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The Effect of Profitability, Debt Policy, Dividend Policy and Investment Decisions on Company Value in the Consumer Goods Industry Listed on the Indonesia Stock Exchange 2015-2019 Period

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ABSTRACT

Management Study Program Faculty of Economics, University of Prima Indonesia Companies engaged in the food and beverage industry are included in the category of manufacturing companies that process raw materials into finished goods so that they have a selling value in the community. The purpose of this study was to determine the effect of profitability, debt policy, dividend policy and investment decisions on company value in the Consumer Goods Industry listed on the Indonesia Stock Exchange for the 2015-2019 Period. This research uses quantitative research methods because the research data is in the form of numbers and is analyzed using statistics and is causal in nature. The population in this research on the consumer goods industry listed on the Indonesia Stock Exchange is 51 in the Consumer Goods Industry for the 2015-2019 period. The sample of this research is 17 companies with 85 financial reports. The result is that Profitability has an effect on Firm Value in the Consumer Goods Industry which is listed on the Indonesia Stock Exchange. Debt Policy has an effect on Firm Value in the Consumer Goods Industry listed on the Indonesia Stock Exchange. Dividend Policy has no effect on Firm Value in the Consumer Goods Industry listed on the Indonesia Stock Exchange. Investment Decisions have no effect on Firm Value in the Consumer Goods Industry which is listed on the Indonesia Stock Exchange. Profitability, Debt Policy, Dividend Policy and Investment Decisions have an effect on Firm Value in the Consumer Goods Industry listed on the Indonesia Stock Exchange.

1. Introduction

Companies listed on the Indonesia Stock Exchange occur into manufacturing and non-manufacturing companies. Companies engaged in the food and beverage industry are included in the category of manufacturing companies because this industry processes raw materials into finished goods that have sale value in society. The contribution of the food and beverage industry in particular contributes to the food and beverage industry having the largest contribution proportion of 6.33% to national GDP in the first semester of 2018. The food and beverage sub-sector also experienced the highest growth compared to other manufacturing industries (https: // economy. kompas.com Tuesday 23 October 2018).

This food and beverage company in carrying out operational activities includes sales, purchases, expenses and product returns. The company's operational activities are usually recorded in financial statements. Shareholders need financial reports to obtain company financial information as a basis for consideration before making an investment. One of the information needed by investors, especially company value. Firm value shows the price of shares owned by the company in one period.Usually the value of the company is reflected in the share price. Share prices often experience increases or decreasesthat resulted the occurrence low profits, high levels of debt and dividends that low. Therefore, information about the company, for example, company profile, shareholder information. The relationship between shareholders, the board of commissioners, and the board of directors is the key to a company's success in growing and being able to improve company performance has an effect on stock prices. The factors affecting the value of the included company profitability, debt policy, dividend policy and investment decisions.

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a. conceptual framework

The conceptual framework can be seen in Fig 1:

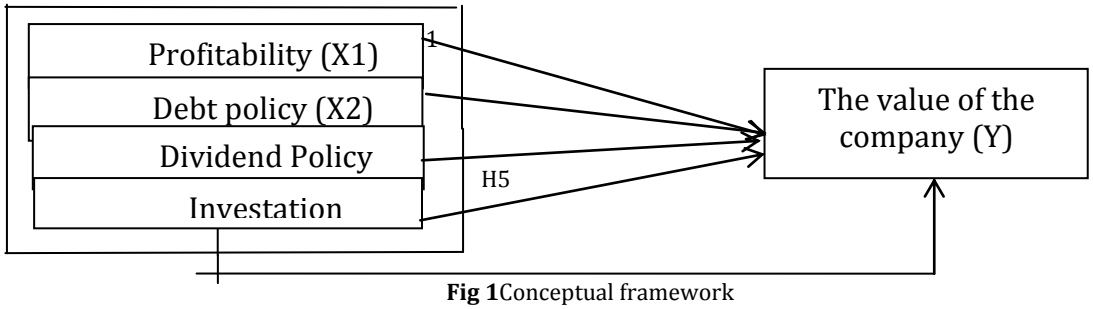

Fig 1 Conceptual framework

b. **Hypothesis Research:**

Ber based on the conceptual framework described above, the hypotheses developed in this study are as follows:

H1: Profitability has an effect on Firm Value in the Consumer Goods Industry which is listed on the Indonesia Stock Exchange.

H2: Debt Policy has an effect on Firm Value in the Consumer Goods Industry which is listed on the Indonesia Stock Exchange.

H3: Dividend Policy affects Company Value in the Consumer Goods Industry which is listed on the Indonesia Stock Exchange.

H4: Investment decisions affect the value of companies in the consumer goods industry listed on the Indonesia Stock Exchange.

H5: Profitability, Debt Policy, Dividend Policy and Investment Decisions affect Firm Value in the Consumer Goods Industry listed on the Indonesia Stock Exchange

2. Method

This study uses quantitative research methods because the research data is in the form of numbers and analyzed using statistics and is causal in nature. Researchers conducted research on the consumer goods industry which is listed on the Indonesian Stock Exchange. by going through the site www.idx.co.id.

The population in this research on the consumer goods industry listed on the Indonesia Stock Exchange is 51 in the Consumer Goods Industry for the 2015-2019 period which is obtained through the official website.www.idx.co.id.Withdrawal of samples using methods *purposive sampling method*The specific criteria for sampling in table 1 are as follows:

Table 1
Research Samples

Criteria	Sample
1. Consumer Goods Industry listed on the Indonesia Stock Exchange for the period 2015-2019	52
2. Consumer Goods Industry that does not / has not published financial reports for the 2015-2019 period	(17)
3. Consumer Goods Industry that does not pay dividends in a row for the 2015-2019 period	(10)
4. Consumer Goods Industry which does not have a positive net profit for the 2015-2019 period	(8)
The total sample studied 2015-2019 period	17
Total sample 5 x 17 years	85

The sample of this research is 17 companies with 85 financial reports Consumer Goods Industry listed on the Indonesia Stock Exchange for the period 2015-2019.

The data collection of this research uses documentation study which is a data collection technique by recording, collecting and studying company data related to the financial statements of the consumer goods industry published by the official website www.idx.co.id.

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According to Sujarweni (2014: 73-74), Secondary data is data obtained from records, books, magazines in the form of corporate publications financial reports, government reports, articles, books as theory, magazines and so on.

The type of data used in this study is secondary data.

3. Discussion result

3.1 Research result

Processed quantitative data of this research was tested from descriptive, classical assumptions and hypotheses.Sample 17 The Consumer Goods Industry with five years of observation and 85 data. Descriptive data are presented.

Table 2
Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	85	.00	.53	.1332	.10079
DER	85	.02	1.82	.6240	.46099
PR	85	.00	33.86	.9165	3.67124
PER	85	.03	464.86	27.4841	49.42727
PBV	85	.00	30.17	5.1851	6.39197
Valid N (listwise)	85				

a. Total data 85 for Profitability has a minimum of 0.00; maximum 0.53; mean 0.1332 and std. deviation 0.10079.
b. Total data 85 for Payable Policy has a minimum of 0.02; maximum 1.82; mean 0.6240 and std. deviation 0.46099.
c. Total data 85 for Dividend Policy has a minimum of 0.00; maximum 33.86; mean 0.9165 and std. deviation 3.67124.
d. Total data 85 for Investment Decision has a minimum of 0.03; maximum 464.86; mean 27.4841 and std. deviation 49.42727.
e. Total data 85 for Firm Value has a minimum of 0.00; maximum 30.17; mean 5,1851 and std. deviation 6.39197.

3.2 Classic assumption test

a. Normality

The normality test aims to test whether the regression results tested through SPSS are normally distributed or not through normality. There are two tests for normality with graphs and statistics. First, test the chart with the following histogram:

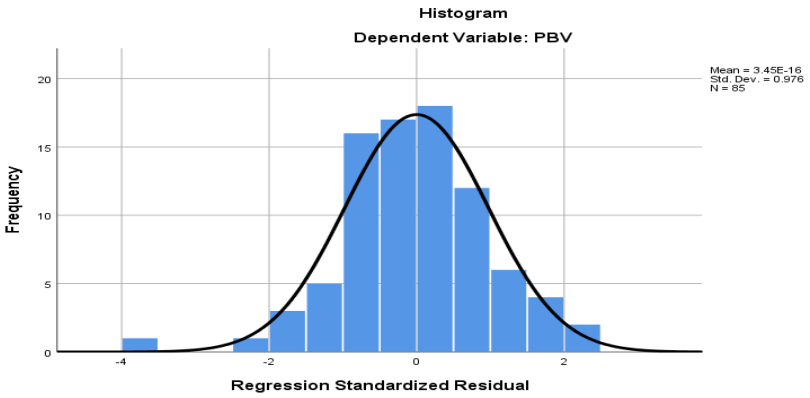

Fig 2 Normality Test With Histogram

Source: SPSS output results

Based on Fig. Histogram 2. Above the graph is shown the position is not tilted right or left, the formation of an inverted bell, it can be concluded that the data is normally distributed.

The normal pp-plot graph looks like this:

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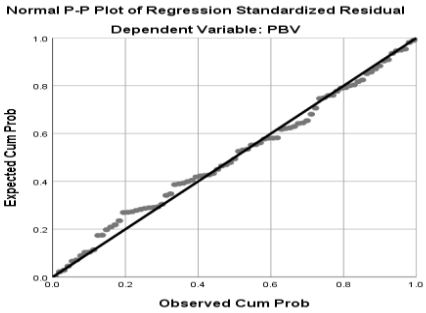

Fig 3 Normal Probability Plot Normality Test

Source: SPSS output results

Based on Fig. 3 Normal pp-plot the points approach the diagonal line, it can be concluded that the data is normally distributed.

Statistics of the normality test via Kolmogorov Smirnov:

Table 3

Kolmogorov-Smirnov Normality Test

		Unstandardized Residual
N		85
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2.21772248
Most Extreme Differences	Absolute	.077
	Positive	.048
	Negative	-.077
Test Statistic		.077
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: SPSS output results

Based on table 3 above the Kolmogorov Smirnov test for normality looks asymp.sig 0.200> 0.05, it can be concluded that the data is normally distributed.

c. Multicollinearity

Multicollinearity is used to test the correlation between independent variables to the bound with the following terms of VIF <10 and tolerance> 0.1:

Table 4

Multicollinearity test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	ROA	.975	1.025
	DER	.889	1.125
	PR	.923	1.084
	PER	.898	1.114

Source: SPSS output results

Based on table 4 above, it can be concluded that:

1) 1. The tolerance value for the variable profitability, debt policy, dividend policy. Investment decisions have a value greater than 0.10, which is 0.975 for profitability, 0.889 for debt policy, 0.923 for dividend policy, 0.898 for investment decisions
2) 2. The value of variable inflation factor (VIF) for the variable profitability, debt policy, dividend policy and investment decisions has a value less than 10, namely 1.025 for profitability, 1.125 for debt policy, 1.084 for dividend policy, and 1.114 for investment policy.

Based on the test results above, it can show that the variables of profitability, debt policy, dividend policy and investment policy show no multicollinearity.

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d. Autocorrelation

Autocorrelation for statistical analysis to determine whether there is a correlation between the variables in the prediction model with changes in time with the terms du <dw <4-du.

Table 5

Autocorrelation test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.938[a]	.880	.874	2.27249	2.151

a. Predictors: (Constant), PER, ROA, PR, DER

b. Dependent Variable: PBV

Source: SPSS output results

Based on table 3.5 above, the number of samples is 85 data, du = 1.7470 and dw = 2.151 with criteria du <dw <4-du, 1.7470 <2.151 <4-1.7470 and 1.7470 <2.151 <2.253, the result is no autocorrelation symptom.

e. Heteroscedasticity Test

Heteroscedasticity test using methodegraphic and statistical.Chart*Scatterplot* those who meet the point requirements are randomly distributed and without a pattern, showing no heteroscedaticity.

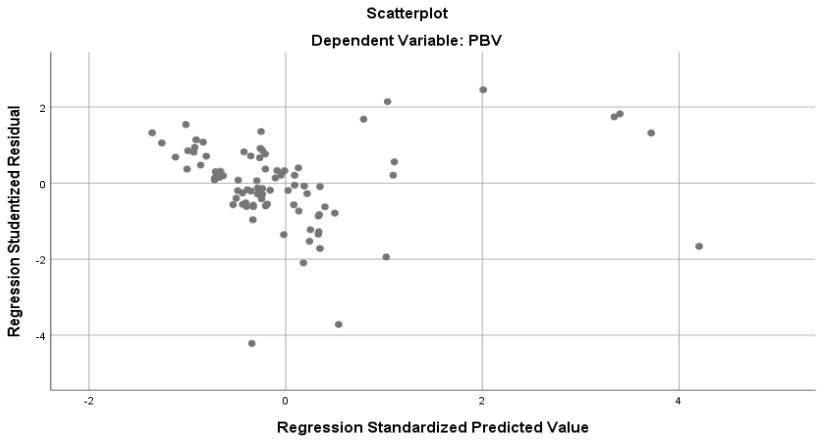

Fig 4 Heteroscedasticity test of Scatterplot Graph

Source: SPSS output results

Based on Fig 4 Graph *Scatterplot* those who meet the point requirements are randomly distributed and without a pattern, showing no heteroscedaticity.

Glejser test in Table 6 below:

Table 6

Glesjer heteroscedasticity test

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.711	.310		2.290	.025
	ROA	5.803	1.449	.408	4.004	.000
	DER	.261	.332	.084	.785	.435
	PR	-.040	.041	-.103	-.986	.327
	PER	.003	.003	.091	.858	.393

a. Dependent Variable: Abs_ut

Source: SPSS output results

Based on table 6 above, Sig Profitability <0.05 occurred heteroscedasticity. Debt Policy, Dividend Policy and Investment Decisions> 0.05 is not heteroscedasticity.

White test in table 7 below:

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Table 7
Heteroscedasticity test white test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.980[a]	.961	.959	4718.30512

a. Predictors: (Constant), PER, ROA, PR, DER
b. Dependent Variable: U2T

c2 = nx the value of R Square
= 85 x 0.961
= 81.685
c2 = 81.685> 69.13

Based on table 7 above, the white test results show c2> c2 table, so 81.685> 69.13 does not occur heteroscedasticity.

3.3 Results of Data Analysis

a. Multiple Linear Regression Analysis

The multiple linear regression analyzer increases or decreases independently of explaining the dependence. The tests are:

Table 8
Multiple Linear Regression Analysis

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-5.434	.533		-10.186	.000
	ROA	52.819	2.491	.833	21.204	.000
	DER	5.763	.570	.416	10.102	.000
	PR	-.021	.070	-.012	-.299	.766
	PER	.000	.005	.002	.056	.955

a. Dependent Variable: PBV

Source: SPSS output results

Based on Table 8 above:

PBV = -5,434 + 52,819 ROA + 5,763 DER - 0.021 PR + 0,000 PER

1) The constant -5,434 means Profitability, Debt Policy, Dividend Policy and Investment Decisions considered zero with the value of the company -5,434.
2) Profitability 52,819 means increasing Profitability one time then the value of the company an increase of 52,819.
3) Debt policy 5,763 means increasing Debt policy one time then the value of the company an increase of 5,763.
4) Dividend Policy -0.021 means increasing Dividend Policy one time then the value of the company decreased by 0.021.
5) Investation decision 0.000 means increase Investation decision one time then the value of the company increased by 0,000.

b. Coefficient of Determination (R^2)

The coefficient determination reflects the independent explaining the dependence of how big the influence is.

Table 9
The coefficient of determination (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.938[a]	.880	.874	2.27249

a. Predictors: (Constant), PER, ROA, PR, DER
b. Dependent Variable: PBV

Source: SPSS output results

Adjusted the R Square 0.618 with the influence of 87.4% on the capital structure and the remaining 12.6% is influenced by other variables.

c. Simultaneous Hypothesis Testing (Test Statistic F)

The F test is used to test whether the independent variables jointly affect the dependent variable.

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Table 10
Statistical Test F

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3018.876	4	754.719	146.144	.000[b]
	Residual	413.137	80	5.164		
	Total	3432.013	84			

a. Dependent Variable: PBV
b. Predictors: (Constant), PER, ROA, PR, DER

Based on table 10 above, Fcount = 146.144, sig = 0.000 and Ftable (85-5 = 80) = 2.49. Fcount> Ftable, namely 146.144> 2.49, it can be seen that H0 is rejected, Ha accepted is indicatedProfitability, Debt Policy, Dividend Policy and Investment Decisions affect Firm Value in the Consumer Goods Industry listed on the Indonesia Stock Exchange.

d. Partial Hypothesis Testing (t Statistical Test)

The t test tests whether the independent variable individually affects the dependent variable.

Table 11
T statistical test

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-5.434	.533		-10.186	.000
	ROA	52.819	2.491	.833	21.204	.000
	DER	5.763	.570	.416	10.102	.000
	PR	-.021	.070	-.012	-.299	.766
	PER	.000	.005	.002	.056	.955

a. Dependent Variable: PBV

1) Profitabilitytcount = 21,204, sig = 0,000, ttable (85-4 = 81) = 1,989, tcount> ttable, H0 is rejected, Ha accepted is shownProfitability has an effect on Firm Value in the Consumer Goods Industry which is listed on the Indonesia Stock Exchange.
2) Debt policytcount = 10.102, sig = 0.000, ttable (85-4 = 81) = 1.989, tcount> ttable, 10.102> 1.989 H0 rejected, Ha accepted is shownDebt Policy has an effect on Firm Value in the Consumer Goods Industry listed on the Indonesia Stock Exchange.
3) Dividend Policytcount = -0,299, sig = 0,766, ttable (85-4 = 81) = 1,989, -thitung> -table, -0,299> -1,989 H0 rejected, Ha accepted is indicatedDividend Policy has no effect on Firm Value in the Consumer Goods Industry listed on the Indonesia Stock Exchange.
4) Investation decisiont count = 0.056, sig = 0.955, t table (85-4 = 81) = 1.989, t count <t table, 0.056 <1.989 H0 accepted, Ha rejected is indicatedInvestment Decisions have no effect on Firm Value in the Consumer Goods Industry which is listed on the Indonesia Stock Exchange.

3.4 Discussion

a. Effect of Profitability on Firm Value

The result of this research is that Profitability has an effect on Firm Value in the Consumer Goods Industry which is listed on the Indonesia Stock Exchange.

The results of the research are consistent with Yanti and Darmayanti (2019: 2300), the higher the company's ability to generate profits, the higher the company's value. The results of this study are in line with Pertiwi, Tommy andTuMiwa (2016) states that profitability has a significant effect on firm value.

b. The Effect of Debt Policy on Firm Value

The result of this research is that the Debt Policy has an effect on Firm Value in the Consumer Goods Industry which is listed on the Indonesia Stock Exchange.

The results of this study are consistent with Dwiastuti and Dillak (2019: 138-139), The use of high debt results in low company value. The higher the debt proportion, the higher the firm value. The results of this study are in line with Apriliyanti, Hermi, Herawaty (2019) stated that debt policy has a positive effect on firm value

c. The Effect of Dividend Policy on Firm Value

The results of the study are Dividend Policy has no effect on Firm Value in the Consumer Goods Industry listed on the Indonesia Stock Exchange.

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The results of this study are inconsistent Apriliyanti, Hermi and Herawaty (2019:205),Sethe more dividends distributed to shareholders, the more the company's share price will reflect the company's value. The results of this study are in line with PamungkUS and Puspaningsih (2013) stated, Dividend policy has no effect on firm value.

e. The Effect of Investment Decisions on Firm Value

The results of this study are Investment Decisions have no effect on Firm Value in the Consumer Goods Industry which is listed on the Indonesia Stock Exchange.

The results of this study are inconsistent Apriliyanti, Hermi and Herawaty (2019: 206), Big investment opportunities increase company value. The greater the investment opportunity, the impact on the increase in company value. The results of this study are not in line with Suroto (2015) states that investment decisions have a positive and significant effect on company value in LQ-45 companies listed on the Indonesia Stock Exchange for the period February 2010 - January 2015.

4. Conclusion

So it can be concluded that Profitability has an effect on Firm Value in the Consumer Goods Industry listed on the Indonesia Stock Exchange, Debt Policy has an effect on Firm Value in the Consumer Goods Industry listed on the Indonesia Stock Exchange. Dividend Policy has no effect on Firm Value in the Listed Consumer Goods Industry. on the Indonesia Stock Exchange, investment decisions have no effect on the value of companies in the consumer goods industry listed on the Indonesia Stock Exchange. Profitability, Debt Policy, Dividend Policy and Investment Decisions affect Firm Value in the Consumer Goods Industry listed on the Indonesia Stock Exchange.

Some suggestions can be given:

a. The company should increase the profitability of net income, control debt policy, distribute dividends and increase investment decisions that can increase company value.
b. For investors, before buying, selling and holding shares they own should pay attention to company value.
c. Further research is suggested to increase the number of research samples not only in the Consumer Goods Industry and to increase the research period of not only 5 years
d. For Prima Indonesia University, it can enrich scientific work which is a reference material for other students.

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