate profits are considered a positive signal so that dividend distribution is high and can have an effect on company value. This result also breaks the bird in the hand theory; however, the results of this study support another theory outside the study, namely the tax differential. This theory explains that investors prefer to receive benefits from capital gains whose tax payments are smaller than dividends. Investors want companies to retain after-tax profits and use them to finance investments rather than pay dividends. The company's profit growth is considered to be able to increase stock prices which generates profits for investors. The existence of a tax on dividends and capital gains makes investors prefer capital gains because the tax that must be paid on capital gains can be postponed until the shares owned are sold while the tax on dividends must be paid in the year the dividend is received. For investors, this delay is in line with the time value of money on an investment, and if the investor dies, the heirs can avoid capital gains tax. Therefore, dividend policy is not able to strengthen the effect of profitability on company value because investors perceive dividend distribution as causing high taxes. The results of this study also support other theories outside the study, namely the irrelevant theory that the company's dividend policy does not affect company value or cost of capital, but the company value is only influenced by the company's ability to benefit from company assets or depends on its asset investment value policy.

F. The Ability of Dividend Policy (DPR) in Moderating the Effect of Company Size (SIZE) on Company Value (PBV)

Based on the results of the t-test of the ability of dividend policy (DPR) in moderating the effect of company size (SIZE) on company value (PBV), a significance value of 0.184 was obtained with a positive regression coefficient of 0.008. The positive regression coefficient indicates the direction of the ability of dividend policy (DPR) in moderating the effect of company size (SIZE) on company value (PBV), which is a positive influence. A significance value of 0.184>0.05 indicates that the hypothesis is rejected. This result means that dividend policy as measured by (DPR) is not able to moderate the effect of company size as measured by (SIZE) on company value as measured by (PBV). This means that a large or small dividend policy (DPR) does not affect the effect of company size (SIZE) on company value (PBV). The sample in this study includes large companies. This means that a large company tends to prefer to expand its business, such as investing or innovating so that the company grows bigger than simply distributing large dividends to shareholders. For developing or small companies, companies tend to attract investors first to get funds to develop the company so that they tend to give bigger dividends. The size of the company is seen from its total assets. The larger the size of the company, it is suspected that the greater the company's need for funds to carry out operational and development activities so that the company requires additional external funds. Companies that use external funds lead to the possibility that the profits obtained will be used to pay external funds/debts first, thus causing smaller opportunities for dividend distribution. This reason can cause a dividend policy to be unable to moderate company size on company value.

G. The Ability of Dividend Policy (DPR) in Moderating the Effect of Liquidity (LDR) on Company Value (PBV)

Based on the results of the t-test of the ability of dividend policy (DPR) in moderating the effect of liquidity (LDR) on company value (PBV), a significance value of 0.785 was obtained with a positive regression coefficient of 0.000. The positive regression coefficient indicates the direction of the ability of dividend policy (DPR) in moderating the effect of liquidity (LDR) on company value (PBV), which is a positive influence. A significance value of 0.785>0.05 indicates that the hypothesis is rejected. This result means that dividend policy as measured by (DPR) is not able to moderate the effect of liquidity measured by (LDR) on company value as measured by (PBV). This means that a large or small dividend policy (DPR) does not affect the effect of liquidity (LDR) on company value (PBV). Liquidity is measured by LDR, the higher the LDR ratio, the lower the liquidity of the bank concerned. Vice versa, the lower the LDR ratio, the higher the liquidity of the bank concerned. The safe limit for a bank's LDR is around 80%, but the maximum LDR limit is 110%. Dividend policy is not able to strengthen or weaken the relationship between liquidity and company value because high liquidity does not necessarily lead to an increase in company value through a dividend distribution. This is presumably due to the high level of liquid funds available to companies that are not prioritized to increase the dividend payout ratio. The available funds are not prioritized for distribution of predicted dividends because these funds will be used for banking business development capital, as investment capital or to meet the company's debt repayment needs.

H. Research Implication

The results of this study can explain the signaling theory which states that the sending party (the owner of the information) provides a signal in the form of information that reflects the condition of a company that is beneficial to the recipient (investor). The results showed that high profitability will show a positive signal to investors to increase the value of the company. The more profits the company earns will be seen as a positive signal by investors, which in the end investors want to benefit themselves more so investors tend to increase the demand for their shares. This study can also explain agency theory which states that there are differences in interests between shareholders and management that can lead to conflicts of interest. This is evidenced by the results

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Vol 7 | Issue 3 | May 2022 | 332
of the regression of company size on company value causing a negative direction because when the company's assets are large, management tends to be more flexible in utilizing these assets and lack of consideration or supervision may cause losses for shareholders. Shareholders tend to have an interest in maximizing the value of the company to maximize the welfare of shareholders, while the management tends to maximize their profits in the form of bonuses or incentives for their services without considering the risk of losses incurred. This research is expected to be considered by the company's management to maximize the value of the company, namely by increasing its ROA. And the company can pay attention to the factors that are proven to affect the value of the company so that they can determine the right strategy for company development. For academics, this research is expected to be used as material for the development of dividend policy to moderate the effect of profitability, company size, and liquidity on company value. For investors, this research is expected to be additional information as a consideration in investing.

IV. CONCLUSION

Profitability, as measured by (ROA), has a positive effect on company value as measured by (PBV). This means that if the profitability (ROA) is getting better, then the company value (PBV) is getting better, conversely, if the profitability (ROA) is getting worse, the company value (PBV) will be getting worse. Company size as measured by (SIZE) has no effect on company value as measured by (PBV). This means that large or small company size (SIZE) does not affect the company value (PBV). Liquidity, as measured by (LDR), does not affect the company value as measured by (PBV). This means that the increase or decrease in liquidity (LDR) does not affect the company value (PBV). Dividend policy as measured by (DPR) is not able to moderate the effect of profitability measured by (ROA) on company value as measured by (PBV). This means that a large or small dividend policy (DPR) does not affect the effect of profitability (ROA) on company value (PBV). Dividend policy as measured by (DPR) is not able to moderate the effect of company size as measured by (SIZE) on company value as measured by (PBV). This means that a large or small dividend policy (DPR) does not affect the effect of company size (SIZE) on company value (PBV). Dividend policy as measured by (DPR) is not able to moderate the effect of liquidity measured by (LDR) on company value as measured by (PBV). This means that a large or small dividend policy (DPR) does not affect the effect of liquidity (LDR) on company value (PBV).

For investors and prospective investors, the results of this study can be used as a theoretical basis to be a tool in considering their investment decisions in banking companies by looking at the value of the company and the factors that have been proven to influence, namely profitability (ROA). For the management of banking companies listed on the Indonesia Stock Exchange (IDX), the results of this study can be used to optimize company value. This can be done by designing regulations and policies to increase profitability (ROA).

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Vol 7 | Issue 3 | May 2022

333


