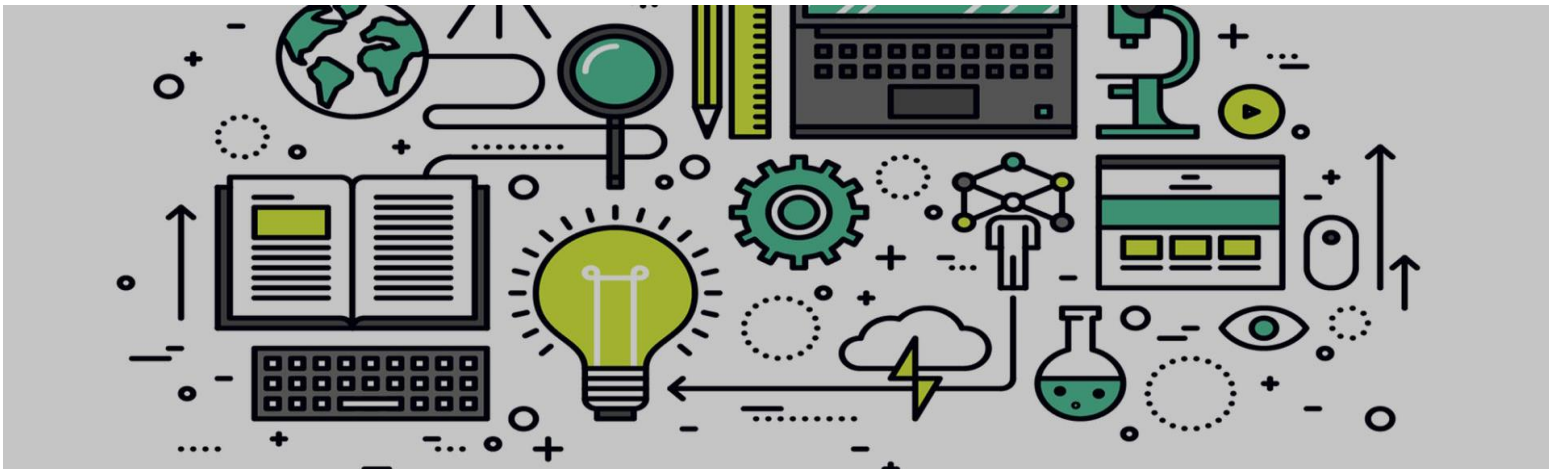


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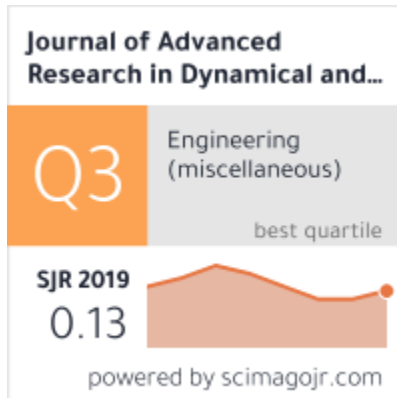
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VOLUME 12, 07-SPECIAL ISSUE

Table of Contents

Big Data with Distributed Architecture Using Genetic Algorithm in Intelligent Transport Systems

Z. Mouammine, A. Ammoumou, S. Bourekkadi, Saad Ennima and B. Nsiri

Pages: 1405-1415

DOI: 10.5373/JARDCS/V12SP7/20202243

[Abstract](#)

[Download PDF](#)

Antecedents of Intention to Use E-wallet: The Development of Acceptance Model with PLS-SEM Approach

Jonathan Jacob Paul Latupeirissa, A.A.N. Oka Suryadinata Gorda and I Nyoman Subanda

Pages: 1416-1429

DOI: 10.5373/JARDCS/V12SP7/20202244

[Abstract](#)

[Download PDF](#)

Relationship Behavior of Tax Compliance with Tax Compliance Costs, Reliance on Government and Implementation of Online Tax Technology

Endriyane Fajar Santi, Putu Kepramareni, Anik Yuesti and I Nengah Suardhika

Pages: 1430-1439

DOI: 10.5373/JARDCS/V12SP7/20202245

[Abstract](#)

[Download PDF](#)

Financial Decision-making and Firm Value: Examining the Moderating Effect of Good Corporate Governance in a State-Owned Enterprise

I Made Aditya Pramatha, Ni Made Dwi Ratnadi, Gerianta Wirawan Yasa and I Gusti Ngurah Agung Suaryana

Pages: 1440-1450

DOI: 10.5373/JARDCS/V12SP7/20202246

[Abstract](#)

[Download PDF](#)

Prevention and Treatment of Trichocephaliasis and Capillariosis of Ruminants

A.I. Yatusevich, Kh.B. Yunusov, E.O. Kovalevskaya, Sh.A. Jabborov and A.S. Daminov

Pages: 1451-1454

DOI: 10.5373/JARDCS/V12SP7/20202247

[Abstract](#)

[Download PDF](#)

Analysis of Coronavirus COVID-19 Pandemic Model with Discrete Time Delays

Abdulkareem Afolabi Ibrahim, Normah Maan and Fuaada Mohd Siam

Pages: 1455-1462

DOI: 10.5373/JARDCS/V12SP7/20202248

[Abstract](#)

[Download PDF](#)

Measuring Mathematics Skills: An Assessment of Chinese Sticks Method of Multiplication on Hearing Impaired Students' Achievement in Sokoto State

Muhammad Nasiru Hassan, B.U. Binji and Abidah Muhammad

Pages: 1463-1471

DOI: 10.5373/JARDCS/V12SP7/20202249

[Abstract](#)

[Download PDF](#)

A State of the Art Review of Super Alloys and their Machining Characteristics in Wire-EDM
Jwala Parshad, Dr. Vivek Aggarwal and Dr. Neelkanth Grover
Pages: 1472-1484
DOI: 10.5373/JARDCS/V12SP7/20202250

[Abstract](#)
[Download PDF](#)

Peculiarities of Cultured Carps Embryonic Development Under Conditions of Artificial Reproduction
in Temperate Climate Uzbekistan
Kh.T. Yuldoshev, A.A. Ashrapov, M.A. Yuldashov and B.G. Kamilov
Pages: 1485-1489
DOI: 10.5373/JARDCS/V12SP7/20202251

[Abstract](#)
[Download PDF](#)

Analysis of the Factors Affecting Logistics Capability and Strategy on firm Performance for the
Garment Industry in Bangladesh
Vichayanan Rattanawiboonsom and Md. Sazzadur Rahman Khan
Pages: 1490-1498
DOI: 10.5373/JARDCS/V12SP7/20202252

[Abstract](#)
[Download PDF](#)

Enhancing Competitive Advantage in the Turbulent Environment of the Thai Gems and Jewelry
Industry Groups SMEs: Interaction between Social Integration Mechanisms and Absorptive Capacity
Phimkarnda Jundahuadong and Sujinda Chemsripong
Pages: 1499-1517
DOI: 10.5373/JARDCS/V12SP7/20202253

[Abstract](#)
[Download PDF](#)

Financial Decision-making and Firm Value: Examining the Moderating Effect of Good Corporate Governance in a State-Owned Enterprise

I Made Aditya Pramatha, Ni Made Dwi Ratnadi, Gerianta Wirawan Yasa and I Gusti Ngurah Agung
Suaryana

[Abstract](#)

Corporate Governance is the process and structure used to increase business prosperity and corporate accountability, with the primary goal of realizing the value of shareholders in the long-term interests of other stakeholders. The research aims to obtain empirical evidence about the

influence of investment decisions, funding decisions, and dividend policy on firm value. It also seeks to examine the role of good corporate governance in moderating the impact of investment decisions, funding decisions, and dividend policies on firm value. The data used in this research were secondary data obtained from the financial statements of Indonesian SOE companies listed on the Indonesia Stock Exchange in the 2014-2018 period. Good corporate governance proxies are determined by factor analysis to analyze the proxy of good corporate governance, namely Institutional Ownership; Managerial ownership; Independent Commissioner, Audit Committee. The Moderated Regression Analysis (MRA) to test the moderating effect of good corporate governance. The results show that investment decisions have a positive impact on firm value, funding decisions have a negative impact on firm value, dividend policy does not affect firm value, good corporate governance does not moderate the relationship of investment decisions and funding decisions on firm value, and good corporate governance reinforces favorable influence dividend policy on company value.

Volume 12 | 07-Special Issue

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Financial Decision-making and Firm Value: Examining the Moderating Effect of Good Corporate Governance in a State-Owned Enterprise

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Abstract--- Corporate Governance is the process and structure used to increase business prosperity and corporate accountability, with the primary goal of realizing the value of shareholders in the long-term interests of other stakeholders. The research aims to obtain empirical evidence about the influence of investment decisions, funding decisions, and dividend policy on firm value. It also seeks to examine the role of good corporate governance in moderating the impact of investment decisions, funding decisions, and dividend policies on firm value. The data used in this research were secondary data obtained from the financial statements of Indonesian SOE companies listed on the Indonesia Stock Exchange in the 2014-2018 period. Good corporate governance proxies are determined by factor analysis to analyze the proxy of good corporate governance, namely Institutional Ownership; Managerial ownership; Independent Commissioner, Audit Committee. The Moderated Regression Analysis (MRA) to test the moderating effect of good corporate governance. The results show that investment decisions have a positive impact on firm value, funding decisions have a negative impact on firm value, dividend policy does not affect firm value, good corporate governance does not moderate the relationship of investment decisions and funding decisions on firm value, and good corporate governance reinforces favorable influence dividend policy on company value.

Keywords--- Good Corporate Governance, Financial Decision-Making, Firm Value, Funding, Moderated Regression.

I. Introduction

The increasingly fierce competition in the business world and the more severe competition situation faced by the company encourages business people to be able to formulate strategies to increase the value of the company. The value of the company is also significant for the company because the value of the company reflects how well the performance of the company can affect investors' perceptions. Increasing company value not only needs to be done by private companies, but state-owned companies (SOEs) also need to make efforts to increase the company's value. The company's financial managers faced financial decisions. Corporate financial decisions include investment decisions, funding decisions, and dividend policies. The three decisions are interconnected because investment decisions can be made if supported by sufficient funds, whereas to obtain these funds, a funding decision must be made that is appropriate and by company conditions and influenced by dividend policy or share buyback. Therefore, the financial decisions used are investment decisions, funding decisions, and dividend policies. Previous research on the effect of financial decisions on the firm value produced inconsistent findings. The inconsistency of the results of previous studies led to this research adding a mechanism of Good Corporate Governance as a moderating variable. This research aims to obtain empirical evidence about the influence of investment decisions, funding decisions, and dividend policy on firm value. As well as to examine the role of Good Corporate Governance in moderating the influence of investment decisions, funding decisions, and dividend policies on corporate value. The theory underlying this research is signal theory. This research focuses on indicators of measurement of financial decisions of a company that can guide the form of information related to the company's value to interested parties.

Signaling Theory

This theory involves two parties, namely insider such as management acts as the party giving the signal and an outsider such as an investor who acts as the party who receives the signal [33]. The management is trying to provide relevant information that can be utilized by the investor by giving a signal or signal. The signal recipient will adjust the decision made according to the understanding gained from the signal. Signal theory shows the existence of information asymmetry between company management and parties with interest in that information [37]. A company will provide information to outside parties to reduce information asymmetry between the company and outside parties. The signal theory also explains the relationship between investment spending by a company and its value. Investment expenditure gives a positive signal about the company's future growth so that it can increase prices as an indicator of company value [18]. If the company provides information about increasing dividend payments, investors can interpret it as a signal about the company's improved performance. So, information about a company's dividend policy influences the company's value.

Agency Theory

The agency relationship is an agreement (contract) between two parties, namely the principal and agent [21]. The principal authorizes the agent to make decisions on behalf of the principal. Agency relationship, an agent, is a party who given the authority and trust to manage the assets owned by the shareholders (principals) and to take every decision based on the interests of the shareholders.

Agency theory is the basis for the implementation of corporate governance as a mechanism of supervision and control [15]. The application of good corporate governance is needed by every company to reduce the conflicts or problems of interests between the company's managers and investors or shareholders. Through the implementation of corporate governance, is expected to improve the supervisory function within the company. It will be able to minimize the mistakes in decision making by the company management. The implementation of corporate governance in a company can also show that a company has transparently.

Company Value

Company value is the price that prospective buyers are willing to pay if the company is sold [19]. Company value is a value that can be used to measure how big the "level of interest" of a company for several parties such as investors who associate the value of a company from its share price [12]. The value of a company is the market value of its outstanding debt and equity [22]. High stock prices make the value of the company increases. The value of the company is a positive signal for investors that the high value of the company reflects the prosperity of holding shares is also high. The higher the stock price, the higher the shareholder prosperity [22].

Financial Decision

Corporate financial decisions include investment decisions, financing decisions, and decisions relating to the distribution of profits in the form of dividends [7]. The three decisions are interconnected because investment decisions can be made if supported by enough funds, whereas to obtain these funds, a funding decision must be made that is appropriate and by company conditions and influenced by dividend policy or share buyback [9]. Investment decisions are an important factor in the company's financial function. Capital allocation for investment proposals whose benefits will be realized in the future must be carefully considered by the company [1]. The funding decision is a decision concerning how much debt will be used, in what form the debt and own capital will be withdrawn, and when will get these funds [20]. Dividend policy is the amount of profit distributed to shareholders and the number of profits earned by the company [2]. The company's ability to pay dividends can reflect the value of the company [3].

Good Corporate Governance

Good Corporate Governance (GCG) is a mechanism that regulates the relationship between company management, shareholders, creditors, government, employees, and internal and external stakeholders relating to their rights and obligations, in other words. This system directs and controls a company (Cadbury Committee of United Kingdom, 1992). The concept of a GCG mechanism can also be carried out to improve performance by marking the existence of a GCG mechanism structure. GCG is a company's internal control that aims to manage significant risks to meet its business objectives through safeguarding company assets and increasing the value of shareholders' investment in the long run [8]. The GCG mechanisms used are institutional ownership, managerial ownership, independent commissioners, and audit committees.

Effect of Investment Decisions on Company Value

The increase in investment decisions made by the company is expected to give a positive signal to be able to increase the value of the company [7]. The investment opportunity set is the value of the company, the amount of which depends on the expenses determined by management in the future, which at present are investment choices that are expected to produce greater returns [1]. Signal theory explains the relationship between investment expenditure and firm value. Investment expenditure gives a positive signal about the company's growth in the future [18].

H1: Investment decisions have a positive effect on company value.

Effect of Funding Decisions on Company Value

The corporate funding decision is a decision about how the form and composition of corporate funding [24]. Funding decisions relate to the source of funds, whether the source is internal or external, as well as the amount of debt and equity [18]. The Trade-Off Theory states that debt has two sides, namely, negative and positive sides [1]. The positive side of debt is that interest payments will reduce taxable income. The negative side is that companies are considered risky if they have a large portion of the debt in the capital structure [14]. Leverage has a negative effect on firm value [9];[10];[17]. If the company's funding decision in the form of debt increases, it will reduce its value. Based on these reasons, the hypothesis that can be developed in this research is.

H2: Corporate funding decisions negatively affect the value of the company.

Effect of Dividend Policy on Company Value

The higher level of dividend distribution of a company gives a positive signal to investors who can potentially increase the company's value. Previous empirical research has shown that dividend policy had a positive effect on firm value [3];[7];[32]. If the company's dividend distribution policy increases, it will increase the value of the company. Based on these reasons, the hypothesis that can be developed in this research is.

H3: Dividend policy has a positive effect on firm value.

The Role of Good Corporate Governance Moderates the Effect of Investment Decisions on Company Value

The need to implement corporate governance is an important part of the company to create added value for all interested parties [26]. The company must be able to realize good corporate governance so that the company can continue to grow and survive in increasingly fierce competition and become an investment target with promising prospects in both the short and long term [36]. If the investment decisions made by the company increase, it will increase the value of the company, and the value of the company will increase when the company implements good corporate governance. Based on these thoughts, the hypotheses that can be developed in this research are as follows.

H4: Good Corporate Governance reinforces the positive influence of investment decisions on corporate value.

The Role of Good Corporate Governance Moderates the Effect of Funding Decisions on Company Value

The companies must be able to consider the composition between the use of debt with their own capital [30]. Debt policy is a policy taken by a company to finance through debt [23]. Financing with debt involves risks because debt legally requires companies to pay interest and pay off principal obligations as promised [5]. Companies are considered risky if they have a large portion of the debt in the capital structure [14]. Debts that are too high can make a company's financial condition unhealthy [31]. Large excess debt will have a negative impact on the value of the company [28]. If the company's funding decision in the form of debt increases, it will reduce the value of the company, but when the company implements good corporate governance, the value of the company will increase. Based on these thoughts, the hypotheses that can be developed in this research are as follows.

H5: Good Corporate Governance weakens the negative influence of funding decisions on corporate value.

The Role of Good Corporate Governance Moderates the Effect of Dividend Policy on Company Value

The value of a company will be maximized by a high dividend payout ratio [25]. The company's ability to pay dividends can reflect the value of the company. If the dividend payment is high, then the share price will also be high, which will affect the high value of the company and vice versa [35]. Dividend policy as a signal for investors in valuing a company [18]. If the company's dividend distribution policy increases, it will increase its value, and its value will increase when the company implements good corporate governance. Based on these thoughts, the research hypotheses are as follows.

H6: Good Corporate Governance reinforces the positive influence of dividend policy on corporate value.

Data Collection

This research conducted on state-owned companies listed on the Indonesia Stock Exchange (IDX) for the period 2014-2018. The data used in this research are secondary in the form of financial statements of SOE companies listed on the Indonesia Stock Exchange for the period 2014-2018 obtained through the IDX website. The sample used in the research was determined by the saturated sample technique. The number of samples used in this research was 20 BUMN (SOE) companies during the 2014-2018 period so that 100 observations.

Data Analysis

The data analysis technique used in this research was started by analyzing the factors of the four GCG mechanisms to obtain one value from the GCG variable. Variables with large numbers are grouped into several factors that have similar characteristics and characteristics, making it easy to analyze. Grouping is done by measuring the correlation of a set of variables and then placing highly correlated variables into one factor, while other variables that have relatively lower correlations are placed on other factors [29]. Then the classical assumption test includes the normality test, autocorrelation test, and heteroscedasticity test. Data analysis is then continued with the classical assumption test. The test was then continued using the Moderated Regression Analysis (MRA) technique using the SPSS (Statistics Product and Service Solutions) program.

Factor Analysis

The Good Corporate Governance (GCG) variable used as a moderating variable is formed from four GCG mechanisms, namely institutional ownership (IO), managerial ownership (MO), independent commissioners (IC), and audit committees (AC). The factor analysis used in this research is the Confirmatory Factor Analysis because the researcher wants to group four GCG measurement mechanisms into fewer variables. The four mechanisms are then carried out a factor analysis to group them into one factor. The Kaiser-Meyer-Olkin Test (KMO) is used to determine the adequacy of the KMO Test, and Bartlett Test has several conditions, namely the KMO (Kaiser-Mayer-Olkin) number must be above 0,5 and the signature must be below 0,05.

Table 1: Kaiser Mayer Olkin Test I

<i>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</i>		0,516
<i>Bartlett's Test of Sphericity</i>	<i>Approx. Chi-Square</i>	9,984
	Df	6
	Sig.	0,125

In the first stage of factor analysis, all GCG mechanisms have passed the KMO Test and Bartlett Test so that it can proceed to the MSA Test process. The selection of factors that need to be excluded from factor analysis can be made by looking at the anti-image correlation values of each variable in the Measure of Sampling Adequacy test results.

Table 2: Measure of Sampling Adequacy Test I

Variable	IO	MO	IC	AC
IO	0,532 ^a	0,072	-0,221	0,028
OM	0,072	0,564 ^a	0,113	-0,053
IC	-0,221	0,113	0,511 ^a	-0,162
AC	0,028	-0,053	-0,162	0,455 ^{a*}

Notes: *MSA < 0,05

The MSA (Measure of Sampling Adequacy) test is an index to measure the adequacy of sampling for each variable. The MSA test value of the audit committee variable is 0.455 smaller than 0.5 (0.455 < 0.5), the audit committee (AC) variable cannot be predicted and cannot be further analyzed, so it must be excluded from the factor analysis model. Furthermore, the factor analysis was carried out again using three GCG mechanisms, namely institutional ownership (IO), managerial ownership (MO), and independent commissioners (IC).

Table 3: Kaiser Mayer Olkin Test I

<i>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</i>		0,547
<i>Bartlett's Test of Sphericity</i>	<i>Approx. Chi-Square</i>	7,307
	Df	3
	Sig.	0,003

From the results of the second-factor analysis, the KMO number was 0,547, and it was above 0,5 (0,547 > 0,5), a significance value of 0,003 is below 0,5 (0,003 < 0,5) so that it has met the criteria for further analysis.

Table 4: The Measure of Sampling Adequacy Test II

Variable	IO	MO	IC
IO	0,538 ^a	0,073	-0,220
MO	0,073	0,607 ^a	0,105
IC	-0,220	0,105	0,535 ^a

MSA values obtained from the three GCG mechanism variables, namely institutional ownership (0,538), managerial ownership (0,607), and independent commissioners (0,535), have a value greater than 0,5 so that it can be further analyzed. Then proceed with the core process of factor analysis, namely factoring, this process will extract one or more factors from the variables that have passed the previous variable test.

Table 5: Description of Total Variant

Component	<i>Initial Eigenvalues</i>			<i>Extraction Sums of Squared Loadings</i>		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1,311	43,689	43,689	1,311	43,689	43,689
2	0,921*	30,686	74,375			
3	0,769*	25,625	100,000			

Notes: *Eigenvalue < 1

When viewed from the formed eigenvalue, there is only one component that has a value above 1. The component is component number 1, with an eigenvalue value of 1,311, while the other two components are valued below 1 (0,921 and 0,769). From factorization based on the total size of the variance, only one factor is obtained from the factor analysis. Next, it needs to be continued by rotating the factors on the factors that have been formed. Because the purpose of this factor analysis is to reduce the number of original (initial) variables, orthogonal rotation is used, namely varimax.

Table 6: Matrix Components

	Component
	1
IO	0,708
MO	-0,522
IC	0,733

The test results show that only one matrix component consisting of three GCG mechanism factors. Furthermore, the matrix component factor rotation results from only one factor that is formed from the matrix component's findings and the rotation of the matrix component. It can be concluded that one variable was the proxy of GCG.

Classic Assumption Test

Normality Test, the statistical test used to test data normality is to use the Kolmogorov-Smirnov test (K-S) test. Normality testing is performed on the two regression equations used in this research.

Table 7: Normality Test

	<i>Unstandardized Residual</i>	
	Equation I	Equation II
N	100	100
<i>Asymp. Sig. (2-tailed)</i>	0,200	0,200

Value of Asymp. Sig. the first equation is 0,200 and the second equation is 0,200 which is greater than $\alpha = 0,05$ (0,200 > 0,05). Then it can be concluded that the data normally distributed.

Autocorrelation Test, the autocorrelation test was performed using the Durbin-Watson Test. Autocorrelation testing was performed on the two regression equations used in this research. The test results show that the value of Durbin-Watson (d) in the first equation is 2,036, and the second equation is 2,149. These values will then be adjusted to the test criteria and compare them using the Durbin-Watson table. After comparing it with the Durbin-Watson table, the two regression equations are by the testing criteria. Then it can be concluded that the data in the first equation and the second equation in this research there is no autocorrelation.

Heteroscedasticity Test, testing by regressing the absolute residual value of the model estimated on the independent variable, and it is expected that no independent variable has a significant effect on the absolute residual value. Heteroscedasticity testing was performed on the two regression equations used in this study.

Table 8: Heteroscedasticity Test

Variable	Significance of absolute residuals	
	Equation I	Equation II
Investment Decision	0,076	0,760
Funding Decision	0,221	0,193
Dividend Policy	0,860	0,978
GCG	-	0,252
ID * GCG	-	0,217
FD * GCG	-	0,363
DP * GCG	-	0,826

The test results show that the significance value at absolute residuals obtained by each variable from the equation I and equation II have a value greater than $\alpha = 0,05$. Then it can be concluded that the data used do not occur with heteroscedasticity.

Moderated Regression Analysis (MRA)

This research formulates two regression equations, namely multiple linear regression equations and Moderated Regression Analysis (MRA). The first equation is a multiple linear regression analysis used to test the hypotheses H1, H2, and H3.

Table 9: Multiple Linear Regression Test for Equation I

Model	Unstandardized Coefficients		Standardized Coefficients	p-value	Information
	B	Std. Error	Beta		
(Constant)	0,840	0,099		0,000	
Investment Decision	0,369	0,010	0,959	0,000*	Significant
Funding Decision	-0,075	0,021	-0,088	0,001*	Significant
Dividend Policy	0,001	0,002	0,016	0,514	Not Significant
Adjusted R Square	0,939				
Sig. F	0,000				

Notes: *p > 0,05

Through testing the first multiple linear regression equation in Table 9, the following regression equation is produced.

$$Y = 0,840 + 0,369 X_1 - 0,075 X_2 + 0,001 X_3 \tag{1}$$

The next test was conducted Moderated Regression Analysis to test the second equation used to test hypotheses H4, H5, and H6.

Table 10: Moderated Regression Analysis for Equation II

Model	Unstandardized Coefficients		Standardized Coefficients	p-value	Information
	B	Std. Error	Beta		
(Constant)	0,872	0,125		0,000	
Investment Decision	0,385	0,024	1,001	0,000*	Significant
Funding Decision	-0,128	0,036	-0,151	0,001*	Significant
Dividend Policy	0,003	0,002	0,041	0,165	Not Significant
GCG	-0,053	0,135	-0,024	0,699	Not Significant
ID * GCG	0,021	0,031	0,048	0,514	Not Significant
FD * GCG	0,069	0,036	0,117	0,062	Not Significant
DP * GCG	-0,005	0,002	-0,083	0,029*	Significant
Adjusted R Square	0,942				
Sig. F	0,000				

Notes: *p > 0,05

The following regression equation is produced through the Moderated Regression Analysis, testing the second equation in Table 10.

$$Y = 0,872 + 0,385 X_1 - 0,128 X_2 + 0,003 X_3 - 0,053 Z + 0,021 X_1 * Z + 0,069 X_2 * Z - 0,005 X_3 * Z \tag{2}$$

Coefficient of Determination (Adjusted R Square) and Model Suitability Test (F Test)

Determination Coefficient Analysis is used to measure how far the ability of all independent variables in explaining the variation of the dependent variable [11]. In this study, the coefficient of determination is seen through the value of Adjusted R Square.

Table 11: Adjusted R Square Analysis and F Significance

	Equation I	Equation II
<i>Adjusted R Square</i>	0,939	0,942
<i>Sig. F</i>	0,000	0,000

The first equation Adjusted R Square is 0,939. It means that 93,9 percent of the variation in changes in firm value in this research can be explained by variables of investment decisions, funding decisions, and dividend policy, the remaining 6,1 percent is influenced by other variables outside the model used in the first equation. The value of Adjusted R Square in the second equation was 0,942. It means that 94,2 percent of variations the amount of the company change can be explained by variables of investment decisions, funding decisions, dividend policy, GCG, the interaction of investment decisions with GCG, the interaction of funding decisions with GCG, and dividend policy interactions with CGC. The remaining 5,8 percent is influenced by other variables outside the model used in the second equation. An increase in the value of the Adjusted R Square between the first equation and the second equation is 0,3 percent. This shows that with the interaction variables in the research model, it will increase the percentage of the model's ability to explain variations in changes in firm value in this research.

Model Suitability Test (F Test) aims to test whether the model used in this study is feasible or not to be used as an analysis tool in testing the effect of independent variables on the dependent variable. Based on the test results in Table 9 and Table 10, the p-value (Significance F) of the first equation and the second equation has the same value that is 0,000 less than the value of $\alpha = 0,05$ ($0,000 < 0,05$). This shows that the first equation and second equation models used in this study are feasible to be used as an analytical tool to test the effect of independent variables and moderation variables on the dependent variable.

II. Results

Effect of Investment Decisions on Company Value (H1)

Based on the results of hypothesis testing, it was found that investment decisions have a positive effect on firm value. This means that when the management decides to increase the amount of investment made by the company, it will potentially increase the value of the company. This result is by the Investment Opportunity Set concept about investment decisions; that is, current expenditures are investment choices that are expected to produce greater returns [27]. The increase in the company's value on the influence of increasing investment decisions applied by management can occur because the company's investment decisions are one of the investors' perspectives. When the management of the company has made an investment decision and announced it to the public, it will be a material consideration for the investor. Investors will analyze whether the investment decision is the right decision and will have a good impact on the company's future. Signaling theory signaling is an action taken by company management that provides investors instructions about how management views the company's prospects [4]. Investment decisions made by management will affect the perspective of investors and company owners, thereby affecting the value of the company [34]. The increasing information about investment decisions decided by the company is expected to provide a positive signal to investors to increase the value of the company.

Effect of Funding Decisions on Company Value (H2)

The second hypothesis is that funding decisions have a negative effect on firm value. Based on the results of hypothesis testing, it was found that the funding decision had a negative effect on firm value. It means that when management decides to increase the amount of debt as a source of corporate funding, it will have an impact on the decline in the value of the company. This result is by the negative side of the Trade-Off Theory, that debt has a negative and positive side. The positive side of debt is that interest payments will reduce taxable income. The negative side is that companies were risky if they have a large portion of the deficit in the capital structure [14]. The decline in the value of the company can increase corporate funding decisions through debt. It can occur because when a company has a debt level that is high enough compared to its equity, then this situation reflects the optimization of capital structure that is less good in the body of the company. Excessive debt composition will bring

the company at risk of bankruptcy. This situation is certainly not good for the company and precarious to reduce the value of the company. By signaling theory, the increasing leverage of a company will give investors a negative signal so that it has the potential to reduce the company's value.

Effect of Dividend Policy on Company Value (H3)

The third hypothesis is that dividend policy has a positive effect on firm value. Based on the results of hypothesis testing, it was found that the dividend policy did not affect its value. This means that although the company's management decides the strategy to increase the dividends distributed, it cannot affect its value. Of course, many factors can cause dividend policy that cannot change the company's value, namely, the low ratio of dividend payments, the uneven distribution of company dividends that are the study sample, and the absence of dividend policy changes by the company. The effect of the company's value on the influence of the increase in dividend policy by the company can occur because of the low Dividend Payout Ratio of BUMN (SOE Companies) that are the research samples. This situation can also be reflected in the fact that not all companies sampled in this study distributed dividends regularly during the study period. Also, no effect on the company's value is thought to occur because company management generally follows a stable dividend policy by implementing lagged dividends. Lagged dividends are dividends paid one year before the year considered [6]. The implication of the dividend policy does not affect the value of the company during the current year. Companies are generally reluctant to change their dividend policy quickly, so dividend payments in the previous year can measure to determine dividend policy for the current year [6]. This company dividend policy tends not to change, which is thought not to influence the company's value.

The Role of Good Corporate Governance Moderates the Effect of Investment Decisions on Company Value (H4)

The fourth hypothesis is that Good Corporate Governance reinforces the positive influence of investment decisions on firm value. Based on the results of hypothesis testing, it found that GCG does not moderate the effect of investment decisions on firm value. This means that although management has implemented GCG, it has not been able to increase further the positive influence of investment decisions on its value. This situation cannot be in line with agency theory, which is the basis for GCG implementation. No positive influence of investment decisions on firm value due to GCG interactions can occur due to the strong direct influence of investment decisions on firm value, compared to the direct effect arising from the implementation of GCG on firm value. Investors expect that with investment spending, there will be company growth. This situation causes the benefits arising from the implementation of GCG in underprivileged companies as a reinforcer in the influence of investment decisions on company value. Implementation of GCG is needed to oversee management in carrying out financial management functions. Through the maximum application of GCG, company managers will get consideration from various parties, such as the audit committee that oversees the company's risk management so that the effective implementation of GCG has a significant influence on its value.

The Role of Good Corporate Governance Moderates the Effect of Funding Decisions on Company Value (H5)

The fifth hypothesis is that Good Corporate Governance weakens the negative influence of funding decisions on firm value. Based on the hypothesis testing results, The GCG does not moderate the effect of funding decisions on firm value. This means that although management has implemented GCG, it has not been able to reduce the negative influence of funding decisions on its value. This situation cannot be in line with agency theory, which is the basis for GCG implementation. No decrease in the negative influence of funding decisions on the value of the company on the existence of GCG interaction can occur because the role of GCG implementation in the company is not yet optimal. The implementation of GCG has not been able to build public confidence in the large DER ratio owned by state-owned companies, especially those listed on the Indonesia Stock Exchange. Companies with proper GCG implementation will be better able to effectively control debt utilization to increase profits earned by the company and increase the company [13]. A high DER ratio value in a company can cause a bad perception for investors. A large excess of debt will have a negative impact on the value of the company [28]. Therefore, effective implementation of GCG in the company will have an impact on all company activities; both financial and non-financial performance will also improve.

The Role of Good Corporate Governance Moderates the Effect of Dividend Policy on Company Value (H6)

The sixth hypothesis is that Good Corporate Governance reinforces the positive influence of dividend policy on firm value. Based on the results of hypothesis testing, GCG strengthens the positive influence of funding decisions on firm value. It means that the implementation of GCG that has been carried out by the company's management can further increase the positive influence of dividend policy on its value. This result is based on agency theory, which is the basis for the implementation of GCG, is a company's internal control that aims to manage significant risks to

meet its business objectives (Effendi, 2009). The increase in the positive influence of dividend policy on the company's value due to the GCG interaction can occur because the application of GCG has been able to oversee how the policy formulation mechanism is related to dividend distribution. This condition can indicate that the application of GCG in a company is needed to conduct supervision in the company's operational activities. It is especially so for supervising managers in the formulation of policies on how much profit the company will distribute as dividends. In line with agency theory, good corporate governance as a monitoring and control mechanism to guarantee and control the running of a sound corporate governance system in an organization/company [36].

III. Findings

The results of this study clearly illustrate experimental data about the influence of financial decisions on firm value, as well as how the influence of good corporate governance in moderating the influence of financial decisions on the value of the company. This result also supports some of the past views researchers that investment decisions and funding decisions have a significant effect on firm value. The implementation of good corporate governance has not had a major influence on the relationship between financial decisions and corporate value. In dividend policy decisions, the application of good corporate governance is able to strengthen the effect of dividend policy on firm value.

IV. Limitations

Based on the results of the research, several suggestions for further research can be submitted. The researcher can then use dividend policy measurement with Retention Ratio, which is the percentage of retained earnings balance compared to the company's net income. Researchers can then eliminate companies that do not distribute dividends to obtain more accurate testing results. Further, researchers test each GCG mechanism that is considered relevant to the research. It aims to obtain whether the results of the GCG mechanism has influence and whether the CGC mechanism does not affect the company's value. If further research is to produce a better generalization of research results, recommended using other company value measurement methods such as stock prices, Price Earning Ratio (PER), and Price to Book Value (PBV).

V. Conclusion

The results showed that investment decisions had a positive effect on firm value. The increasing investment decisions -making provide a positive signal to investors to increase the value of the company. Funding decisions negatively affect the value of the company. When a company has a debt level that is quite high compared to its equity, then this situation reflects the optimization of capital structure that is not good in the company's body, so it can reduce its value. The dividend policy does not affect the value still low Dividend Payout Ratio of SOE companies listed on the Indonesia Stock Exchange. The company's dividend policy generally tends not to change, so it is predicted not to have a significant effect on its value. Good Corporate Governance does not moderate the effect of investment decisions on company value. The strong direct influence of investment decisions on the value of the company causes the benefits arising from the implementation of GCG to be less responded as an amplifier in the influence of investment decisions on the value of the company. Good Corporate Governance does not moderate the effect of funding decisions on company value. The role of GCG implementation in the company has not been maximized, so it has not been able to build public confidence in the large DER ratio owned by the company. Good Corporate Governance reinforces the positive influence of dividend policy on corporate value. The implementation of GCG has been able to oversee the mechanism of policy formulation related to dividend distribution.

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