The Effect of Attitude, Subjective Norms, Perceptions of Control Of Behavior, Professional Commitments And Gender On Whistleblowing Intention

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Abstract

This study aims to examine the effect of dividend policy, liquidity, activity, and leverage on companies listed on the Jakarta Islamic Index. The sample used is a balanced data panel in 16 manufacturing companies from 2014 to 2018. This study uses multivariate analysis with a random effect model as a testing model for the research sample. The results show that dividend and liquidity policies are able to increase firm value, this shows that companies with good dividend policies and benefits for various parties can have a positive impact on increasing corporate value as well as good liquidity which will certainly be a positive signal for investors and have a good impact company. Activity and Leverage have no effect on Firm Value, this is also evidence that inefficient activities will have an impact on poor company productivity, and very high leverage can also be a negative signal for investors because the company will be seen only in debt to carry out its activities.

Keywords: Dividend policy, liquidity, activity, leverage, firm value.

INTRODUCTION

One of the most rapidly developing business sectors in Indonesia is manufacturing. The manufacturing sector is a business that has a major contribution to Indonesia's Gross Domestic Product (GDP). According to the Industrial Research and Development Agency, the manufacturing sector is often said to be the spearhead of the economy because its contribution reaches 18-20 percent. In 2017, the manufacturing industry was the highest contributor to Indonesia's export structure, which contributed 74.10 percent, valued at US $ 125.02 billion. Total investment from the manufacturing category reached Rp. 122 trillion through 10,049 projects or 33.6 percent of the total investment value of Rp. 361.6 trillion. (www.kemenprin.go.id: 2018).

Purchasing Manager Index data shows optimism in the manufacturing business sector regarding future economic prospects. In August 2018 the movement touched the figure of 51.9, an increase compared to the achievement in July of 50.5. The data was released by Nikkel and Markit after reviewing a number of purchasing managers at several Indonesian processing companies.
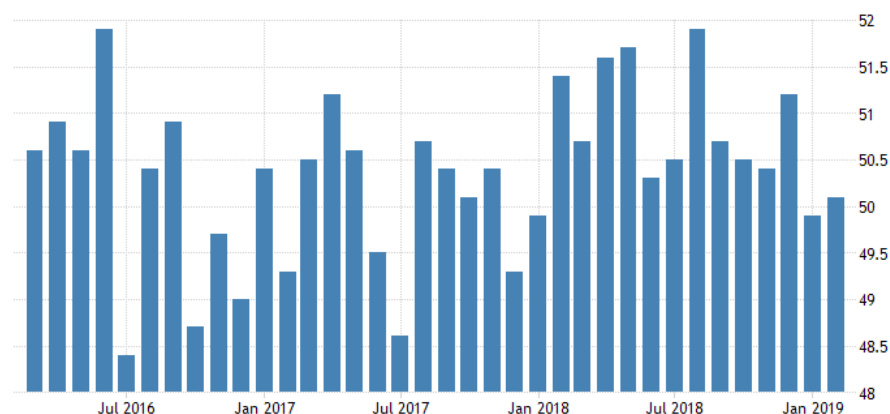

Figure 1. Manufacturing Purchasing Managers Index
Source: www.id.tradingeconomics.com

The Manufacturing PMI Index is an economic indicator that reflects the confidence of business managers in the manufacturing sector, thus having an impact on the stock market. As a reference for reading the PMI index, the number 50.0 is used. The index reading is above 50.0, indicating that the surveyed sector is experiencing growth (www.seputarforex.com).

In the context of implementing and developing the manufacturing industry business, companies need capital, which generally comes from internal and external financing. The capital market is a means for companies to obtain funds from investors. The funds are used for the benefit of company activities such as business development, expansion, or addition of working capital. In the capital market, parties who need funds will be matched with fund providers. Investors invest the funds they have in order to benefit from the difference in stock price movements when buying and selling (capital gain) and getting dividends.

Before investing, investors consider several things first. One of the considerations is the value of the company, because if the company value is high, the level of prosperity of the shareholders is also high. Companies with promising prospects can be seen from the stable and long-term increase in stock prices. Firm value can increase if management is able to establish and maintain good cooperative relationships with various parties, especially shareholders / principals in terms of making corporate financial policies. The policy usually relates to dividend distribution. However, there are often contradictions between agents and investors regarding decisions concerning the welfare of the investors themselves, the cause is the difference in the interests of each party and being bound by an agreement. This is known as the agency problem.

Shareholders tend to choose a large dividend distribution because the certainty is higher than if it is still in the form of retained earnings. On the other hand, the company does not want a large dividend distribution because from the company's perspective, the greater the dividend distributed, the less funds it can manage. Often the funds obtained from company profits are reinvested in the form of retained earnings. Therefore, there was a conflict between management and shareholders.

Agency problems have the potential to occur when the manager's share of ownership in the company is less than one hundred percent (Henriansyah & Dharmayuni, 2017). With the scale of share ownership that only a part of the company makes the manager concerned with personal achievement and not to maximize company performance. On the other hand, shareholders emphasize that decisions made by shareholders can achieve common goals.

The analysis that investors can do before investing in order to see the company's performance is financial statement analysis using financial ratios. The financial ratios used in this study include liquidity, activity, and leverage. Brigham & Houston (2012) argues that the ratio of market value related to the company's price to earnings, book value per share, and cash flow becomes management's reference for how investors perceive the company's risks and opportunities in the future. If the liquidity, activity, and leverage ratios of a company look good and as long as this situation remains stable, the market value ratio will also be high as well as the stock price. A high share price will increase the value of the company. A high company value indicates the welfare of shareholders so that positive assumptions of investors about the company are born.

Liquidity is the ability of a company to meet its short-term liabilities by using its current assets. Companies with high liquidity are good value according to the creditor's view because the short-term funds that the company borrows are guaranteed by relatively larger proportions of current assets. When viewed from the perspective of management, high liquidity in the company reflects poor management performance due to unused cash balances, relatively excessive inventory or insufficient company credit management which results in high trade receivables. The level of creditor confidence in providing funds is influenced by how high the level of liquidity of the company is.

The ability and effectiveness of the company in operating its funds are measured using the activity ratio or asset management. Asset management ratio, which compares the amount of sales with investment in assets during a period. It is expected that there will be a balance between sales and assets such as inventories, receivables and other fixed assets. The results of the activity ratio measurement show how efficient and effective the company is in terms of asset management or vice versa. Companies with good activity values will add value to the firm because the effectiveness and efficiency of the company's activities will affect earnings and cash flow.

Financial policies that describe the composition of financing in the company's financial structure also determine firm value. Large companies require a lot of capital, usually capital requirements will be met by management by utilizing funds from external sources. The debt policy can increase the value of the company because through corporate income tax, the debt interest expense will reduce the tax paid. Debt is also useful for controlling the use of free cash flow so that it can minimize useless investment (Gautama, Octavia, & Nurhayati, 2019).

Research on the antecedences that influence firm value has been done before. Hasanah & Lekok (2019) shows that leverage and profitability have an effect on firm value, besides the results of his research show that dividend policy, liquidity, profitability and firm size partially have a positive and significant effect on firm value.

Prajitno (2019) in his research proved that profitability has a positive effect on firm value, while the liquidity ratio, sales growth and activity have no significant negative effect. Leverage ratio has no significant positive effect on firm value. Research on the effect of leverage, profitability, liquidity, dividend policy, managerial ownership, and institutional ownership on firm value has been studied previously by Jayaningrat, Wahyuni, & Sujana (2017). The results of this study indicate that partially leverage, profitability, liquidity, dividend policy, managerial ownership, and institutional ownership have a significant positive effect on firm value.

Kushartono & Nurhasanah (2017) in his research explained that liquidity has no effect on firm value, solvency, profitability and market ratios have a significant positive effect on firm value, and activity ratios have a significant negative effect on firm value.

Wijoyo (2018) explained that profitability has a significant effect on firm value while asset structure, dividend policy, debt policy do not have a significant effect on firm value. Rahayu & Sari (2018) Analyze the effect of debt policy, liquidity, profitability, and company size on firm value by using multiple linear regression analysis techniques. The results of this research show that all independent variables simultaneously have a significant effect on firm value. On the other hand, the debt policy partially has no significant negative effect on firm value.

Farooq & Masood (2016) conducted research on the Effect of Financial Leverage on Firm Value: A Study on the Pakistani Cement Sector using panel regression analysis techniques. The empirical results show that financial leverage has a positive and statistically significant relationship with firm value. Firm value has a negative relationship with two control variables, firm size and asset tangibility. This association is not significant with firm size while significant with asset tangibility. The relationship between firm value and the third liquidity control variable is positive and statistically significant. Fajri (2018) explained that the ratio of debt to assets (DAR) dominantly affects firm value by 0.627 percent or 62.7 percent. This shows that a proportion of the company's assets have been financed by liabilities, not by equity.

This research is a research development that has been done previously by (Fajri, 2018; Farooq & Masood, 2016; Harsono, 2019; Jayaningrat et al., 2017; Kushartono & Nurhasanah, 2017; Rahayu & Sari, 2018; Wijoyo, 2018). In different to previous studies, this study uses liquidity ratios, asset management, leverage, and dividend policy as independent variables.

Previous research has been carried out on companies with conventional stock indexes compared to sharia, so we try to analyze companies listed on the Islamic capital market, especially the Jakarta Islamic Index (JII). This research also adds insight into research on the Islamic market.

In the next section, it will be discussed sequentially starting from literature review, research methodology, conceptual framework and hypotheses, results and discussion, and conclusions.

THEORITICAL FRAMEWORK AND HYPOTHESIS

Agency Theory

Jensen & Meckling (1976) explained the agency theory relating to firm value due to the conflict between the agent (Company Management) and the company's shareholders known as the Principal. This theory suggests that the Principal can convince himself that agents will make optimal decisions if given the right incentives as well as agent supervision. Incentives can include bonuses, share options, and additional income, this must be directly related to how closely management decisions are with the interests of shareholders. Supervision is carried out by bringing together agents, systematically reviewing management's additional income, auditing financial statements and limiting management's decisions. All supervisory activities involve costs that are an inevitable result of the separation of ownership and control of the company. The small percentage of managers' ownership makes them tend to act persistently to maximize the welfare of shareholders and the greater the need for supervision of management activities for external shareholders.

Signalling Theory

Brigham & Houston (2012) explained that the signal is an action taken by the company to provide guidance to investors regarding management's views on the company's prospects. The signal referred to is in the form of information on matters that have been applied by management in realizing the will of the owner. The information disseminated by the company is essential because it affects the investment decisions of external parties. Information essentially presents a picture or record, information both in the past, present, and in the future in order to survive and its effect on the company.

Signaling theory explains the company's motive for providing financial statement information to external parties. Information asymmetry between the company and outside parties is a factor that encourages the company to provide financial report information to outsiders. This means that the company knows more about the company so that it is better able to predict the prospects that the company has than outsiders (creditors and investors). Inadequate information for outsiders causes outsiders to give low value to the company. Increasing company value can be done by reducing the asymmetry value. One of the efforts to reduce information asymmetry is by giving signals to outsiders (Sianipar & Ibrahim, 2017).

Firm value

Firm value is an indicator of the level of the company's welfare because firm value describes the assets owned by the company. Firm value is the price that potential investors will pay if they are interested in a company. The indicator of the value of companies that issue shares in the capital market is seen from the price of the company's shares. Sembiring & Trisnawati (2019) argues that share price and firm value summarize the collective shareholder's assessment of how the firm is actually doing. Therefore, an increase in stock prices provides a positive price from investors to managers. Firm value depends on the opportunity to attract capital, whereas asset value depends on how easily the asset is sold and converted into cash at "fair market value".

The most appropriate measure in measuring the value of the company according to Weston & Copeland (1997) is a valuation ratio because this ratio reflects the ratio of returns and risk ratios to maximize company value and shareholder wealth. The assessment ratio in question is the market value ratio. The market value ratios that are often used in financial statement analysis are the price to book value ratio and the price earning ratio.

Dividend policy

Dividend payment policy involves two parties who have different interests, shareholders and management of the company itself. According to Jayaningrat et al (2017) Dividend policy is a decision relating to the use of profits which are the right of the shareholders. This profit can be distributed in the form of dividends or reinvested in the form of retained earnings. Dividend policy has a strong effect on the market price of shares issued, meaning that if the dividends distributed by the company are getting bigger, the market price of the company's shares will be higher and vice versa. Investors feel more secure if they get payment in the form of dividends than capital gains, because the consequences and risks that arise are smaller. Therefore, the company should establish a high dividend payout ratio and offer a high dividend yield so that it can maximize stock prices and company value.

Dividends distributed by the company are divided into cash dividends and stock dividends. Cash dividends are in the form of cash in a certain nominal value for each share owned by shareholders, while share dividends are in the form of a number of shares distributed to shareholders. The share dividend distribution will increase the number of shares owned by an investor.

Liquidity

Liquidity Ratio is a ratio that shows a company's ability to meet its obligations or pay its short-term debt. In other words, the liquidity ratio is a ratio that can be used to measure the extent to which the company's ability to pay off its short-term obligations that are due soon. If the company has the ability to pay off short-term obligations at maturity, the company is said to be a liquid company and vice versa. Brealey et al (2007) explained that companies with high liquidity ratios will be in demand by investors this will also have an impact on the increase in stock prices due to high demand, so company value tends to increase.

Activity ratio

 Kushartono & Nurhasanah (2017) explained that the activity ratio or what is known as asset management is a ratio used to see the effectiveness of the company in managing its assets. The faster the ratio of the company's activity, the more profits the company generates, because the company is able to utilize resources to increase sales which will affect revenue and can increase stock prices which then have an impact on firm value.

To measure the effectiveness of management in managing its assets, this ratio involves a comparison between the level of sales and investment of various types of assets. Various types of activity ratios can be used. One of them is the total assets turnover (Total Assets Turn Over), where this ratio measures the amount of sales earned from each rupiah of assets. The higher the total assets turnover, the better.

Leverage

Leverage ratio or solvency ratio is the ratio used to measure the company's ability to meet all short-term and long-term obligations. Henriansyah & Dharmayuni (2017) argues that the leverage ratio is a ratio that measures the extent to which the company's assets are filled with debt. That is, how much debt burden is borne by the company when compared to its assets. In a broad sense, it is stated that this ratio is used to measure the company's ability to pay all of its liabilities, both short-term and long-term if the company is liquidated. The higher the leverage ratio of a company, the higher the risk of loss, but it is still followed by the opportunity to get a large profit. On the other hand, companies with low leverage ratios have a small risk of loss, especially when the economy is in decline. Therefore, financial managers are expected to be able to manage the leverage ratio well in order to be able to balance high returns with the level of risk faced. Apart from the level of assets (equity) held, this leverage ratio is also very dependent on the proportion of loans made by the company.

One way to measure the leverage ratio is the Debt to Equity Ratio (DER), which is to compare all debt, including current debt, and all equity. This ratio is used to determine the amount of funds provided by the creditor to the company. In other words, this ratio is useful for knowing each own capital that is used as collateral for debt.

Hypotheses development

The Effect of Dividend Policy on Firm Value

Company value can prosper shareholders if the company has pure cash that can be distributed to shareholders as dividends. Investors prefer certainty about the return on their investment and anticipate the risk of uncertainty regarding company bankruptcy so that this can certainly increase company value. Thus, the dividend policy has a positive effect on firm value.

The Effect of Liquidity on Firm Value

Liquidity is the company's ability to settle short-term obligations. The higher the liquidity of the company, the higher the company's ability to pay its short-term obligations. So that

investors are interested in investing, this will automatically increase the stock price and increase the company's value. Thus, the relationship between liquidity and firm value is positive.

The Effect of Activities on firm value

The activity ratio or asset management measures how effectively the company manages assets and assesses how the company's ability to carry out daily activities. The results of this ratio measurement will show whether the company's asset management has been carried out efficiently and effectively or vice versa. The greater the company's asset management, the more efficient the use of company assets in supporting the company's activities, indicating that the company's value will increase and there is hope for the company to obtain large profits. Thus, the relationship between asset management and the company is positive.

The effect of Leverage on firm value

Leverage describes the company's ability to use debt, both to increase profits and pay obligations. A company is considered not solvable if the total debt is greater than the total assets owned. Then the higher the leverage ratio will cause a large risk of loss, but there is also a chance to get a big profit and vice versa. This will affect the level of investor confidence in the company and will affect firm value. Thus the effect of leverage on firm value is negative.

Hypotheses

This research is based on Agency Theory (Jensen & Meckling, 1976), and Signalling Theory (Brigham & Houston, 2012). To support this research, several studies that are considered relevant are used, including the effect of dividend policy on stock market prices conducted by Fitri et al (2018), the effect of liquidity on firm value by Jayaningrat et al (2017), the effect of activities on firm value by Astutik, 2017), as well as the effect of leverage on firm value by Farooq & Masood (2016).

Based on the theory and empirical research results, the hypothesis proposed in this study are as follows:

H1   : Dividend Policy has a positive effect on Firm Value
H2   : Liquidity has a positive effect on firm value
H3   : The Activity Ratio has a positive effect on Firm Value
H4   : It is suspected that Leverage has a negative effect on firm value

RESEARCH METHOD

Sample

The population in this study are companies in the Manufacturing industry sector which are listed in JII 2014-2018. Manufacturing companies consist of various industrial sectors, basic and chemical industries, and consumer goods industries. The sample of this study uses a balanced data panel covering 16 manufacturing companies registered in JII 2014 to 2018 so that 80 observation samples are obtained.

Variables and Measurement

a. Dependent variable/PER (Y)

This study uses Firm Value as an independent variable. Firm value can be measured by Price Earning Ratio. PER is a comparison between the share price in the capital market and earnings per share. The formula used is:

$$Price\ Earning\ Ratio = \frac{Stock\ price}{Earnings\ per\ share}$$

b. Independent variables (X)

*Dividend policy/*DPR (X$_1$)

Dividend policy can be measured using the Dividend Payout Ratio. The DPR shows a comparison between dividends paid and net income earned. This ratio can be measured by :

$$Dividend\ Payout\ Ratio = \frac{Dividen\ per\ share}{Earnings\ per\ share}$$

*Liquidity/*CR (X$_2$)

This study uses the Current ratio to calculate company liquidity. CR shows the extent to which current assets cover current liabilities. The greater the ratio of current assets to current debt, the higher the company's ability to cover short-term liabilities. This ratio can be measured by :

$$Current\ Ratio = \frac{Current\ assets}{Current\ liability}$$

Activity ratio/ TATO (X$_3$)

Asset management can be measured using the Total Asset Turnover ratio. This ratio describes the level of efficiency of the company to its total assets. Successful companies are those who are able to manage the amount of inventory value and asset types that can be used optimally. This ratio can be measured by :

$$Total\ Asset\ Turnover\ Ratio = \frac{Revenue}{Total\ Assets}$$

*Leverage/*DER (X$_4$)

Leverage is the company's ability to meet the long-term obligations of the liquidated company. Leverage can be measured using the Debt to Equity Ratio. This ratio measures the large proportion of company funds obtained from debt, both short and long term. This ratio can be measured by :

$$Debt\ to\ Equity\ Ratio = \frac{Total\ liability}{Total\ equity}$$

This study uses multiple linear regression analysis techniques to test the causality of the independent variable on the dependent variable (Winarno, 2015). The test is carried out using the following equation.

$$PER_{it} = \alpha + \beta_1 DPR_{it} + \beta_2 CR_{it}\ \beta_3 TATO_{it} + \beta_4 DER_{it} + \varepsilon_{it}$$

Where:
PER $_{it}$ = *Price Earning Ratio* firm *i*, year *t*
DPR $_{it}$ = *Dividend Payout Ratio* firm *i*, year *t*
CR $_{it}$ = *Current ratio* firm *i*, year *t*
TATO $_{it}$ = *Total Assets Turnover Ratio* firm *i*, year *t*
DER $_{it}$ = *Debt to Equity Ratio* firm *i*, year *t*

RESULT AND DISCUSSION

Descriptive Statistics

An overview of the characteristics of research data can be seen through statistical data. Data statistics are used to see the description or description of a data which can be from the mean, maximum value and minimum value. This descriptive statistical test will describe the values of all research variables, namely the dependent variable firm value (PER), and the independent variables dividend policy (DPR), liquidity (CR), activity (TATO) and leverage (DER). The following are the results of the descriptive statistical analysis of the study:

Table 1. Descriptive Statistics

	PER	DPR	CR	TATO	DER
Mean	23.29948	4.143763	2.326500	0.959375	1.127125
Maximum	82.47800	20.00000	7.470000	2.410000	3.400000
Minimum	2.236000	0.110000	1.040000	0.280000	0.150000
Std. Dev.	14.12509	2.936803	1.499846	0.520225	0.790501
Observations	80	80	80	80	80

Based on the results of the descriptive statistical analysis that has been presented in the table, it can be seen the description of each variable as follows: The PER value obtained ranged from 2.236000 to 82.47800 with an average (mean) value of 23.29948 and a standard deviation of 14.12509. The average PER value of 23.29948 means that the average share price of the company has 23.29948 times the earnings per share. Dividend Policy (DPR) obtained ranges from 0.110000 to 20.00000 with an average value (mean) of 4.143763 and a standard deviation of 2.936803. The average DPR value of 4.143763 means that the average dividend per share has 4.143763 times the earnings per share. Liquidity (CR) obtained ranged from 1.040000 to 7.470000 a mean value (mean) of 2.326500 and a standard deviation of 1.499846. The average CR value of 2.326500 means that the average sample company has current assets 2.326500 times its current liabilities. The activity (TATO) was obtained ranging from 0.280000 to 2.410000 with an average value (mean) of 0.959375 and a standard deviation of 0.520225. The average TATO value of 0.520225 means that the company's average sales have 0.520225 times the total assets. Leverage (DER) was obtained ranging from 0.150000 to 3.400000 with an average value (mean) of 1.127125 and a standard deviation of 0.790501. The average DER value of 1.127125 means that the company's average total debt has 1,127125 times the total capital.

Spesification Model Test

a. Chow test

Based on the above test, it can be seen that the Chi-square probability is 0.0622 greater than 0.05, it can be concluded that Ho is accepted and the Common Effect model is better than the Fixed Effect model. When the Chow Test shows that the best model is the Common effect rather than the Fixed Effect, then it is necessary to choose between the Common Effect or the Random Effect. Following are the results of testing the model specifications with the chow test.

Table 2. CHOW TEST

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.411324	(15,60)	0.1717
Cross-section Chi-square	24.175961	15	0.0622

b. *Lagrange Multiplier test*

Table 3. UJI LAGRANGE MULTIPLIER

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided

(all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	0.031830	1.848905	1.880735
	(0.8584)	(0.1739)	(0.1703)
Honda	0.178410	-1.359744	-0.835330
	(0.4292)	(0.9130)	(0.7982)
King-Wu	0.178410	-1.359744	-1.126304
	(0.4292)	(0.9130)	(0.8700)
Standardized Honda	0.776823	-1.169418	-4.160909
	(0.2186)	(0.8789)	(1.0000)
Standardized King-Wu	0.776823	-1.169418	-4.008991
	(0.2186)	(0.8789)	(1.0000)
Gourieroux, et al.*	--	--	0.031830
			(0.6753)

From the LM test output, it is known that the prob. Breusch-Pagan is 0.8584, so H0 is accepted. In other words, the best model is the Common Effect Model.

Classic Assumption Test

a. Normality test

In this study, the normality test was performed using the Jarque-Bera test. Based on the results of Jarque-Bera of 1.823123 with a probability of 0.401896 more than 0.05, it can be said that the data is normally distributed. The results of the normality test are as follows:
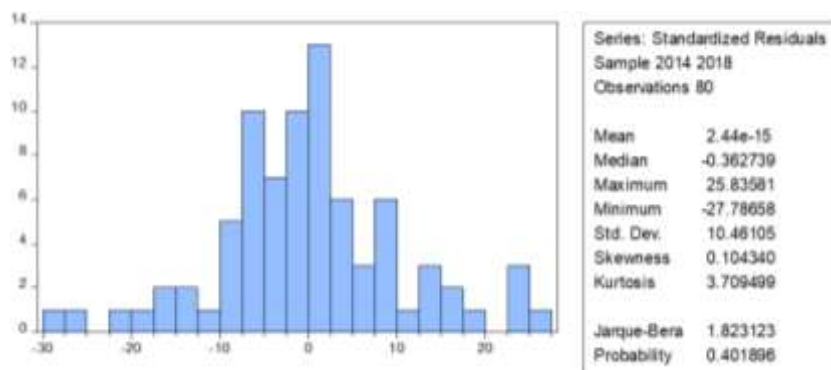
Figure 2. Normality test

b. Multicollinearity

Based on the results of the multicollinarity test above, it can be seen that the correlation coefficient is less than 0.8, so it can be concluded that there is no multicollinarity. In detail, the multicollenarity test results are shown as follows.

Table 4. MULTICOLLINEARITY

	DPR	CR	TATO	DER
DPR	1.000000	0.368964	0.153841	-0.111517
CR	0.368964	1.000000	0.638419	-0.013939
TATO	0.153841	0.638419	1.000000	0.108926
DER	-0.111517	-0.013939	0.108926	1.000000

c. Heteroscedasticity

Table 5. HETEROSCEDASTICITY

Dependent Variable: RESABS
Method: Panel Least Squares
Date: 07/16/19   Time: 00:08
Sample: 2014 2018
Periods included: 5
Cross-sections included: 16
Total panel (balanced) observations: 80

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.984058	1.199148	4.156332	0.0601
DPR	0.059403	0.160527	0.370050	0.7124
CR	0.197809	0.402462	0.491498	0.6245
TATO	-0.477903	1.100085	-0.434424	0.6652
DER	-0.370417	0.557294	-0.664670	0.5083

The Glesjer test is used to regress the absolute residual value on the independent variable. If the results of the Glesjer test confidence level> 0.05 then there is no heteroscedasticity. Based on the Glesjer test shown in table 5, it can be seen that the probability value is greater than 0.05, so it can be concluded that heteroscedasticity does not occur.

4.4 Analysis of the panel data regression model specifications

The best testing model in this study is the Common Effect model. Then the Common Effect model has passed the classical assumption test, so the estimation results are consistent

and unbiased. Based on the above results it can be seen that the probability for the Dividend Policy (DPR) variable is 0.0001, the Liquidity variable (CR) is 0.0004 less than 0.05, which means that the Dividend Policy (DPR) and Liquidity (CR) variables have a significant effect. As for the Activity variable (TATO) with a probability value of 0.8026 and the Leverage (DER) variable of 0.5542 or greater than 0.05, it can be concluded that the Activity variable (TATO) and the Leverage variable (DER) have no effect on firm value. The estimation results of the panel data regression model are as follows:

Table 6. COMMON EFFECT MODEL

Dependent Variable: PER
Method: Panel Least Squares
Cross-sections included: 16
Total panel (balanced) observations: 80

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7.855794	3.343890	2.349298	0.0214
DPR	1.835839	0.447639	4.101163	0.0001
CR	4.133020	1.122287	3.682676	0.0004
TATO	-0.769598	3.067646	-0.250876	0.8026
DER	-0.923356	1.554045	-0.594163	0.5542

The coefficient of determination analysis is used to determine the percentage share of the influence of the independent variables (DPR, CR, TATO, DER) simultaneously on the dependent variable (PER).

Table 7. R^2 Test

R-squared	0.451511	Mean dependent var	23.29948
Adjusted R-squared	0.422258	S.D. dependent var	14.12509
S.E. of regression	10.73639	Akaike info criterion	7.645616
Sum squared resid	8645.248	Schwarz criterion	7.794492
Log likelihood	-300.8246	Hannan-Quinn criter.	7.705304
F-statistic	15.43483	Durbin-Watson stat	1.544541
Prob(F-statistic)	0.000000		

Based on the results of the analysis of the coefficient of determination, the Adjusted R-squared value is 0.422258. This shows that the contribution of all independent variables in explaining the dependent variable is 42.22% while the remaining 57.78% is explained by other variables outside the model.

Discussions

Panel data analysis in this study aims to determine the effect of Dividend, Liquidity, Activity, and Leverage Policies on Firm Value in the manufacturing sector listed on the Indonesia Stock Exchange, especially in the Jakarta Islamic Index 2014-2018. Based on the results of panel data processing using the Common Effect model, the regression equation is obtained as follows:

PER_{it} = 7.855794 + 1.835839 DPR_{it} + 4.133020 CR_{it} - 0.769598 $TATO_{it}$ - 0.923356 DER_{it} + ε_{it}

Based on the regression equation above, it can be seen that the constant coefficient is 7.855794. This means that if the factors that affect the company, namely dividend policy, liquidity, activity and leverage are zero, the firm value is 7.855794.

Effect of Dividend Policy on Firm Value

The results of the research on the effect of the Dividend Policy on Firm Value are in accordance with the theory and framework that has been developed. This study shows the same results as research conducted by Jayaningrat et al (2017), namely the dividend policy has a significant effect on Firm Value. The positive relationship between dividend policy and firm value shows that if the company can provide high dividends it can attract investors' interest and have an impact on increasing company value.

The positive relationship between Dividend Policy and Firm Value also proves that the conflict of interest between the company (agent) and investor (principal) based on Agency Theory can be reduced as long as there is a monitoring mechanism for their respective interests. Dividends also provide investors with certainty of income and reduce agency costs incurred (Jensen & Meckling, 1976).

Effect of Liquidity on Firm Value

The positive relationship between the liquidity ratio and firm value is in accordance with the signal theory put forward by Brealey et al (2007) that companies with high levels of liquidity will be in demand by investors. Thus, if the liquidity ratio is high, it will be a good signal for investors. Because a high level of liquidity ratio indicates a good company's financial performance, this condition will attract investors to invest.

Effect of Activities on Firm Value

The relationship with the negative direction between the activity ratio and firm value means that a high level of activity ratio will discourage investors from investing their funds in the form of stocks or securities. This situation is a negative signal for the market. Prospective investors / investors perceive the composition of assets (total assets), the proportion of which is dominated by Fixed assets, approaching extreme conditions. This condition causes inefficiency for the company, the next impact creates negative sentiment for investors, which affects the stock price in the form of a decline, so that the company value also decreases.

The Effect of Leverage on Firm Value

DER which shows the high or low debt of a company will not affect the company's bargaining power in the eyes of investors, because in the Indonesian capital market stock price movements are caused by market psychological factors. Investors do not really pay attention to the size of the debt owned by the company, because investors see more about how the company's management uses these funds effectively and efficiently to generate company profit and loss.

CONCLUSIONS

The conclusion of this study is partially Dividend and Liquidity Policy has a positive effect on Firm Value, this means that a company that has a good dividend policy and benefits various parties can have a good impact on increasing company value as well as good corporate liquidity which will certainly be a positive signal. for investors and has a good impact on the value of the company. Activity and Leverage have no effect on Firm Value, this is also evidence that excessive activity (inefficient) will have an impact on poor company productivity, and very high leverage

can also be a negative signal for investors because the company will appear to depend only on debt to run activity.

Dividend, Liquidity, Activity and Leverage policies simultaneously have a positive effect on Firm Value in Manufacturing in JII 2014-2018. It can be concluded that if information related to dividend, liquidity, activity and leverage policies is used comprehensively in the investment market, it will affect the increase in company value.

This study has several limitations that can affect the results of the study, namely as follows: 1) The research period is relatively short, which is only 5 years from 2014-2018. 2) There are many companies that can be used as samples in research, but only researchers analyze companies in the Manufacturing sector. 3) This study only uses 4 independent variables and has not comprehensively used other variables that may affect firm value. Further research is expected Using other variables comprehensively that are likely to affect firm value, increasing the number of research observations is not limited to manufacturing companies.

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