

The Influence of Profitability, Funding Decisions, and Dividend Policy on the Values of Property and Real Estate Firms in Indonesia: Institutional Ownership as a Moderator Variable

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Abstract—This study aims to examine and analyze the influence of profitability, funding decisions, and dividend policy on the values of property and real estate firms in Indonesia with institutional ownership as a moderator variable. 47 property and real estate companies listed in the Indonesian stock exchange, 25 companies were selected as the sample of study using the purposive sampling technique over the period 2012-2016. Using the multiple linear regression analysis, study found that profitability, funding decisions, and dividend policies have significant effects on firm's value. Institutional ownership failed to moderate the influences of profitability, funding decisions, and dividend policy on the firms' value. For investors this research can help to make decisions in investing and giving information that not only the stock price can reflect firms' value but in terms of profitability, funding decision, dividend policy can describe the condition of a company.

Keywords— profitability; funding decisions; dividend policy; firm value; institutional ownership

I. INTRODUCTION

The property sector is one type of business chosen by investors, because it includes investments that have added value every year. Property and real estate is an alternative investment that investors are interested in, where investment in this sector is a long-term investment and property is a multipurpose asset that can be used by the company as a guarantee to increase the company's working capital. Land prices that tend to rise from year to year due to limited amount of land while demand will be higher due to the increasing population and price determinants are not markets but people (parties) who control the land make the property and real estate industry more and more favored by investor or creditor. Publicly listed companies want the stock price to be sold to have high price potential so that it attracts investors to invest their funds in their companies (Pangulu dan Maski, 2014). The important of this study is want to know how much influence of profitability, funding decision and dividend policy can affect the firm values with institutional ownership as moderator.

In the long run, the firm's objective is to increase the firm value. The higher firm value, the more prosperous the owner will be. Firm value will be reflected in the stock market price (Fama, 1978 Wright and Ferris, 1997). Van Horne (2002) states, "the firm value is indicated by the market price of the company's ordinary shares, which is a reflection of investment decisions, funding, and company dividends". The point is that the firm's value is shown by the company's stock price which reflects investment decisions, funding and dividends. For companies that have gone public, the firm's value is reflected in its stock price.

The development of the Indonesia Stock Exchange today is inseparable from the role of investors who want to put their shares in the capital market. An investor will decide and invest funds in the capital market there is the most important activity that needs to be done, namely a careful assessment of the issuer, he must believe that the information he receives is correct (Mahendra, 2011).

There has been a volatile trend of stock prices in the property and real estate index from 2014 amounting to IDR 524.00, the average closing price per share, in 2015 fell to IDR 490.00, in 2016 the closing price rose again by IDR 517.00. There is a poor financial performance when the stock price falls.

The mining sector has the largest average price index among other sectors. In contrary, property & real estate has the lowest index average. This study focuses its analysis on the property and real estate companies since this sector have the lowest price movements compared to the other sectors, while at the same time the property prices have been increasingly expensive.

Investment in property is a promising investment in the future and is almost a safe investment choice for every investor, but trading activity in the property and real estate sector is low.

TABLE I. AVERAGE STOCK PRICE PER SECTOR PERIOD 2012-2016

| Sector | Stock Price (IDR) | | | | | |
|--------------------------------------|----------------------|----------|----------|----------|----------|---------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | Average |
| Construction, Property & Real Estate | 326,552 | 336,997 | 524,908 | 490,933 | 517,81 | 439,44 |
| Mining | 1.863,67 | 1.429,31 | 1.369,00 | 811,077 | 1.384,71 | 1371,55 |
| Consumer Goods | 1.585,88 | 1.782,09 | 2.177,92 | 2.064,91 | 2.324,28 | 1987,01 |
| Finance | 550,097 | 540,334 | 731,64 | 687,039 | 811,893 | 664,201 |
| Manufacture | 1.147,91 | 1.150,62 | 1.335,21 | 1.151,68 | 1.368,70 | 1230,82 |
| Basic Industry & Chemicals | 526,551 | 480,744 | 543,674 | 407,839 | 538,189 | 499,399 |
| Trading & Service | 740,949 | 776,786 | 878,634 | 849,527 | 860,654 | 821,31 |
| Agriculture | 2.062,94 | 2.139,96 | 2.351,04 | 1.719,26 | 1.864,25 | 2027,49 |

There is a research gap from the results of previous studies that are inconsistent to the firm value, can be seen in Table 2. Research on the firm value from several independent variables examined by previous research and the results are still many different or inconsistent and some have the same or consistent results. Variables used as research are inconsistent results. Because in this research want to prove that in the property & real estate sector, the variable profitability (return on assets), funding decision variables (debt to equity ratio), dividend policy variables (dividend payout ratio), institutional ownership variables as moderating variables, support the results of the previous studies or not support.

TABLE II. RESEARCH GAP ABOUT FIRM VALUE

| Independent Variable | +(Significant) | -(Significant) | (Not Significant) |
|----------------------------|---|--|---|
| Profitability (ROA) | 1. Wardoyo & Martina (2013) 2. Pertiwi & Pratama (2012) 3. Luh Eni Muliani et al. (2014) | 1. Manmagillan (2015) 2. Alfredo Mahendra et al. (2012) | 1. Rina & Meva (2014) 2. Tjandrakirana dan Monika (2014) |
| Funding Descision (DER) | 1. Dewi & Tarnia (2011) | 1. Wahyuni et al. (2013) | 1. Alfredo Mahendra et al. (2012) 2. Raharja (2012) |
| Dividen Policy (DPR) | 1. Fenandar & Raharja (2012) | | 1. Wahyuni et al. (2013) |
| Institusional Ownership | 1. Muliani et al. (2014) | | 2. Manmagillan (2015) 3. Dewi & Tarnia (2011) |
| Managerial Ownership | | | 1. Pertiwi & Pratama (2012) 2. Manmagillan (2015) |
| ROE | 1. Wahyuni et al. (2013) 2. Alfredo Mahendra et al. (2012) 3. Tjandrakirana dan Monika (2014) | 1. Manmagillan (2015) 2. Wardoyo & Martina (2013) | |
| CSR | 1. Luh Eni Muliani et al. (2014) 2. Dewi & Tarnia (2011) | | 1. Wardoyo & Martina (2013) |
| EPS | 1. Dewi & Tarnia (2011) | | |
| Investment Descision (PER) | 1. Wahyuni et al (2013) 2. Raharja (2012) | | |
| Firm Size (Size) | 1. Wahyuni et al (2013) | | |

Profitability ratios are proxy by return on assets, and funding decisions are proxy by a debt to equity ratio. Financial performance measured through profitability can determine the firm value. Because profitability is an indicator carried out by the management of the firm in managing the firm's Assets with profits as the result by Prapaska and Mutmainah (2012).

Adding dividend policy variables by measuring the dividend payout ratio (DPR) of the company because the greater the dividends distributed by the firm, the better firm value in the eyes of investors, and want to see institutional ownership can moderate the property and real estate companies because in the manufacturing company according previous studies were not able to moderate the relationship of independent variables to dependent.

With this background, Researchers interested in doing research on property and real estate index, because in Indonesia today property in all regions is rapidly increasing and the price of land / building continues to increase, investment in fixed assets of land and buildings is a long-term investment which is one of the safest investment and certainly increases its value every year time to time. With this study can help investors in making investment decisions so that investors can be more interested in investing

The theory that is related to the variables of profitability, funding decisions and dividend policy on firm value is signalling theory, where company information about profitability, funding decisions and dividend policy is an information signal for

investors in seeing the firm value with a view to decision making. Institutional ownership variables are related to agency theory and contingency, where agency theory describes principals and agents as having different interests and contingency theory is linked to the role of institutional ownership in monitoring management performance in accordance with the objectives of shareholders.

First introduced by Spence in his research entitled Job Market Signalling. Spence (1973) argues that in the labor market there is always asymmetric information, so that Spence makes signal criteria to strengthen decision making in the recruitment of workers in the company. These signals are in the form of educational background, work experience, race, gender, and personality. The existence of these criteria is based on an uncertainty about the ability of employee productivity. Spence's signalling model was developed by Leland and Pyle in 1977. They said that there was information asymmetry between two parties, namely the parties within the company and outside the company.

One theory of dividend policy is the bird in the hand. According to this theory, investor prefer more like dividends on their hand compared to capital gains or firm value that do not necessarily exist in the future, meaning investors give a higher value on dividend yield than expected capital gains. This happens because dividend distribution can reduce uncertainty faced risk by investors. The advantage of this theory is that if the firm pays a higher dividend, firm value of the company's will be even higher and stock prices are rising.

Agency conflict arises when the manager acts on his behalf. The principal is concerned that the agent will take actions that are not favored by the principal, such as using excessive company facilities or taking risky decisions such as creating high debt to increase the firm value (at the owner's expense) where this action is called moral hazard (Scott, 1997). The emergence of earnings management can be explained by agency theory. As an agent, the manager is morally responsible for optimizing the profits of the owners (principal) and in return will get a salary or bonus in accordance with the contract.

The emergence of conflict will increase the agency cost, but agency costs can be minimized by increasing the company's share ownership by management (insider ownership), increasing institutional ownership (institutional investors) as the party that monitors the age. Investors, increase the dividend payout ratio which will reduce free cash flow (Curtley and Hansen 1989). This alternative will reduce the amount of unemployed money in the company which may be used by management for their own purposes.

Contingency theory is a theory that can be used to analyze the design and management accounting system to provide information that can be used by companies for various purposes (Otley, 1995) and to face competition. According to Etzioni (1985) in a book entitled "Modern Organization" states that contingency theory is also called the theory of interest, environmental theory or situation theory. Contingency Theory is based on a thought that organizational management can run smoothly and smoothly if the organizational leader is able to pay attention to and solve certain situations that are being faced and each situation must be analyzed by itself.

According to Otley's consideration, the influential variables in determining Management Control Systems are the environment, technology, organizational size and corporate strategy (Otley, 1995). In this study the influence of the environment and corporate strategy is associated with the influence of principal to agent in achieving the company's goals.

Van Horne (2002) states that, "the firm's value is indicated by the market price of the company's common stock, which is a reflection of investment decisions, funding, and company dividends". The point is that the firm's value is shown by the company's stock price which reflects investment decisions, funding and dividends. For companies that have gone public, the company's value is reflected in its stock price. "Share prices are prices that occur when stocks are traded on the market", Fakhruddin & Hadiano (2004). Because with a high firm value will show the prospects of this company in the eyes of investors, besides high corporate value also reflects the prosperity of shareholders, University of North Sumatra where prosperity is the main goal of each company, and one way to increase the firm value is by raise its share price.

The stock price and firm value summarize the investor's collective assessment of how well a company is doing, both its current performance and its future prospects (Bearly et al, 2007). Funding decisions are one of the important decisions for companies because they relate to the company's decision to obtain funding for capital in financing investment. (Brigham and Houston, 2001).

Companies that have Tobin's Q with higher values indicate that the company's growth prospects are getting better, because investors will pay more for companies that have an asset market value that is greater than the book value. If the Q value is less than 1, it means that investment in assets is not attractive (Herawaty, 2008).

Based on the above explanation the following hypotheses are proposed:

- H1: Profitability has a significant positive effect on the values of the property and real estate companies in Indonesia
- H2: The funding decision has a significant positive effect on the values of the property and real estate companies in

Indonesia

- H3: Dividend policy has a significant positive effect on the values of the property and real estate companies in Indonesia
- H4: Institutional Ownership moderate the relationship of profitability to the values of the property and real estate companies in Indonesia
- H5: Institutional ownership moderates the relationship between funding decision to the values of the property and real estate companies in Indonesia
- H6: Institutional Ownership moderates the relationship of dividend policy to the values of the property and real estate companies in Indonesia

II. METHOD

A. Sample

This study uses a quantitative approach that is by testing the comparative causal relationship of the measured variables (parametric). Comparative causal research is a study that compares the causal relationship between two or more variables in different time periods (Erlina, 2008). The time dimension used in this study is time series, which involves a certain amount of time with many samples. The population of this research is all property & real estate companies in Indonesia listed on the Indonesia Stock Exchange in 2012-2016. While in this study selected samples with the following criteria:

- Property & real estate companies listed on the Indonesia Stock Exchange in 2012-2016.
- The company publishes annual reports and reports that have been audited from 2012-2016.
- Companies that distribute dividends.

TABLE III. SAMPLING RECAPITULATION

| <i>No.</i> | <i>Sample Characteristic</i> | <i>Number of Companies</i> |
|--|---|---|
| 1 | Property & real estate companies listed on the Indonesia Stock Exchange in 2012-2016 | 49 |
| 2 | The company that do not publish annual reports and reports that have been audited from 2012-2016. | (12) |
| 3 | Companies that do not distribute dividends | (12) |
| The Sample Company | | 25 Companies x 5 Years = 125 observation |
| Companies that do not share certain year dividends | | (25) observation |
| Number of Observations | | 100 |

Source: Indonesian Stock Exchange

The data used by the researcher is secondary data, the annual financial statements that have been audited from the property & real estate sector companies by using 3 criteria to become a research sample. The data source was obtained from the Indonesia Stock Exchange through the website (www.idx.co.id) from 2012-2016 and 25 companies that were sampled. Research data is presented in time series (between time) and cross section (between companies).

The dependent variable in this study is the firm value (Y). The independent variables used are profitability measured through return on assets, funding decisions measured by debt to equity ratio and dividend policy variables measured through dividend payout ratio while institutional ownership (Z) as a moderating variable. This variable was chosen because that there were many inconsistencies result in previous study

B. Measurement

In this study, the data is analyzed using the multiple regression analysis. This research data is processed using the Eviews program, because the data processed is a data panel. Multiple regression analysis intends to predict how the state of the dependent variable is connected to two or more independent variables. To test moderating variables selected using residual test. With the multiple regression equation in model I and the residual test in model II.

Multiple Regression - Model I:

$$\text{Model 1 FV} = \alpha + \beta_1\text{PROF} + \beta_2\text{FD} + \beta_3\text{DP} + \epsilon_1 \dots \dots \dots (1)$$

Residual Test - Model II :

$$\begin{aligned} \text{Model 2.1 } IO &= \alpha + \beta_1 \text{PROF} + \epsilon_2 \dots\dots\dots(2.1.1) \\ | \epsilon | &= \alpha + \beta_2 \text{FV} \dots\dots\dots(2.1.2) \\ \text{Model 2.2 } IO &= \alpha + \beta_3 \text{FD} + \epsilon_3 \dots\dots\dots(2.2.1) \\ | \epsilon | &= \alpha + \beta_4 \text{FV} \dots\dots\dots(2.2.2) \\ \text{Model 2.3 } IO &= \alpha + \beta_5 \text{DP} + \epsilon_4 \dots\dots\dots(2.3.1) \\ | \epsilon | &= \alpha + \beta_6 \text{FV} \dots\dots\dots(2.3.2) \end{aligned}$$

Remarks:

| | | | |
|----------------|----------------------|--|---------------------------|
| FV | = Firm Value | IO | = Institutional Ownership |
| PROF | = Profitability | α | = Constants |
| FD | = Funding Decision | $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$ | = Coefficient Regression |
| DP | = Dividen Policy | $\epsilon_1, \epsilon_2, \epsilon_3, \epsilon_4$ | = Error |
| $ \epsilon $ | =Absolute Error term | | |

In panel data analysis there are three choices of estimation models that can be done, namely: common effect, fixed effect and random effect model. To choose one of the estimation models that are considered the most appropriate of the three types of panel data models, a series of tests were carried out, namely chow test, Hausman test and LM test (Lagrange Multiplier) (Ekananda, 2016).

Normality test aims to test whether in the regression model, the residual variable has a normal distribution. In this study used analysis of histogram charts and descriptive statistical tests. Statistical test to detect whether residuals are normally distributed or not. The statistical test can be used is the Jarque-bera statistical test. Jarque-Bera is a statistical test to find out whether the data is normally distributed. This test can measure skewness and kurtosis of data and compare with if the data is normal (Winarno, 2015).

Multicollinearity test aims to test the correlation between independent variables. A good regression model should not have a correlation between independent variables (Ghozali, 2016). Multicollinearity testing is done using variance inflation factor (VIF) and tolerance. The common value used to indicate the presence of multicollinearity is the tolerance value ≤ 0.10 or equal to the VIF value ≥ 10 .

Autocorrelation is the relationship between residual one observation and other observation residuals. Autocorrelation is more easily arises in data that is time-bound, because based on its nature, data of the present time is influenced by data processing in previous times. Even so, it is still possible that autocorrelation is found in inter-object data (cross section) (Winarno, 2015). In this study the Breusch-Godfrey test or the Lagrange-Multiplier test was used. By looking at the value of the probability of Obs * R-squared.

The heteroscedasticity test aims to find out the residual variance inequality one observation to another observation in the regression model. The residual variant is one observation to another observation that remains called homoscedasticity. A good regression model is a model that is homoscedasticity or does not occur heteroscedasticity. Heteroscedasticity testing was carried out by the Breusch-Pagan-Godfrey test and white test (Ghazali, 2016).

C. Analysis

All statistical analyses in this study were conducted using the Eviews 10 software. This study uses Determination coefficient (R²), F test, t test and residual (moderating) test. Testing of moderating variables with residual tests is used to overcome the tendency for high multicollinearity to occur between independent variables (Ghozali, 2016). The residual test examines the effect of deviation from a regression model by looking at the lack of fit indicated by the residual value..

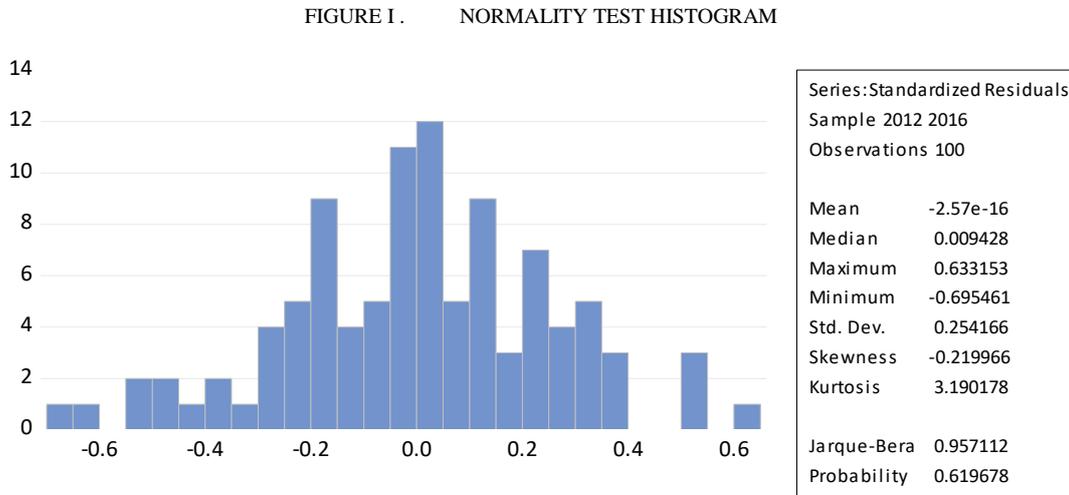
III. FINDING AND DISCUSSION

The estimation model testing used in this study includes chow, Hausman, and Lagrange multiplier test to determine the best panel data estimation. In this study using the chow test to determine the best estimation test between the common effect or fixed effect model, the results of the Chow test performed. The probability value of the Cross-section significance Chi-square at 0,000 is less than $\alpha = 0.05$. H1 hypothesis is accepted, which means that the fixed effect model is better than the common effect model. In this study using the thirst test to determine the best estimation test between a random effect model or a fixed effect model, the results of the Hausman test performed shows the probability value significance of random Cross-section at 0.1626 the value is greater than $\alpha = 0.05$. The hypothesis H0 is accepted, which means that the random effect model is better than the fixed effect model. In this study, the Lagrange Multiplier test is used to determine the best estimation test between a random effect model or a common effect model. Pagan at 0.0000 is less than $\alpha = 0.05$. H1 hypothesis is accepted, which means

that the common effect model is better than the random effect model. With this result in this study we use common effect model.

A. Classical Assumption Test Results

In this study residual normality test was carried out by testing histogram normality test Jarque bera. Results Test the normality of all variables performed are shown in the following picture:



Based on Figure I, the Jarque-bera probability value is 0.957112 and its probability significance is 0.619678, the value is greater $\alpha = 0.05$ the H0 hypothesis is accepted, which means that the residual data is normally distributed. In this study residual normality test was carried out by testing histogram normality test Jarque bera.

Multicollinearity testing is done using Variance Inflation Factor (VIF). Data is said not to experience multicollinearity if the Tolerance value is 10 0.10 and VIF value ≤ 10 . The results of multicollinearity test can be seen in Table 4. Based on Table 4 shows that all independent variables have Tolerance ≥ 0.10 and VIF value ≤ 10 this research data is not experience multicollinearity.

TABLE IV. MULTICOLLINEARITY TEST RESULT

| <i>Variable</i> | <i>Coefficient</i> | <i>Uncentered</i> | <i>Centered</i> |
|-----------------|--------------------|-------------------|-----------------|
| | <i>Variance</i> | <i>VIF</i> | <i>VIF</i> |
| C | 0.027320 | 41.00985 | NA |
| PROF | 0.002428 | 27.57563 | 1.090609 |
| FD | 0.001890 | 1.231313 | 1.056919 |
| DP | 0.001378 | 8.497987 | 1.037601 |

Autocorrelation testing in this study was conducted to find out whether in the multiple linear regression model there was a correlation between confounding errors in period t and confounding errors in the period t-1 (before). The autocorrelation test in this study was conducted using the Breusch-Godfrey test on. The Breusch-Godfrey test shows that the Prob Chi-Square significance value is 0.0933 where the value is above $\alpha = 0.05$. Data in this study did not experience autocorrelation.

The heteroscedasticity test in this study was conducted to find out whether in the multiple linear regression model there was a heteroscedasticity symptom. The heteroscedasticity test in this study was carried out using the Breusch-Pagan-Godfrey test and white test. The Breusch-Pagan-Godfrey test and white test show that the Prob Chi-Square significance value is 0.2123 and 0.1011 where the value above $\alpha = 0.05$. Data in this study did not experience symptoms of heteroscedasticity.

B. Hypothesis Test Results

Table 5, it is known that a significant value of 0,000 is less than 0.05. It can be said that simultaneously the profitability variable, funding decision, dividend policy affect the time value. F test results can be seen in Table 5.

TABLE V. F, t AND R² TEST RESULT

| <i>Variable</i> | <i>Coefficient</i> | <i>Std. Error</i> | <i>t-Statistic</i> | <i>Prob.</i> |
|--------------------|--------------------|--------------------|--------------------|--------------|
| C | 1.740553 | 0.165289 | 10.53036 | 0.0000 |
| PROF | 0.325738 | 0.049272 | 6.611018 | 0.0000 |
| FD | 0.119194 | 0.043477 | 2.741575 | 0.0073 |
| DP | 0.129703 | 0.037119 | 3.494291 | 0.0007 |
| R-squared | 0.348841 | Prob(F-statistic) | | 0.000000 |
| Adjusted R-squared | 0.328492 | Durbin-Watson stat | | 0.542145 |
| F-statistic | 17.14315 | | | |

Statistical test t basically shows how far one independent variable individually in explaining the variation of the dependent variable. The results of the t test can be seen in the table, it can be seen that the significant value of the variable profitability, funding decisions, dividend policy is less than 0.05, partially profitability, funding decisions, dividend policy has a significant effect on firm value. Variable profitability, funding decisions, dividend policy have a positive and significant effect on firm value. From the coefficient values, the regression equation can be arranged as follows:

$$FV = 1,740553 + 0,325738 \text{ PROF} + 0,119194 \text{ FD} + 0,129703 \text{ DP}$$

The coefficient of determination (R²) is used to find out how much the independent variable can explain the dependent variable. The coefficient of determination test (R². Based on Coefficient value (R) is 0.348841 which shows the magnitude of the relationship between variables, with the coefficient of determination (Adjusted R square) of 0.328492 or 32.84%. This means that variable profitability variable, funding decision, dividend policy can only explain the value variable of the company at 32.84%. While the remaining 67.16% is explained by other variables outside this estimation model.

TABLE VI. RESIDUAL TEST (MODERATING)

| <i>Variable</i> | <i>Coefficient</i> | <i>Std. Error</i> | <i>t-Statistic</i> | <i>Prob.</i> |
|-----------------|--------------------|-------------------|--------------------|--------------|
| PROF → IO | -0.108143 | 0.095546 | -1.131836 | 0.2605 |
| FD → IO | -0.071330 | 0.123461 | -0.577752 | 0.5648 |
| DP → IO | -0.125314 | 0.072956 | -1.717665 | 0.0891 |

In Table 6 illustrates the significant value of 0.2605 variable profitability, 0.5648 funding decisions, 0.0891 dividend policy, all variables greater than alpha 0.05 with negative parameter coefficient value of -0.108143 profitability variable, -0.071330 funding decision, -0.125314 dividend policy, then variable Institutional ownership is not significant and not able to moderate of the relationship between Variable profitability, funding decisions, dividend policy with firm value variables.

IV. CONCLUSION

Using the multiple linear regression analysis, study found that profitability, funding decisions, and dividend policies have significant effects on firms' value (p-value < 0.05). Institutional ownership failed to moderate the influences of profitability, funding decisions, and dividend policy on the firms' value. For investors this research can help to make decisions in investing and giving an information that not only the stock price can reflect firms' value but in terms of profitability, funding decision, dividend policy can describe the condition of a company. The observations observed in this study were limited due to dividend policy variables, so that the financial statements of companies that did not distribute dividends were not input as observations so that the time span of observations used was only 100 observations from a total of 185 observations. Companies that are made into population only for property and real estate companies listed on the Indonesia Stock Exchange so that the data processing and generalization results are less than optimal. The independent variables used can only explain 32.84% of the effect on firm value, property and real estate companies listed on the Indonesia Stock Exchange. So it is possible that there are still many other variables that are possible to influence firm value. Property and real estate companies that can be sampled are only 25 companies because of the consecutive reports of profit for only 5 companies for 5 years out of 47 companies, so that they cannot describe all property and real estate companies listed on the Indonesian Stock Exchange. Data information used is only secondary data from the financial statements. This study produced data that is not normal, due to a lot of outlier data, especially on the company's profitability data because of the significance of the distant differences, so that the outlier data is removed and the data is transformed to pass the normality assumption.

For the next researcher in the future who will use property and real estate companies listed on the Indonesia Stock Exchange as objects of research, in order to increase the period of research observation or can also change observations to other companies or non-profit companies listed on the Indonesia Stock Exchange, so that the sample obtained is greater so that the results obtained allow for more optimal. The independent variables in this study were only able to explain 32.84% of the firm value. The next researchers who are interested in conducting research on the value of the company are advised to add research variables, such as adding variables such as investment decisions, corporate social responsibility. For property and real estate companies this research can help to give a view that the profitability, funding decision and dividend policy increase ratio, which is high, can affect firm value so as to increase firm value in the eyes of investors.

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