FACTORS THAT AFFECT THE VALUE NON FINANCIAL COMPANIES IN INDONESIA

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Abstract

The purpose of this study is to examine the variables that affect business value. These elements consist of company size, leverage, profitability, liquidity, and dividend policy as a moderating variable. Non-financial enterprises that were listed on the Indonesia Stock Exchange between 2021 and 2023 make up the research's population. Purposive sampling was used to choose the sample, and 102 businesses satisfied the requirements. Multiple regression analysis is used in the study to process the data.

The results show that business value is highly impacted by profitability, liquidity, profitability, and leverage, all of which are regulated by dividend policy. On the other hand, firm value is not significantly impacted by liquidity, leverage, firm size, dividend policy, or firm size moderated by dividend policy.

1. Introduction

At the 2017 Top Emiten awards, PT Surya Citra Media Tbk (SCMA) was named the best public business in the media, printing, and advertising industries. The Top Capital Market 2017 event, which honored public corporations and investment managers with exceptional performance and promising commercial prospects, included this accolade. In partnership with the Asia Business Research Center (ABRC) and many business and capital market bodies, Business News Indonesia magazine organized the awards.

Innovation, which includes the creation of fresh concepts and tactics, is essential to a business's development. As the aforementioned example illustrates, a company's worth might rise dramatically after winning a renowned award. Investors opinions of a company's success are reflected in its firm value, which is frequently connected to its stock price. Firm value serves as a critical measure of a company's performance and market perception, influencing both investor decision-making and shareholder wealth. (Sujoko and Soebiantoro, 2007). Based on historical data on stock prices, dividends, and IHSG kinerja that was obtained from IDXNET (Bursa Efek Indonesia) for the year 2022, it was determined that the few largest banks in Indonesia consistently had a 30% dividen from laba, which, in turn, had a 15% rata-rata tingkat for saham, which was higher than the 12% rata-rata IHSG. This is in line with previous research findings that indicate aggressive divisional behavior can be one of the factors influencing the growth of a company's value.

Fama asserted that a company's stock price also reflects its worth (Mangantar & Ali, 2015). The stock price is the market value of a company's shares, which is influenced by supply and demand dynamics in the stock market. High liquidity stocks typically draw investors, which raises stock prices and, in turn, increases business value (Mangantar & Ali, 2015). According to Wahyudi and Pawestri, shareholder wealth rises with corporate value (Wulandari, 2013). Recent research supports this position. Firm size has no appreciable impact on corporate value, but profitability, liquidity, capital structure, and dividend policy do (Prasetyo & Prawidya, n.d.). In a similar vein, Sitanggang and Doloksaribu found that company size and profitability positively impact company

value, while liquidity and leverage had no discernible impact (Sitanggang & Doloksaribu, 2021). Although other elements like firm size, leverage, and liquidity may differ depending on the industry and setting, these studies emphasize profitability as a crucial determinant of corporate value. According to research conducted by Pascareno and Siringoringo, there is no discernible relationship between profitability and a company's value using division as a moderating variable (Pascareno & Siringoringo, 2014). This study was also supported by earlier research by Mahendra et al. (2012). Accordingly, there is no long-term impact of the division through profitability on the company's value. Whereas if the division is broken, the company's value is also not broken because, in a very short time, the division is not broken.

The motivation behind the researcher's interest in this study is to investigate the variables influencing company value, especially as they are influenced by dividend policy. Companies that have a high corporate value are better able to accomplish their goals and stay ahead of the competition. Higher dividends for shareholders are a direct result of rising corporate value. The purpose of this study is to present empirical data regarding the moderating effects of dividend policy, firm size, liquidity, profitability, and leverage on corporate value. Furthermore, as raising firm value corresponds with raising shareholder wealth, the researcher aims to ascertain whether firm value actually helps investors make wise investment choices.

This study expands on earlier research by Pascareno and Siringoringo that looked at business value, debt, profitability, and liquidity (Pascareno & Siringoringo, 2014). Nevertheless, the current analysis keeps dividend policy as a moderating variable while adding firm size as an extra independent variable (Setiawan & Ridwan, 2015). This study aims to contribute to the academic literature by integrating dividend policy as a moderating variable, thereby providing a more nuanced understanding of its influence on firm value in non-financial sectors.

The study focuses on non-financial firms that were listed between 2021 and 2023 on the Indonesia Stock Exchange (IDX). Since non-financial businesses typically have bigger production scales, these businesses were chosen. Their capacity to boost sales directly raises the worth of the company and generates large profits that support their goals. The primary objective of this research is to examine the moderating effects of dividend policy on the relationship between profitability, firm size, liquidity, and leverage with firm value, particularly in the non-financial sectors listed on IDX from 2021 to 2023. This study seeks to address existing research gaps and provide actionable insights for investors and policymakers.

Theoretical Framework

Agency Theory

Agency theory, introduced by Jensen and Meckling (1976), explains the relationship between principals (owners) and agents (managers) in an organization. This theory posits that conflicts of interest between these parties can negatively impact business performance. Jensen and Meckling argue that these conflicts arise due to the divergence of goals between principals and agents, leading to agency costs.

In the context of this study, agency theory is particularly relevant for understanding how mechanisms such as transparency, accountability, and corporate governance practices can mitigate agency problems. For instance, Zhang et al. (2022) demonstrated that blockchain technology can reduce information asymmetry and agency conflicts by enhancing accountability. Furthermore, Bebchuk and Tirole (2005) found that measures like independent audit committees and performance-based compensation effectively align the interests of managers and shareholders. This aligns with the current study's focus on improving firm value through governance mechanisms.

Firm Value

According to this study, firm value is the market value, which is frequently reflected in stock prices and represents investors' expectations of the company's future performance (Damodaran, 2019). A better market valuation is indicated by higher stock prices.

Tobin's Q, which contrasts a company's market value with the book value of its assets, is one of several financial ratios used to assess business worth. This indicator assesses how well management generates value for shareholders through the use of assets (Fama, 1978). The Price-to-Earnings Ratio (PER) and Price-to-Book Value (PBV) are two more often used ratios.

Liquidity (Cash Ratio)

A company's ability to meet its short-term financial obligations—which are usually due within a year—is reflected in its liquidity. Current assets, such cash and securities, which are easily convertible into cash, are used to pay these commitments. The cash ratio is frequently used to evaluate liquidity (Pascareno & Siringoringo, 2014).

The cash ratio evaluates how well a business can use its available cash or cash equivalents, like bank deposits, to cover short-term obligations. When considering liquidity, this ratio offers a more cautious perspective than other metrics. In addition to showing excellent liquidity, a high cash ratio can raise a company's worth (Pascareno & Siringoringo, 2014).

According to Winarto (2015), likuiditas has a significant and negative impact on a company's value. Accordingly, the above explanation is not consistent with the findings of this study. This occurs because the company's likuiditas, as shown by the kas tersebut, indicates the amount of money used by a particular company to make investments so as to affect the company's value on its own. Likuiditas is a concept that has an impact on the company's value, where investors in that company with strong protection will make it impossible for the company to generate laba.

However, according to the findings of research by Anzlina and Rustam (2013) and Ademola and Kemisola (2014), likuiditas has a positive impact on the company's value, and this is consistent with the existing research findings.

According to research conducted by Pascareno and Siringoringo, there is a negative correlation and no discernible impact between likuiditas and company value with division as a moderating variable (Pascareno & Siringoringo, 2014). Mahendra et al. (2012) also summarized the findings of the study. Basically, likuiditas and kebijakan dividen don't have a negative impact on the company's value. In this case, there is no influence whatsoever on the relationship between likuiditas and business value with the division as a moderating variable.

Leverage

A financial indicator called leverage shows how much debt a business utilizes in its capital structure. It shows the percentage of assets that are financed by debt as opposed to equity. An increased dependence on debt is implied by higher leverage ratios (Brigham & Ehrhardt, 2019). Leverage can raise return on equity (ROE) since interest payments are tax deductible. However, because the business must fulfill fixed obligations, such as debt and interest payments, it also raises financial risk. Excessive debt can jeopardize a company's financial stability, especially during challenging economic times (Brealey et al., 2011).

According to research conducted by Pascareno and Siringoringo, there is no discernible relationship between leverage and firm value (Pascareno & Siringoringo, 2014). This research also follows the findings of studies by Mahendra et al. (2012) and Bashir et al. (2013), which indicate that there is no discernible relationship between leverage and firm value. These results are inconsistent or contradictory to the research conducted by Qodir et al. (2016) and Bernandhi dan Muid (2014), which states that leverage has both negative and significant effects on a company's value.

According to research conducted by Pascareno and Siringoringo, there is no discernible relationship between leverage and a company's value using division as a moderating variable (Pascareno & Siringoringo, 2014). Mahendra et al. (2012) and Nainggolan and Listiadi (2014) conducted research. This indicates that there isn't a significant impact of leverage on the company's value.

This study is in line with research by Octaviani and Astika (2016), which states that there is a significant positive correlation between leverage and company value using division as a moderating variable.

Firm Size

The extent of a company's operations is indicated by its firm size, which is determined by its total assets. Generally speaking, larger businesses have more options when it comes to using their resources. Dewi and Wirajaya (2013) cite Analisa (2011) as saying that the effects of business size on corporate value differ.

Compared to smaller businesses, large corporations are frequently viewed as more established, reliable, and able to provide steady profits. They can pay out larger dividends and typically have steady earnings (Setiawan & Ridwan, 2015). On the other hand, smaller businesses may be more innovative and flexible in response to market shifts, but they frequently have unstable profits (Aghion et al., 2013).

According to research conducted by Setiawan and Ridwan, there is no discernible difference between the size of the company and its value (Setiawan & Ridwan, 2015). The previous research conducted by Dewi and Wirajaya (2013), Pantow et al. (2015), and Manoppo and Arie (2016) stated that the size and nilai of the company did not significantly affect the results of this study.

According to research conducted by Setiawan and Ridwan, there is no discernible relationship between likuiditas and company value using division as a moderating variable (Setiawan & Ridwan, 2015).

Dividend Policy

The distribution of a company's profits between paying out dividends to shareholders and keeping some for future expansion is known as dividend policy. The dividend payout ratio, which calculates the percentage of earnings distributed as dividends, can be used to assess dividend policy (Musiega et al., 2013). Stocks with greater dividend payout ratios are frequently preferred by investors.

Funding decisions and dividend policy are closely related since they affect how much money is kept for expansion and how much is distributed to shareholders. According to Fadah (2010), (Easterbrook, 1984) maintained that by holding managers responsible, dividend payments lower agency costs. Shareholders urge managers to behave responsibly and make decisions that serve the interests of shareholders by requiring dividends.

Research conducted by Pascareno and Siringoringo indicates that there is no significant difference between the company's nilai and its kebijakan dividen (Pascareno & Siringoringo, 2014). This result is consistent with Sofyaningsih and Hardiningsih (2011), Bernandi and Muid (2014), and Setiawan and Ridwan (2015), which indicate that changes that occur in the division do not negatively impact or have anything to do with the company's performance.

Research Model

The following is a research model that connects independent variables and moderating variables to the dependent variable:

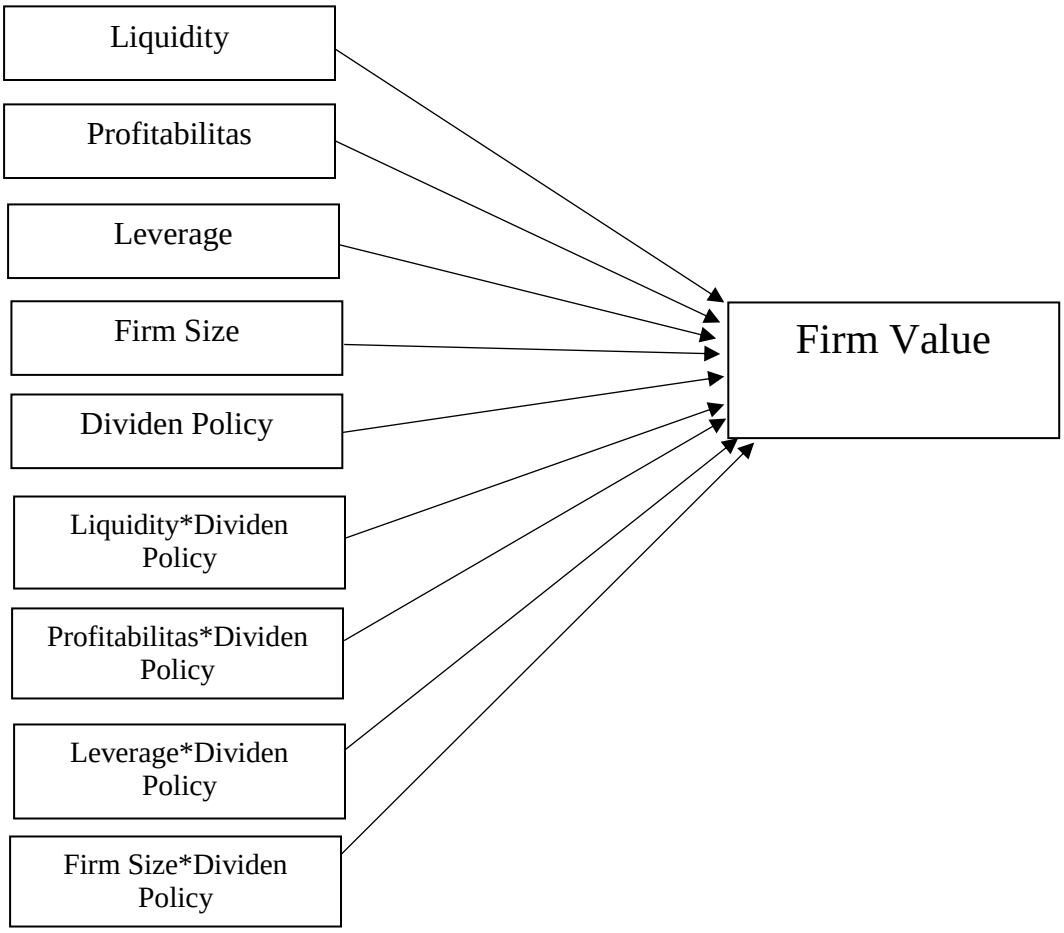

Figure 1. Research Model

2. Research Method

The non-financial businesses listed on the IDX between 2021 and 2023 are the subject of this study. The study employs panel regression with moderation as the appropriate analytical model, in line with the recommendations for handling data that spans both cross-sectional and time-series dimensions. This method allows for analyzing the effect of independent variables on the dependent variable, moderated by a specific variable, across multiple periods. Purposive sampling is used as the sampling technique, in which samples are chosen according to predefined standards set by the researcher (Sekaran & Bougie, 2016). Non-financial enterprises listed on the IDX during the specified period meet the inclusion criteria established for this study. To conduct the panel regression with moderation analysis, EViews or Stata software will be utilized. These tools are well-suited for handling panel data and performing robust statistical tests, ensuring the validity and reliability of the results.

The following are the sample's inclusion criteria:

1. Non-financial companies were regularly listed on the IDX from 2021 to 2023.
2. Non-financial companies that, from 2021 to 2023, regularly concluded their fiscal year on December 31.

3. Non-financial companies that use the Indonesian Rupiah to report their financial accounts for 2021–2023.
4. Non-financial companies that reported a series of gains between 2021 and 2023.
5. From 2021 to 2023, non-financial companies that consistently declared dividends.
6. Non-financial businesses that supplied the comprehensive and reliable data needed for this study between 2021 and 2023.

Data Collection Technique

Secondary data, or information obtained from sources other than the researcher, is used in this study. The secondary data used includes the 2021–2023 annual reports of non-financial companies listed on the IDX. The official IDX website, www.idx.co.id, is where these reports were obtained.

Data Analysis Method

This study makes use of quantitative data. Parametric statistical techniques will be used for analysis following data gathering. Since the data is measured on a ratio scale and it is presumed that every sample data follows a normal distribution, parametric statistics are considered appropriate.

Testing Hypotheses

Multiple regression analysis with a 5% significance level will be used to assess the study's hypotheses. The research model structure for this study is as follows:

$$FVALUE = \beta_0 + \beta_1 LIQ + \beta_2 PROF + \beta_3 LEV + \beta_4 SIZE + \beta_5 DIV + \beta 6(LIQ*DIV) + \beta_7 (PROF*DIV) + \beta 8(LEV*DIV) + \beta 10(SIZE*DIV) + \varepsilon$$

Where:

FVALUE	: Firm Value (measured by Tobin’s Q)
LIQ	: Liquidity
PROF	: Profitability
LEV	: Leverage
SIZE	: Firm Size
DIV	: Dividend Policy
LIQDIV	: Liquidity moderated by Dividend Policy
PROFDIV	: Profitability moderated by Dividend Policy
LEVDIV	: Leverage moderated by Dividend Policy
SIZEDIV	: Firm Size moderated by Dividend Policy

3. Results and Discussions

Non-financial companies listed on the Indonesia Stock Exchange (IDX) serve as the study's research objects, while all companies registered on the IDX make up the research population. The study will take place between 2021 and 2023. The technique employed in the sample selection process, known as purposeful sampling, selects samples based on preset criteria. The sample selection procedure is described in Table 1 below:

Table 1.
Sample Selection Procedure

Sample Criteria	Total Company	Total Data
- Non-financial companies consistently listed on the Indonesia Stock Exchange (IDX) during the period 2021 to 2023.	402	1206
- Non-financial companies that do not consistently have a fiscal year-end on December 31 during the period 2021 to 2023.	(7)	(21)
- Non-financial companies that do not consistently present financial statements in Indonesian Rupiah during the period 2021 to 2023.	(74)	(222)
- Non-financial companies that did not report consecutive profits during the period 2021 to 2023.	(128)	(384)
- Non-financial companies that did not consistently distribute dividends during the period 2021 to 2023.	(76)	(228)
- Non-financial companies that did not consistently provide the required data completely during the period 2021 to 2023.	(15)	(45)
- Number of Research Samples	102	306

Descriptive Statistics of Variables

The sample's properties, such as the number of samples utilized, the mean, standard deviation, minimum and maximum values, and each variable's descriptive statistics, are explained. Table 2 displays the findings of the descriptive statistical analysis..

Table 2.
Results of Descriptive Statistical Analysis

Variabel	N	*Minimum*	*Maximum*	*Mean*	*Std. Deviation*
FV	306	0,2767	18,2542	2,438079	2,5427800
LIK	306	0,0064	99,4038	2,237321	5,8886401
ROE	306	0,0039	7,9910	0,192094	0,4736290
LEV	306	0,0003	18,1924	1,049434	1,3050967
UP	306	25,7995	33,1988	29,204911	1,4561855
Dividen	306	0,0001	4,5249	0,359639	0,3421994
LIKDIV	306	0,0003	9,6123	0,678095	1,0301752
ROEDIV	306	0,0000	3,1972	0,086905	0,2351223
LEVDIV	306	0,0000	7,2788	0,368427	0,6117253
UPDIV	306	0,0031	131,8782	10,531325	10,0432667

Source: Data processing results, 2024

A summary of the descriptive statistical analysis's results is given in Table 2, which also includes the variables' mean, standard deviation, minimum and maximum values, and number of observations. The primary findings are as follows:

1. Firm Value (FV): The dependent variable has a minimum value of 0.2767 and a maximum value of 18.2542, based on 306 observations. The standard deviation is 2.5427800, and the mean is 2.438079.
2. Liquidity: The independent variable liquidity has 306 observations and runs between 0.0064 and 99.4038. The standard deviation is 5.8886401, while the mean is 2.237321.
3. Profitability (ROE): The independent variable Profitability has values ranging from 0.0039 to 7.9910 based on 306 observations. The standard deviation is 0.4736290, while the mean is 0.192094.
4. Leverage: The independent variable leverage has a minimum value of 0.0003 and a maximum value of 18.1924, based on 306 observations. The standard deviation is 1.3050967, and the mean is 1.049434.
5. Firm Size: With 306 observations, the independent variable Firm Size falls between 25.7995 and 33.1988. The standard deviation is 1.4561855 and the mean is 29.204911.
6. Dividend Policy: Based on 306 observations, the independent variable Dividend Policy has a minimum value of 0.0001 and a maximum value of 4.5249. The standard deviation is 0.3421994, while the mean is 0.359639.
7. Dividend Policy-Modified Liquidity: This variable contains 306 observations, with a minimum value of 0.0003 and a maximum value of 9.6123. The standard deviation is 1.0301752, while the mean is 0.678095.
8. Dividend Policy-Modified Profitability (ROE): This independent variable, which is based on 306 observations, has a range of 0.0000 to 3.1972. The standard deviation is 0.2351223, while the mean is 0.086905.
9. Leverage Moderated by Dividend Policy: This variable has a minimum value of 0.0000 and a maximum value of 7.2788, based on 306 observations. The standard deviation is 0.6117253, while the mean is 0.368427.
10. Dividend Policy-Modified Firm Size: This variable has 306 observations and runs from 0.0031 to 131.8782. 10.531325 is the mean, and 10.0432667 is the standard deviation.

Results of Residual Data Normality Test

To ascertain whether the regression model has a normal distribution, a residual data normality test is performed prior to multiple regression analysis. The non-parametric One-Sample Kolmogorov-Smirnov (K-S) test is used to conduct the normalcy test. The following is how Table 3 displays the normalcy test results:

Table 3.
One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
Asymp. Sig. (2-tailed)	,000

Source: Data processing results, 2024

The initial residual data normality test yielded an asymp. sig. (2-tailed) value of 0.000, which is less than 0.05. This indicates that the regression model's data does not follow a normal distribution and may contain extreme values. To address this issue, an outlier test is necessary to remove extreme data points, ensuring that the data aligns with the assumption of normality.

Residual Data Normality Test Results After Outlier Removal

The next step is to do an outlier test if the first normality test indicates that the data is not normally distributed. This test finds outliers, or extreme results, that should not be included in the study. A z-score threshold of -3 to +3 is used in this investigation, and any data point with a z-score outside of this range is eliminated.

The following table provides a summary of the residual data normalcy test findings after outliers have been eliminated:

Table 4.
One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
Asymp. Sig. (2-tailed)	,000

Source: Data processing results, 2024

Following outlier removal, the residual data normalcy test findings, which are shown in Table 4, have an asymptotic sig. (2-tailed) value of 0.000, which is less than the 0.05 cutoff. This suggests that the regression model's data still deviates from a normal distribution. As a result, the analysis proceeds using the original dataset, which consists of 342 observations, before outliers are eliminated.

Results of Classical Assumption Tests

Multicollinearity Test Results

The multicollinearity test looks for any correlation between the independent variables in the regression model. A reliable regression model requires multicollinearity, or the lack of correlation between the independent variables.

By looking at tolerance levels and Variance Inflation Factor (VIF) values, this test assesses multicollinearity. The existence or lack of correlations between the independent variables is indicated by these measures. Table 5 below displays the multicollinearity test results:

Tabel 5. Results of Multicollinearity Test

Variabel	Tolerance	VIF	Findings
LIK	0,303	3,302	There is no multikolinearitas problem.
ROE	0,069	14,510	There is a multikolinearitas problem.
LEV	0,091	10,961	There is a multikolinearitas problem.
UP	0,301	3,325	There is no multikolinearitas problem.
DIV	0,001	879,371	There is a multikolinearitas problem.
LIKDIV	0,193	5,170	There is no multikolinearitas problem.
ROEDIV	0,060	16,758	There is a multikolinearitas problem.
LEVDIV	0,067	15,035	There is a multikolinearitas problem.
UPDIV	0,001	912,251	There is a multikolinearitas problem.

Source: Data processing results, 2024

According to Table 5, the tolerance value of the independent variables of company size, likuiditas, and kebijakan dividen that are altered by likuiditas is greater than 0.1 and the faktor

inflasi varian (VIF) is somewhat greater than 10. This indicates that multicollinearity among the variables in question is not a problem.

However, the relationship between profitability and the size of the company that is influenced by the division, as well as the independent variables of size, profitability, and leverage, all of which are affected by the division, lead to multicollinearity. This indicates that there is a relationship between the variables in question.

Heteroscedasticity Test Results

The purpose of the heteroscedasticity test is to determine whether the variance of residuals in the regression model differs among data. A trustworthy regression model should exhibit homoscedasticity, which means that there is no heteroscedasticity and the residual variance stays constant.

Table 6. Results of Heteroscedasticity Test

Variabel	Sig.	Result
LIK	0,233	There is no heteroscedasticity
ROE	0,015	There is heteroscedasticity.
LEV	0,068	There is no heteroscedasticity
UP	0,573	There is no heteroscedasticity
DIV	0,243	There is no heteroscedasticity
LIKDIV	0,070	There is no heteroscedasticity
ROEDIV	0,024	There is heteroscedasticity.
LEVDIV	0,128	There is no heteroscedasticity
UPDIV	0,175	There is no heteroscedasticity

Variabel Dependen: ares_1
Source: Data processing results, 2024

The significance values for the independent variables of firm size, dividend policy, liquidity, leverage, firm size moderated by dividend policy, and liquidity moderated by dividend policy are all higher than 0.05, according to Table 6. This suggests that these variables do not exhibit heteroscedasticity. However, the significant values for the independent variables profitability (ROE) and profitability modulated by dividend policy are less than 0.05, indicating that these variables may be heteroscedastic.

Autocorrelation Test Results

In a multiple linear regression model, the autocorrelation test determines if the residuals from period ttt and those from the preceding period (t-1) are correlated. Autocorrelation should not be present in a regression model that is fully described. The following is the presentation of the autocorrelation test results:

Table 7. Results of Autocorrelation Test

Variabel	Sig.	Finding
Res_2	,142	There is no Autocorrelation

Variabel Dependen: Unstandardized Residual

Source: Data processing results, 2024

The results of the autocorrelation test indicated above show that the significance value (RES_2) is less than the alpha value of 0.05, specifically 0.001. This suggests that the regression model's residuals in this investigation have autocorrelation problems.

Results of Hypothesis Testing

Results of the Correlation Coefficient (R) Analysis

The correlation coefficient (R) test is used to evaluate how strongly the independent and dependent variables are related. Table 8 displays the correlation coefficient test findings as follow:

Table 8.
Results of the Correlation Coefficient (R) Analysis

Model	R
1	,880a

Source: Data processing results, 2024

According to the preceding table, the correlation coefficient (R) is 0.880, which is higher than 0.7. Firm Value (FV) is therefore positively correlated with the following variables: Firm Size, Leverage, Profitability (ROE), Liquidity, Firm Size, Dividend Policy, Liquidity moderated by Dividend Policy, Profitability (ROE) moderated by Dividend Policy, Leverage moderated by Dividend Policy, and Firm Size moderated by Dividend Policy. This relationship is statistically significant.

Results of Coefficient of Determination (Adjusted R-Square) Analysis

The model's capacity to explain the dependent variable, firm value, is gauged by the coefficient of determination (R2). The following are the adjusted R-squared results:

Table 9.
Results of Coefficient of Determination (Adjusted R-Square) Analysis

Model	R *Square*	*Adjusted* R-*Square*	*Std. Error of the Estimate*
1	,775	,768	1,22443291

Source: Data processing results, 2024

The adjusted R-squared value is displayed in Table 9. The independent variables of liquidity, profitability (ROE), leverage, company size, and dividend policy account for 76.8% of the variation in the dependent variable, firm value (FV); other variables not included in the study's regression model account for the remaining 23.2%.

Results of F-Test (ANOVA)

The viability of the model utilized in this investigation is assessed using the F-statistic test. The following is how Table 10 displays the F-statistic test results:

Tabel 10
Results of F-Test (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1528,349	9	169,817	113,288	,000[b]
	Residual	443,699	296	1,499		
	Total	1972,048	305			

Source: Data processing results, 2024

The above table's F-test results indicate a significance value of 0.000, which is less than the 0.05 alpha value. The research model is suitable and suitable for testing, it may be inferred.

Results of t-Test

Each independent variable's unique impact on the dependent variable is investigated using the t-test. The following is how Table 11 displays the t-test results:

Table 11
Results of t-Test

Variabel	B	T	Sig.	Result
(*Constant*)	0,395	0,156	0,876	
Likuiditas	0,019	0,871	0,385	Ha_1 not accepted
ROE	-4,249	-7,536	0,000	Ha_2 accepted
Leverage	-0,174	-0,977	0,329	Ha_3 not accepted
Ukuran Perusahaan	,070	0,801	0,424	Ha_4 not accepted
Dividen	-0,803	-0,132	0,895	Ha_5 not accepted
Lik*Div	-0,345	-2,232	0,026	Ha_6 accepted
ROE*Div	19,509	15,984	0,000	Ha_7 accepted
Lev*Div	-1,839	-4,139	0,000	Ha_8 accepted
UP*Div	0,043	0,204	0,771	Ha_9 not accepted

Source: Data processing results, 2024

Based on the table above, the regression equation in this study is expressed as follows:

$$FV = 0{,}395 + 0{,}019\ LIQ - 4{,}249\ PROF - 0{,}174\ LEV + 0{,}070\ SIZE - 0{,}803\ DIV - 0{,}345\ (LIQ*DIV)$$

$$+ 19{,}509\ (PROF*DIV) - 1{,}839\ (LEV*DIV) + 0{,}043\ (SIZE*DIV) + \varepsilon$$

The constant value of 0.395 means that the dependent variable, firm value, will be 0.395 if the independent variables, liquidity, profitability, leverage, firm size, and dividend policy, are kept constant or equal to zero.

t-Test Results:

a. Liquidity: Ha1 is rejected with a significance value of 0.385, which is higher than $\alpha = 0.05$. Liquidity does not significantly affect firm value. This finding suggests that investors and shareholders might prioritize other financial metrics over liquidity when assessing firm

value. High liquidity might indicate operational efficiency, but its lack of significant impact implies that investors may not view it as a critical determinant of value, especially in non-financial sectors where cash holdings might not directly correlate with growth or profitability.

b. Profitability: Ha2 is accepted when the significance value is 0.000, which is smaller than $\alpha = 0.05$. Given that profitability is frequently a crucial factor in investment selections, its negative coefficient of -4.249 indicates that it has a considerable impact on investor choices. Profitability negatively impacts firm value, as indicated by the coefficient of -4.249. This counterintuitive finding might arise from the possibility that higher profitability could signal a lack of reinvestment opportunities, leading to reduced growth prospects. Alternatively, excessive retained earnings may be viewed negatively by shareholders who prefer higher dividend payouts. This highlights the complexity of profitability's relationship with firm value, which depends on how profits are managed and communicated to investors.
c. Leverage: Ha3 is rejected if the significance value is 0.329, which is higher than $\alpha = 0.05$. Leverage has no significant effect on firm value. This result implies that the level of debt a company holds does not heavily influence investors' perception of its value in the context of non-financial firms. Investors may consider leverage as an acceptable financing tool, provided it does not lead to excessive risk or threaten the company's solvency.
d. Firm Size: Ha4 is rejected when the significance value is 0.424, which is higher than $\alpha = 0.05$. Firm size, measured through metrics like total assets, does not significantly affect firm value. This suggests that larger firms may not always be perceived as more valuable, possibly due to diminishing returns to scale or inefficiencies in managing large operations. It also indicates that investors might assess firm value based on qualitative factors like innovation, strategic positioning, or market competitiveness, rather than just the scale of operations.
e. Dividend Policy: Ha5 is rejected if the significance value is 0.895, which is higher than $\alpha = 0.05$. Dividend policy alone does not significantly impact firm value. This indicates that while dividends can be an attractive feature for certain investor groups, they are not a sole determinant of value. Investors might also evaluate other factors, such as growth prospects, profitability, or market conditions, before assigning value to a firm, even when favorable dividend policies are in place.
f. Dividend Policy-modified liquidity: Ha6 is accepted with a significant value of 0.026 (less than $\alpha = 0.05$). When moderated by dividend policy, liquidity negatively impacts firm value (coefficient = -0.345). This suggests that excessive liquidity combined with a dividend policy might be perceived as a sign of inefficiency, where excess cash is not being effectively utilized for growth or investment. Investors may view high liquidity levels as a missed opportunity for generating higher returns.
g. Dividend Policy moderates profitability: Ha7 is accepted when the significance value is 0.000, which is smaller than $\alpha = 0.05$. Dividend policy strengthens the positive relationship between profitability and firm value (coefficient = 19.509). This implies that when companies balance profitability with an appropriate dividend policy, it reassures investors about the company's financial health and commitment to shareholder value. Dividend payouts act as a signal of stable earnings and future prospects, enhancing the overall perception of firm value.
h. Leverage modulated by Dividend Policy: Ha8 is accepted with a significance value of 0.000 (less than $\alpha = 0.05$). Leverage negatively impacts firm value when moderated by dividend policy (coefficient = -1.839). This suggests that high levels of debt combined with dividend payouts may strain the company's financial stability, leading to reduced investor

confidence. Investors may interpret this combination as risky, as resources used for debt servicing and dividends could otherwise be reinvested into the business.

i. Firm Size influenced by Dividend Policy: Ha9 is rejected when the significance value is 0.839, which is higher than $\alpha = 0.05$. Firm size, when moderated by dividend policy, does not significantly affect firm value. This finding indicates that large firms with dividend payouts are not necessarily perceived as more valuable by investors. Factors such as market performance, competitive positioning, and strategic decisions may play a more critical role in shaping investor perceptions than size alone.

4. Conclusions

The study examined the effects of liquidity, profitability, leverage, and firm size on firm value, with dividend policy as a moderating variable, using data from 102 non-financial enterprises listed on the Indonesia Stock Exchange (IDX) from 2021 to 2023. The findings reveal that liquidity does not significantly impact firm value, while profitability negatively influences firm value, suggesting that higher profitability may sometimes lower firm value. Leverage exhibits minimal impact, and firm size shows no clear correlation with firm value. Dividend policy, on its own, does not directly affect firm value; however, when acting as a moderating variable, it produces mixed effects. Specifically, liquidity moderated by dividend policy negatively affects firm value, while dividend policy reinforces the role of profitability, enhancing firm value. Conversely, dividend policy moderating leverage negatively impacts firm value, suggesting that high leverage coupled with dividend payouts can lower firm value. The moderation of firm size by dividend policy does not significantly influence firm value.

These findings highlight the critical role of profitability and dividend policy in determining firm value, while other financial factors like liquidity and leverage require specific contexts to exhibit significance. Theoretically, this research contributes to the understanding of dividend policy as a strategic tool in corporate finance, particularly in moderating relationships between financial metrics and firm value. Practically, it emphasizes the importance for management and investors to evaluate dividend policies in conjunction with other financial indicators.

However, the study has several limitations. The three-year timeframe (2021–2023) may not capture long-term effects on firm value, and the analysis, limited to nine variables, may exclude other factors influencing firm value. Furthermore, non-normal data distribution, multicollinearity, and heteroscedasticity in certain variables might have affected the regression results. Additionally, focusing solely on non-financial companies limits the generalizability of the findings to other sectors, such as financial institutions or emerging industries. Future research could address these limitations by extending the timeframe, incorporating more variables, and expanding the sample to include a broader range of industries.

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