THE INFLUENCE OF DEVIDEN POLICY, FUNDING DECISIONS AND INVESTMENT DECISIONS ON COMPANY VALUE WITH ROE AS AN INTERVENING VARIABLE IN INDUSTRIAL SECTORS LISTED ON THE INDONESIAN STOCK EXCHANGE

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Abstract

This study examines the effect of funding decisions, dividend policies, and investment decisions on firm value, with Return on Equity (ROE) as an intervening variable in industrial sector companies listed on the Indonesia Stock Exchange (IDX). The industrial sector plays an important role in economic growth, but faces challenges such as falling profits and market pressures. This study uses an associative approach with secondary data collected through documentary studies from 62 industrial companies during 2021-2023. Data analysis includes classic assumption tests and path analysis. The results showed that funding decisions, dividend policy, and investment decisions have a very strong correlation with ROE. These variables, when mediated by ROE, show a stronger relationship to firm value. The F test shows that Dividend Policy, Funding Decisions, and Investment Decisions have a significant effect on ROE, while Dividend Policy, Funding Decisions, and Investment Decisions through ROE as intervening variables do not have a significant effect on the firm value variable. The t-test shows that partially, the dividend policy variable, funding decisions, have no partial effect on ROE, while investment decisions have a partial effect on ROE. Partially, the dividend policy variable, funding decisions, and investment decisions do not have a significant effect on the firm value variable through ROE. Future research is recommended to explore additional variables or use alternative analytical tools to gain more comprehensive insights.

Keywords: Dividend Policy, Funding Decisions, Investment Decision, Company Value, ROE

INTRODUCTION

In the business world with increasingly uncertain situations, companies must have the ability to survive and focus on achieving their company goals. One of the goals of a company is to maximize the value of shareholders' wealth. The value of wealth can be seen through the development of the company's (common stock) share price in the capital market. If the price rises, the company's value will be able to increase market confidence, not only in the company's current performance but also in the company's future prospects. Companies that issue shares in the capital market use the share price as one of the indicators of the company's value. This value is influenced by the financial performance as reflected in the financial statements. Good financial performance can attract investors because the value of the company can reflect the work of management in managing its assets.

The capital market is a market that shares long-term financial instruments with a term of more than one year, such as stocks, bonds, mutual funds, and various derivative instruments or securities. According to Harji & Martono, (2018), the capital market is a market where long-term funds, both debt and equity, are traded, and these traded long-term funds are realized in securities. The capital market is a meeting between two parties that have excess funds and parties that need funds by trading securities (Tandelillin, 2016). The capital market functions as a source of funding for companies or institutions, including the government, as well as a forum for investment for investors. According to Rustiana et al., (2022), the capital market has two main functions in the role of a country's economy, namely the financial function and the economic function.

The industrial sector plays an important role in accelerating economic growth because it can help reduce unemployment and form an agro-industry-based economy. This sector involves economic activities that process raw materials, raw materials, or semi-finished goods into high-quality products, including building design and industrial engineering activities. Industrial materials are obtained both directly and indirectly, then processed to produce products of greater value to the community.

Industrial sector stocks weakened 2.45% to 909.018. ASII shares fell 2.66%, with first-quarter profit down 15.81% to 7.46 trillion rupiahs due to a 2.13% drop in revenue. UNTR also experienced a 5% decline in net profit to Rp 4.5 trillion, with revenue down 7% to Rp 32.4

trillion. The decline in vehicle sales in early 2024 affected Astra Otoparts' (AUTO) manufacturing business. AUTO continues to grow in the trading business through exports. They have also begun to diversify into medical devices and electric vehicle (EV) components, increase production efficiency, and add new stores such as Astra Otoservice and Shop & Drive. UNTR is under pressure as sales of Komatsu heavy equipment decline, while ASII is affected by electric cars from China, vehicle taxes, sluggish sales, and high interest rates (https://investasi.kontan.co.id/).

The value of a company is one of the important indicators in assessing the success and performance of a business entity. For stakeholders, including investors, creditors, and management, understanding what affects the value of the company is crucial. The value of the company can be measured through the value of the stock price in the market, based on the formation of the company's stock price in the market, which is a reflection of the public's assessment of the company's real performance (Harmono, 2016). The value of the company reflects the market's perception of future profit potential and the associated risks. A good company value will be viewed favorably by potential investors. Company value is an investor's perception of the manager's level of success in managing the company's resources entrusted to him, which is often linked to the share price (Sugeng, 2020). Company value can be measured by the Price to Book Value, which describes how much the market values a company's book value of shares. A high company value is an implication of the high demand for company shares, so that the share price rises and provides a guarantee for the company's continued survival (Pratama & Sulhan, 2024).

Dividend policy is a decision made by the company regarding the distribution of profit to shareholders in the form of dividends and the amount to be kept for investment in the company. The more shares that are distributed, the higher the company value, and vice versa, a low dividend distribution can reduce the company value (Chandra, 2020). This decision is very important in influencing investors' views of the company, which ultimately has an impact on the company's stock value. If the dividends distributed to shareholders are higher, it will cause lower retained earnings, but on the contrary, when the company prioritizes company growth, retained earnings will be higher so that dividend distribution will be lower (Wildan & Fitria, 2022). Dividend policy can be assessed using Earnings per Share (EPS).

Funding decisions are a process that companies go through to determine how to obtain the funds needed for operations and investments. The sources of funds are divided into two, namely internal sources of funds and external sources of funds, funds originating from within the company, namely retained earnings, and funds originating from outside the company, namely debt (Putri et al., 2018). Companies that make investments certainly expect future profits, of course by taking into account the existing risks (Silaturahmi & Novitasari, 2022). This funding decision can be assessed using the Debt to Equity Ratio (DER), which is a financial ratio used to analyze the company's capital structure by comparing total debt and shareholders' equity.

An investment decision is an action taken by company management to allocate funds to long-term assets or projects that are expected to provide future benefits. Investment decisions whose benefits will be realized in the future must be carefully considered by the Company (Astakoni & Wardita, 2020). This decision is important because it affects the company's growth, profitability, and value. The company's investment decisions cannot be observed by parties outside the company, so a proxy is needed to see them (Abdullah, 2022). As for measuring Investment Decisions, use the Market to Book Value of Equity (MVE/BVE).

Return on Equity (ROE) is a financial ratio that measures a company's ability to generate profit from the equity owned by shareholders. ROE shows how efficiently a company uses capital from shareholders to generate profit. A high ROE indicates that the company has successfully used equity well to generate profit, while a low ROE can indicate that the company is inefficient in utilizing capital.

REVIEW OF LITERATURE

Dividend Policy

Dividends are part of the profits earned by the company, which are allocated to shareholders in return for the investments they have made in the company (Rudianto, 2019). According to Kresna & Ardini, (2020), dividend policy is a decision on whether the company's profit will be distributed to shareholders as dividends or will be retained as profit to finance future investments. According to (Prayitno & Sapari, 2021), dividend policy is a

management decision that may prioritize self-interest, such as using profits for other investments when dividends are distributed.

Funding Decisions

According to Sutrisno, (2015), decisions regarding funding are an important aspect of financial management that requires in-depth analysis and careful consideration regarding the most efficient combination of funding sources for the company. The goal is to meet investment needs and support ongoing business activities. According to Rahadi & Octavera, (2018): Funding decisions relate to financial structure, where an optimal financial structure can minimize costs and maximize company value. Funding decisions are a company's step in obtaining and allocating funds to finance investments and determining the proportion of funding sources (Nurhayadi et al., 2021).

Investment Decision

According to (Fridana & Asandimitra, 2020), an investment decision is a choice made in collecting income from an asset to obtain future profits. Investment decisions reflect how companies manage their funds efficiently to maximize profits, where market reactions to these decisions can affect company value (Sari & Gunawan, 2023). Investment decisions can increase firm value, especially through capital investment (Amelia et al., 2024).

Company Value

Company value is a condition that has been achieved by an entity, reflecting public trust in the company. This trust is formed through a series of activities that have taken place over the years, starting from the establishment of the company until now (Hery, 2017). According to Muliani et al., (2023) company value is the success of a company in increasing its share price so that it can prosper the capital owners.

ROE

According to Fahmi, (2018), Return on Equity is a ratio that examines the extent to which a company uses its resources to be able to provide profit and equity. According to Kasmir (2019), Return on Equity is a ratio used to measure the company's efficiency in utilizing its own capital by comparing net income after tax to equity. Return on Equity (ROE) is a ratio that shows the extent to which the company manages its own capital (net worth)

effectively, measuring the level of return on investment that has been made by the owner of the company's own capital or shareholders (Christine & Winarti, 2022).

RESEARCH METHOD

Type and Approach of Research

In this study, the researcher used associative research. According to Siregar (2017), associative research is research used to determine the relationship between two or more variables. From this type of research, a theory will be obtained that can be used to provide an explanation, predict, and control the symptoms that arise.

Data Collection Technique

In data collection in this study, secondary data was used with documentary study techniques. According to Sugiyono (2017), secondary data is an indirect source where researchers look for data; the data is obtained from sources that can provide research support such as from literature and documentation. Data collection using this documentary technique can be seen on the website www.idx,co.id. According to Sugiyono (2017), a documentary study is a record of events that have taken place, which can be in the form of writing, images, or monumental works.

Data Collection and Sampling

The population in this study was 66 issuers, industrial companies listed on the Indonesian Stock Exchange. The sample in this study was 62 companies, sampled using a purposive sampling technique. According to Sugiyono (2018), purposive sampling is sampling using certain considerations according to the desired criteria to determine the number of samples to be studied. The sample criteria are companies that issue financial reports as of December 31st, 2021-2023.

Statistical Analysis

This study uses the Classical Assumption Test and the Statistical Test. In the classical assumption test, there is a normality test, the normality test aims to test whether, in the regression model, the disturbance or residual variable has a normal distribution. If this assumption is violated, the statistical test becomes invalid for small sample sizes (Ghozali, 2016).

To detect normality, the Kolmogorov-Smirnov test is used with the test criteria that if the sig value is <0.05, the data is not normally distributed; otherwise, if the sig value is >0.05, the data is normally distributed. Furthermore, the multicollinearity test, according to Ghozali (2016), is carried out to test whether the regression model correlates with the independent variables. A good regression model should not correlate with the independent variables. The way to determine whether multicollinearity occurs or not is by looking at the tolerance value and the Variance Inflation Factor (VIF) value. If the tolerance value is > 0.10 and the VIF value is < 10, then there is no multicollinearity. Conversely, if the tolerance value is < 0.10 and the VIF value is > 10, then there is multicollinearity. Next is the autocorrelation test. According to Ghozali (2016), the autocorrelation test is used to determine whether there is a correlation between the disturbance errors in period t and the errors in the previous period in the regression model used. Furthermore, the heteroscedasticity test, according to Ghozali (2017), heteroscedasticity means that there are different variants of variables in the regression model. If the opposite occurs, the variant variables in the regression model have the same value, then it is called homoscedasticity.

A good regression model is one that is homoskedastic or does not experience heteroskedasticity. In this study, the heteroskedasticity test was carried out using the Glejser technique, the criteria being that if the Sig value of the independent variable is <0.05, then heteroskedasticity occurs, otherwise if the Sig value of the independent variable is >0.05, then heteroskedasticity does not occur. Next is the linearity test, according to Ghozali (2018), the linearity test is used to see whether the model specification used is correct or not. The linearity test will provide information on whether the empirical model should be linear, quadratic or cubic. The criterion is that if the linear sig value is > 0.05, then the relationship is linear, otherwise if the linear sig value is < 0.05, then the relationship is nonlinear. In statistical tests, there is Path Analysis.

According to Ghozali (2016), path analysis is a model for determining the direction of independent variables in influencing non-independent variables together or partially. The equations in this study are as follows: Equation 1 is $Z = a + b_1X_1 + b2X2 + b3X3 + e$, and Equation 2 is $Y = a + b1X1 + b2X2 + b3X3 + b4Z + e$. Next, there is a correlation coefficient test. According to Siregar (2017), the correlation coefficient is a number that expresses the

strength of the relationship between two or more variables and can also determine the direction of the relationship between the two variables. After that, there is a coefficient of determination test (R^2), according to Ghozali (2016), the coefficient of determination (R^2) essentially measures how far the model's ability to explain the dependent variable. The coefficient of determination is between zero and one. A small R^2 value means that the ability of the independent variables to explain the dependent variable is very limited. After that, the F test, according to Ghozali (2016), the simultaneous effect test is used to determine whether the independent variables jointly or simultaneously affect the dependent variable. The simultaneous test criterion is that if the significant value is > 0.05, then H0 is accepted and Ha is rejected. Conversely, if the significant value is < 0.05, then H0 is rejected and Ha is accepted. The last one is the T test. According to Ghozali (2016), the t test is used to determine one independent variable individually in explaining the dependent variation. The T test criterion is that if the significance is > 0.05, then H0 is accepted and Ha is rejected. Conversely, if the significance is < 0.05, then H0 is rejected and Ha is accepted. This study uses IBM SPSS 19 for data processing.

RESULTS AND DISCUSSION

Classic Assumption Test

Normality Test

This normality test aims to determine the distribution of data in the variables that will be used in the study. Data normality can be seen using the normal Kolmogorov-Smirnov test. The results of the Normality test calculation can be seen in Tables 1 and 2 below:

Table 1
Normality Test for Equation 1

Test	Value
N (Sample)	119
Test Statistic	.161
Asymp.Sig.(2-tailed)	.200[c]

Source: Processed Data, 2025

Table 2
Normality Test for Equation 2

Test	Value
N (Sample)	113

Test Statistic	.211
Asymp.Sig.(2-tailed)	.117[c]

Source: Processed Data, 2025

Tables 1 and 2 are the results of the normality test, these results show that the Kolmogorov-Smirnov test results have a significance of 0.200 and 0.117. From these results, it has the value is greater than 0.05, which means that the residual value is normally distributed.

Multicollinearity Test

A multicollinearity test is conducted to analyze the correlation between independent variables. As a basis for seeing a model that is not Multicollinearity is to see the amount of Variance Inflation Factor (VIF) and tolerance level. If the tolerance value> 0.10 or VIF < 10, then there is no multicollinearity between the independent variables and vice versa. The following is the Multicollinearity test in tables 3 and 4 as follows:

Table 3.
Multicollinearity Test Results Equation 1

Variable	Tolerance	VIF
Dividend policy	.512	1.954
Funding Decision	.922	1.085
Investment Decision	.540	1.851
Dependent Variable: ROE		

Source: Processed Data, 2025

Table 4.
Multicollinearity Test Results Equation 2

Variable	Tolerance	VIF
Dividend policy	.499	2.004
Funding Decision	.836	1.197
Investment Decision	.316	3.168
ROE	.467	2.141
Dependent Variable: Company Value		

Source: Processed Data, 2025

Based on Tables 3 and 4, it can be seen that there is no multicollinearity between the independent variables in the regression model. This is indicated by the tolerance value of each variable > 0.10 and VIF < 10.

Autocorrelation Test

The autocorrelation test is used to detect the presence or absence of classical

assumption deviations in the form of autocorrelation, namely the correlation between residuals on one observation and other observations in the regression model. To determine whether or not there is autocorrelation using the Durbin-Watson test. The following are the results of the autocorrelation test in Tables 5 and 6 as follows:

Tabel 5.
Autocorrelation Test Results Equation 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.839[a]	.704	.693	1.41691	1.037

a. Predictors: (Constant), Investment Decision, Funding Policy, Dividend Policy

b. Dependent Variable: ROE

Source: Processed Data, 2025

Based on the results of the autocorrelation test in Table 5 for this second regression, the Durbin-Watson value is 1.037. where the value of 1.6073 < 1.037 < 4-1.6703, because Dw is less than Du, the test results show that there is positive autocorrelation, thus the model does not pass the Durbin-Watson test. The test results of equation 2 in Table 6 are as follows:

Tabel 6.
Autocorrelation Test Results Equation 2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.181[a]	.033	.018	1909.62389	2.001

a. Predictors: (Constant), Investment Decision, Funding Policy, Dividend Policy, ROE

b. Dependent Variable: Company Value

Source: Processed Data, 2025

Based on the autocorrelation test results in Table 6 for this first regression, the Durbin-Watson value is 2.001. where the value is 1.6073 < 2.001 < 4-1.6703. Because the DW is close to 2, this indicates that there is no autocorrelation in the first regression model, so the Durbin Watson test passes.

Heteroscedasticity Test

Heteroscedasticity test aims to test whether in this regression model there is an inequality of variance from residuals or one observation to another observation remains, if there is a similarity called homoscedasticity and if it is different it is called heteroscedasticity, how to test whether there is heteroscedasticity is by using the Glesjer Test. The results of the heteroscedasticity test can be seen in tables 7 and 8 as follows:

Tabel 7.
Heteroskedasticity Test Results Equation 1

Variable	T	Sig
Dividend Policy	1.502	.135
Funding Policy	2.691	.008
Investment Decision	4.966	.000

a. Dependent Variable: ROE

Source: Processed Data, 2025

Based on table 7, it can be explained that there is one variable indicated that heterokedasitistas occurs. This can be seen from the probability vallue (Sig) for the independent variables X2 and X3 shows <0.05. and Dividend Decision 0.135 shows > 0.05. The results of the heterokedasitistas test equation 2 can be seen in table 8 below:

Tabel 8.
Heteroskedasticity Test Results Equation 2

Variable	T	Sig
Dividend Policy	2.600	.010
Funding Policy	-.525	.600
Investment Decision	.086	.931
ROE	-.661	.510

a. Dependent Variable: Company Value

Source: Processed Data, 2025

Based on table 8, it can be explained that there are two unidentified variables causing heteroskedasticity. This can be seen from the probability value (Sig) for the independent variable X1, which shows < 0.05. Funding Policy 0.600, Investment Decision 0.931, and ROE 0.510 show > 0.05.

Linearity Test

The linearity test is used to see whether the model specification used is correct or not. The results of the linearity test calculation of regression equations 1 and 2 can be seen in tables 9 and 10 below:

Tabel 9.
Result of Linearity Test of Equation 1

Variable	Deviation From Linearity	Description
ROE * Dividend Policy	0,999	Linear
ROE * Funding Policy	0,996	Linear
ROE * Investment Decision	0,003	Not Linear

Source: Processed Data, 2025

Based on table 9, the results of the regression linearity test of equation 1 show a significance value of deviation from Linearity of 0.999 and 0.996, which is more than > 0.05, so it can be concluded that there is a linear relationship between Dependent Policy and Funding Policy on ROE. Meanwhile, the significance value of the deviation from Linearity of Investment Decisions is 0.003 < 0.005, so it can be concluded that there is no linear relationship between investment decisions and ROE. The results of the Regression Linearity test for equation 2 can be seen in table 10 as follows:

Tabel 10.
Result of Linearity Test of Equation 2

Variable	Deviation From Linearity	Description
Company Value * Dividend Policy	1,000	Linear
Company Value * Funding Policy	0,995	Linear
Company Value * Investment Decisions	0,017	Not Linear
Company Value * ROE	0,196	Linear

Source: Processed Data, 2025

Based on table 10, the results of the linearity test of equation 2 show that the significance value of deviation from Linearity is 1,000, 0.995 and 0.196, which is more than > 0.05. So it can be concluded that there is a linear relationship between Dependent Policy, Funding Policy and ROE on Company Value. Meanwhile, the significance value of the deviation from Linearity Investment Decision is 0.017 < 0.005, so it can be concluded that there is no linear relationship between investment decisions and company value.

Path Analysis

The path analysis method is used to test the effect of intervening variables. This analysis is an extension of multiple linear regression analysis, or path analysis is the use of regression analysis to estimate the causal relationship between variables (causal model) that has been predetermined based on theory. The path test of equation 1 in Table 11 is as follows:

Table 11.
Path Test Results Equation 1

Research Variable	Coefficients	T Statistic	Significance Value
(Constant)	6.538	2.844	.005
Dividend Policy	.072	1.502	.135
Funding Policy	.088	2.691	.008
Investment Decision	.000	4.966	.000
Dependent Variable: ROE			

Source: Processed Data, 2025

Based on table 11 above, the multiple linear regression equation is as follows:

Z = 6,538 + 0,072 X1 + 0,088 X2 + 0,000 X3

The multiple regression equation can be explained as follows:

a. The constant value of 6.538 which states that the dividend policy, funding decision, and investment decision are equal to 0 (zero), then the ROE is 6.538.
b. The variable value of the dividend policy is 0.072, meaning that if there is an increase in the dividend policy variable by one unit, the value of the ROE variable will increase by 0.072
c. The value of the funding decision variable is 0.088, meaning that if there is an increase in the dividend policy variable by one unit, the value of the ROE variable will increase by 0.088
d. The value of the investment decision variable is 0.000, meaning that if there is an increase in the dividend policy variable by one unit, the value of the ROE variable will remain stable.

The path test for equation 2 is in Table 12 as follows:

Table 12.
Path Test Results Equation 2

Variable	Coefficients	T Statistic	Significance Value
(Constant)	202.553	1.421	.157
Dividend Policy	7.649	2.600	.010
Funding Policy	-1.057	-.525	.600
Investment Decision	.000	.086	.931
ROE	-2.883	-.661	.510
Dependent Variable: Company Value			

Source: Processed Data, 2025

Based on Table 12 above, the following multiple linear regression equation 2 can be found:

Y: = 202,553 + 7,649 X1 – 1,057X2 + 0,000X3 -2,883 Z

From the multiple regression equation, it can be explained as follows:

a. The constant value of 202.553, which states that the dividend policy, funding decisions, and investment decisions through ROE as an intervening variable are equal to 0 (zero), then the company value is 202.553.
b. The value of the dividend policy variable is 7.649, meaning that if there is an increase in

the dividend policy variable by one unit, the value of the firm value variable will increase by 7.649.

c. The value of the financing decision variable is -1.057, meaning that if there is an increase in the dividend policy variable by one unit, the value of the firm value variable will decrease by -1.057.
d. The value of the investment decision variable is 0.000, meaning that if there is an increase in the dividend policy variable by one unit, the value of the firm value variable will remain stable.
e. The value of the ROE variable is -2.883, meaning that if there is an increase in the dividend policy variable by one unit, the value of the firm value variable will decrease by -2.883

Correlation Coefficient Analysis (R)

The correlation coefficient analysis aims to determine the strength of the relationship between two or more variables, and can also determine the direction of the relationship between the two variables. The results of the correlation coefficient (R) test of equation 1 can be seen in Table 13 as follows:

Table 13.
Correlation Coefficient Test Results (R) Equation 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.840[a]	.706	.698	2.40070

Predictors: (Constant), Investment Decisions, Dividend Policy, Funding Decisions
Dependent Variable: ROE

Source: Processed Data, 2025

Based on Table 13, the results of the correlation coefficient test show that the value of the variables of dividend policy, funding decisions, and investment decisions on ROE is 0.840 at this coefficient interval, which is within the range of 0.80-1.000. This means that dividend policy, funding decisions, and investment decisions have a very strong relationship with the ROE variable. The results of the correlation coefficient test for equation 2 in Table 14 are as follows:

Table 14.
Correlation Coefficient Test Results (R) Equation 2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.791[a]	.625	.438	.41434

Predictors: (Constant), ROE, Investment Decisions, Dividend Policy, Funding Decisions
Dependent Variable: Company Value

Source: Processed Data, 2025

Based on Table 14, the results of the correlation coefficient test show that the value of the variables of dividend policy, funding decisions, investment decisions, and ROE on Firm Value is 0.791, at this coefficient interval it is included in the range of 0.60-0.799. This means that dividend policy, funding decisions, investment decisions, and ROE have a strong relationship with the variable firm value.

Analysis of the Coefficient of Determination R^2

Based on the results obtained in Table 13, the R-squared value obtained is 0.706, which means 70.6%. This shows that there is an effect on ROE, which can be explained by the variables of dividend policy, funding decisions, and investment decisions by 70.6%, while the remaining 29.4% is explained by other variables that are not included in the research variables.

Based on the results obtained in Table 14, the R-squared value obtained is 0.625, which means 62.5%. This shows that there is an influence on the company value that can be explained by the dividend policy variable, funding decisions, investment decisions, and ROE of 62.5%, while the remaining 37.5% is explained by other variables that are not included in the research variables.

Statistical Test F

The simultaneous influence test is used to determine whether the independent variables together influence the dependent variable. The results of the F test for equation 1 can be seen in Table 15 below:

Table 15.
Statistical Test Results F Equation 1

Model	Sum of Squares	Mean Square	F	Significance
Regression	35160.418	11720.139	11.833	.000[b]
Residual	192142.012	990.423		

Dependent Variable: ROE

Predictors: (Constant), Investment Decisions, Funding Policies, Dividend Policies

Source: Processed Data, 2025

Based on the results of the F test in Table 15, it can be concluded that the Dividend Policy, Funding Decisions, and Investment Decisions variables have a significant effect on ROE together. The F-test results for equation 2 in Table 16 are as follows:

Table 16.
Statistical Test Results F Equation 2

Model	Sum of Squares	Mean Square	F	Significance
Regression	25524973.892	6381243.473	1.745	.142[b]
Residual	705855896.001	3657284.435		

Dependent Variable: Company Value

Predictors: (Constant), ROE, Investment Decisions, Funding Policies, Dividend Policies

Source: Processed Data, 2025

Based on the results of the F test in Table 16, the second regression shows that the Dividend Policy, Funding Decisions and Investment Decisions variables through ROE as an intervening variable do not have a significant effect on company value together.

Statistical Test T

The Partial Test (t-test) was conducted to determine the influence of each independent variable, Job Involvement and Perceived Support, and the dependent variable, Job Satisfaction. The results of the partial test (t-test) for equation 1 can be seen in Table 17 below:

Tabel 17.
Statistical Test Results T Equation 1

Research Variable	Coefficients	T Statistic	Significance Value
(Constant)	6.538	2.844	.005
Dividend Policy	.072	1.502	.135
Funding Policy	.088	2.691	.008
Investment Decision	.000	4.966	.000

Dependent Variable: ROE

Source: Processed Data, 2025

Based on table 17, it can be seen how much influence each independent variable has, namely dividend policy, funding decisions and investment decisions on ROE.

a. The dividend policy variable with a t-value of 1.502 < t table 1.962 so that H_a is rejected H_0 is accepted so that it has no partial effect on ROE.
b. The funding decision variable with a t-value of 2.691> t table 1.962 so that H_0 is rejected H_a is accepted so that it has a partial effect on ROE.
c. The investment decision variable with a t-value of 4.966> t table 1.962 so that H_0 is rejected H_a is accepted so that it has a partial effect on ROE.

The results of the partial test (t test) of equation 2 can be seen in table 18 below:

Tabel 18.
Statistical Test Results T Equation 2

Research Variable	Coefficients	T Statistic	Significance Value
(Constant)	202.553	1.421	.157
Dividend Policy	7.649	2.600	.010
Funding Policy	-1.057	-.525	.600
Investment Decision	.000	.086	.931
ROE	-2.883	-.661	.510
Dependent Variable: Company Value			

Source: Processed Data, 2025

Based on Table 18, it can be seen how much influence each independent variable has, namely dividend policy, funding decisions, and investment decisions through ROE as an intervening variable on firm value.

a. The dividend policy variable through ROE as an intervening variable with a t-statistic of 2.600 > t table 1.962, so that $H_{0\ is}$ rejected $H_{a\ is}$ accepted, so that it has a partial effect on firm value.
b. The funding decision variable through ROE as an intervening variable with a t-count value of -0.038 < t table 1.962, so that $H_{0\ is}$ accepted $H_{a\ is}$ rejected, so that it does not have a partial effect on the value of the company.
c. The investment decision variable through ROE as an intervening variable with a t-value of 0.086< t table 1.962, so that $H_{0\ is}$ accepted $H_{a\ is}$ rejected, so that it has no partial effect on the value of the company.
d. The ROE variable with a t-value of -0.661< t table 1.962, so that H_0 is accepted and H_a is rejected, thus having no partial effect on the company value.

The Effect of Dividend Policy on ROE

Based on the analysis that has been carried out, it is known that the dividend policy does not affect ROE. This is because it depends on the company's effectiveness in managing its assets and operations to make a profit. The distribution of dividends only plays a role in regulating the distribution of net profit, but does not directly affect the company's efficiency in utilizing equity to generate profits. This study is in line with research conducted by Yanti

& Setiawati (2022), which shows that the results of the dividend policy have no significant effect on ROE.

The Effect of Funding Decisions on ROE

Based on the analysis that has been carried out, it is known that funding decisions have no partial effect on ROE. This is because the effectiveness of the use of funds in generating profit determines profitability more than the source of funding, so that without optimal management, additional capital from debt or equity. This study is in line with research conducted by Ardila & Burhanudin (2021), which shows that the results of the Funding Decision have no significant effect on ROE.

The Effect of Investment on ROE

Based on the analysis that has been carried out, it is known that investment decisions have a partial effect on ROE. This is because the right allocation of funds can increase net profit and maximize equity efficiency. This study is in line with research conducted by Ghofir & Fullah (2022), which shows that the results of the Investment Decision have a significant effect on ROE.

The Effect of Dividend Policy on Company Value

Based on the analysis that has been carried out, it is known that dividend policy does not have a partial effect on firm value. This is because it does not reflect the fundamental performance or long-term growth potential of the company. This study is in line with research conducted by Sari & Subardjo (2020), which shows that the results of dividend policy do not have a significant effect on firm value.

The Effect of Funding Decisions on Company Value

Based on the analysis that has been carried out, it is known that funding decisions have no partial effect on firm value. This is because capital structure is not the main factor in determining firm value, as profitability, operational efficiency, and growth prospects have more influence. If funds from debt or equity are not utilized optimally, the impact on firm value will be small. In addition, external factors such as economic conditions, government policies, and market sentiment are often more dominant. This study is in line with research

conducted by Qoirunisa & Jati (2023), which shows that the results of funding decisions have no significant effect on firm value.

The Effect of Investment Decisions on Company Value

Based on the analysis that has been carried out, it is known that investment decisions have no partial effect on firm value. This is because other factors, such as profitability, capital structure, and market conditions, are more dominant in determining firm value. If the investment made does not generate profit or is not managed efficiently, the impact on firm value is minimal. This study is in line with research conducted by Putri & Iramani (2023), which shows that the results of investment decisions have no significant effect on firm value.

The Effect of ROE on Company Value

Based on the analysis that has been carried out, it is known that ROE has no partial effect on firm value. This is because the company is reevaluating and correcting the company's activities so that they are more productive and the shareholders or investors can feel the benefits obtained. This study is in line with research conducted by Fikriyah & Mustaqim (2024), which shows that ROE results have no significant effect on firm value.

CONCLUSION

Based on the results of the analysis that was carried out in the previous chapter, the conclusion that can be drawn from this study is that the correlation coefficient test results of equation 1 show that the value of the dividend policy variable, funding decisions, investment decisions on ROE is 0.840 at this coefficient interval which is included in the range of 0.80-1.000. This means that dividend policy, funding decisions, and investment decisions have a very strong relationship with the ROE variable.

Based on the results of the correlation coefficient test, equation 2 shows that the value of the dividend policy variable, funding decisions, investment decisions, and ROE on firm value is 0.791, at this coefficient interval it is included in the range of 0.60-0.799. This means that dividend policy, funding decisions, investment decisions and ROE have a strong relationship with the variable company value.

Based on the results of the coefficient of determination test (R^2) for equations 1 and 2, the analysis of the effect of dividend policy through ROE shows that the direct effect of

dividend policy on firm value is 0.188. Meanwhile, the indirect effect through ROE is −0.005, so that the total effect of dividend policy on firm value is 0.183. These results indicate that the direct effect is more dominant than the indirect effect, so that dividend policy has a significant impact on firm value directly.

In the analysis of the effect of funding decisions through ROE, a direct effect on firm value of −0.038 is obtained, while the indirect effect through ROE is −0.009. Thus, the total influence of funding decisions on firm value is −0.047. This value shows that the indirect effect is greater than the direct effect, which means that funding decisions through ROE have a significant indirect effect on firm value. Meanwhile, in the analysis of the effect of investment decisions through ROE, it was found that the direct effect on firm value was 0.006, while the indirect effect through ROE was −0.016.

As a result, the total influence of investment decisions on firm value is −0.01. This result indicates that the indirect effect is greater than the direct effect, so that investment decisions through ROE have a significant impact on firm value indirectly. Based on the F-test results, equation 1 states that the variables Dividend Policy, Funding Decisions, and Investment Decisions have a significant effect on ROE, with a significant value of 0.000 <0.05. Based on the F-test results, equation 2 states that the Dividend Policy, Funding Decisions and Investment Decisions variables through ROE as an intervening variable do not have a significant effect on company value, with a significance value of 0.142 > 0.05. Based on the t-test of equation 1, it is stated that the dividend policy variable and the funding decision do not have a partial effect on ROE. The investment decision variable has a partial effect on ROE. Based on the t-test of equation 2, it is stated that the dividend policy variable, the funding decision, and the investment decision through ROE as intervening variables do not have a partial effect on the company value.

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