

The Moderation of Growth on Corporate Value Enhancement in Indonesian Manufacturing Industry

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Abstract - This article aims to analyze the effect of funding policies, investment opportunities, and dividend policy on corporate value. Besides that, this article also analyzes the role of corporate growth in moderating the influence of funding policy, investment opportunity, and dividend policy on corporate value. Research data used the manufacturing sector companies listed on the BEI during 2012-2016. Data analysis used path analysis with eviews 9. The interpretation of path analysis model shows that funding policy and dividend policy have a significant negative effect on corporate value, and investment opportunity has a significant positive effect on corporate value. In addition, corporate growth is a moderating variable for the effect of investment opportunities on corporate value. Simultaneously, all independent variables affect the corporate value of 98.81%.

Keywords: Corporate value, funding policy, investment opportunities, dividend policy, corporate growth.

JEL Classification: D250 (*Intertemporal Firm Choice: Investment, Capacity, and Financing*), G320 (*Financing Policy; Financial Risk and Risk Management; Capital and Ownership Structure; Value of Firms; Goodwill*).

I. BACKGROUND

The Investors or potential investors generally make the corporate value obtain a picture of a corporation in an outline. Both investors (shareholders) and potential investors commonly evaluate the corporation first based on the corporate value they had received (Cheung, Chung, & Fung, 2015). This because the corporate value could imply the good decision of financial management such as funding and dividend policy, reflected the prospect investment opportunity, also could evaluated the corporate growth (Baker & Martin, 2011; Budagaga, 2017; Myers, 1997; Odit & Chitto, 2008; Rahim, Yaacob, Alias, & Nor, 2010; Rizqia, Aisjah, & Sumiati, 2013).

This perception is also captured by management so that this modern creation of good corporate value is one of the main corporate objectives, especially going public companies where the corporate value can be reflected in the shares value.

The high shares value does not only indicate profit that is in line with expectations, but also sales growth, and increased opportunities to increase capital. As for the company's shareholders, the high shares value shows that their assets are in the form of investment (shares) in favorable conditions, so as to increase the shareholders' prosperity. There are many factors that company management can attend to in an effort to increase the corporate value as expected, including the factors of financial management policies taken, such as funding policies taken and dividend policy, investment opportunity factors, and corporate growth factors.

Funding policies that can be carried out by company managers include increasing capital business by means of debt (proxied by the leverage ratio). However, corporate debt that is too large can endanger the company itself (Adenugba, Ige, & Kesinro, 2016). High and low debt can affect a company's ability to take advantage of other strategic policies (La Rocca, La Rocca, & Gerace, 2008). In addition to tax benefits, the existence of debt also creates various responsibilities and incentives in company management activities which can affect the relationship between managers and stakeholders (including shareholders), and will further impact the value creation process. The existence of debt also makes management activities and leaders more closely monitored. On the contrary, the funding in the form of equity creates flexibility and independence for the company to make decisions (La Rocca et al., 2008). In other words, debt that is too high will reduce the level of guarantee of protection of shares/assets owned by the company's shareholders so that shareholders feel insecure. Conversely, the composition of low debt in the capital structure can ultimately make the community's assessment, especially investors, of the company remain good.

Investment Opportunity Set (IOS) describes the existence of investment options or future growth opportunities for the company, which of these investments is expected to generate a high return. Companies that experience growth will have many investment opportunities as a way to develop the company (Riahi-Belkaoui, 2000, p. 37).

Dividend policy is a decision taken by management whether the company will share company profits with

shareholders, or the profit will be retained and will be used for reinvestment (Baker, 2009, p. 3). Dividend policy is also one of the most important decisions in a company and can affect the corporate value. However, the relationship between the influences of dividend policy on the corporate value has a different impact according to some researchers. Dividend distribution is believed as a positive signal that will be captured by investors so that the corporate value will continue to increase (Budagaga, 2017; Rizqia et al., 2013). On the other hand, (Geetha & Karthika, 2017) may believe that dividend distribution can show company saturation and inability to manage funds (invest) so that the corporate value will decrease.

Based on the differences of the previous research results (research gap) between dividend policies on the corporate value, then in this study, the authors added the variable corporate growth as a moderating variable. Corporate growth is a position where the company places itself in an economic system for the same industrial sector as a whole. Corporate growth is part of industrial growth and overall due to the contribution of the corporate growth itself, especially if corporate growth is above the average growth value of the sector. Companies that have a high growth rate not only provide a positive assessment of business conditions in the sector but also will directly increase the corporate value because it can also print high returns. This study tries to analyze the effect of funding policies, investment opportunities, and dividend policy on the corporate value by using moderating corporate growth variables.

These explanations raise the formulation of the problem related to how the corporate value can increase with funding policies, investment opportunities, dividend policies, and corporate growth as triggers. Moreover, it needs a more in-depth analysis of whether the role of moderation by corporate growth can optimize the relationship among funding policies, investment opportunities, and dividend policy on the corporate value.

II. THEORITICAL REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Corporate Value

The corporate value can be reflected by the value or price of the stock. Share value is a reflection of the company's ability to achieve good corporate performance while meeting the expectations of investors and prospective investors. So, if the shares value of a company is high, then the corporate value will be high too. As for the company's shareholders, the high shares value shows that their assets (shareholder value creation) in the form of investment (shares) are in favorable conditions. Indeed, the favorable condition for shareholders'

prosperity must due to the the shareholders' preference (Budagaga, 2017; Hall, 2016; Mbuvi, 2015; Rizqia et al., 2013; Shao, Kwok, & Guedhami, 2013).

The high shares value does not only indicate the profit that is in line with expectations of both management and shareholders, but also there are sales growth, and increased opportunities to increase capital (Baker & Martin, 2011; Ghoniyah, 2010; Odit & Chitto, 2008; Rahim et al., 2010; Ramadan, 2015; Rizqia et al., 2013). Therefore, could be concluded that there are many factors that company management can attend to in an effort to increase the corporate value as expected, including the factors of financial management policies taken, such as funding policies taken and dividend policy, investment opportunity factors, and corporate growth factors.

Tobin's Q is used to measure the corporate value comprehensively because Tobin's Q tries to reflect the corporate value by involving the potential for increasing share prices, the potential for financial management by management, and the potential investment opportunities that will grow. Tobin's Q is simply calculated by involving the amount of the market value and the market value of the debt and compared with the book value of the corporate assets.

2.2 Funding Policies

Funding policies or also called financing policies need to be considered intensely with related to investment policies which generally require additional capital (funding). The additional capital will affect the capital structure because it can come from various sources. With the changes of capital structure, more crucial consequences will emerge, namely the impact on corporate value and the wealth structure of shareholders in the company (Yusi & Idris, 2016).

Debt is one of additional capital source of company, however the high debt can endanger the company itself. Because, the impact of increasing the corporate debt are not only strengthen the capital, but also an increase of expenses, volatility of company earnings per share, changes in the return on equity, higher financial risk that must be borne by shareholders, lesser of the power and control of firms by both shareholder and management (Adenugba et al., 2016; Baker & Martin, 2011). In other words, debt that is too high will reduce the corporate values in the society (Adenugba et al., 2016; Baker, 2009; Odit & Chitto, 2008).

Conversely, the composition of low liability in a capital structure can ultimately make the community's assessment, especially investors, of the company remain good. Moreover the not dependency funds is needed more for the company in long term capital, especially to kept the dependency of the

manager and shareholder in stirring their business (OECD, 2015). Those funding policies and various perspectives that can be considered are also included in several theories such as trade-off theory and pecking order theory.

Debt is able to be a significant exploratory factor in determining company performance as measured by market value (Tobins' Q). Other previous studies also concluded significantly positive influences by verifying the corporate value (M. A. Farooq & Masood, 2016; Rahim et al., 2010). The different results are shown that the use of leverage will significantly reduce the corporate value (Odit & Chittoo, 2008). (Adenugba et al., 2016) emphasizes that the use of leverage at certain limits will have an effect, both positive and negative on the corporate value. In addition, companies need to reduce the use of debt at the point where the weighted average cost of capital begins to increase, so companies can avoid the corporate value to fall. As for considering some of the previous studies, the following hypotheses were formed:

H1: *Funding policies have a significant effect on the corporate value.*

2.3 Investment Opportunities

The investment policy is an investment choice in the form of a combination between assets owned by a company with future investment opportunities (Myers, 1997), while investment Opportunity Set (IOS) is an opportunity to grow for companies in the future. As for the investment opportunity describes the existence of investment options or future growth opportunities for the business, hence companies that experience growth will have many investment opportunities as a way to develop the company (Riahi-Belkaoui, 2000). Therefore, the companies that are able to have large investment opportunities are seen as having great potential to grow and ultimately will increase the corporate return. Moreover, that potential is also seen by investors as a hope for a lucrative investment so that the assessment of the shareholder value will be even higher. In conclusion, can be said that investment opportunities have a positive result on the corporate value (Slater and Zwirlein, 1996; Rahim et al., 2010; Rizqia, Aisjah and Sumiati, 2013; Budagaga, 2017).

The empirical results also concluded that investment opportunities have a positive effect on the corporate value (Budagaga, 2017; Rahim et al., 2010; Rizqia et al., 2013). Thus based on the previous research, the hypothesis was made:

H2: *Investment opportunities have a positive and significant effect on the corporate value.*

2.4 Dividend policy

Dividend policy technically contains the number of dividends and the periodic distribution of dividend payments to shareholders. This policy will affect the perception of shareholders as parties who will receive dividends if the profit is distributed (Baker, 2009). Therefore, usually the large companies and profitable companies tend to share profits with shareholders which can show a good financial performance of the company.

Dividend policy is closely related to financing or funding decisions, where the company must decide whether to hold the corporate profit to be used as a source of funds to be reinvested, or to share the corporate profits with shareholders in the form of dividends. Dividend policy also contains the number of dividends and the periodic distribution of dividend payments to shareholders. This dividend policy will affect the perception of shareholders as parties who will receive dividends if the profit is distributed (Baker, 2009, p. 3). As a research result of (Al-Rahahleh, 2017), large companies and profitable companies tend to share profits with shareholders which can show a good financial performance of the company. The dividend policy patterns can also be understood from several financial theories such as Dividend Irrelevance Theory, Bird in the Hand, Tax Preference Theory, Signaling Hypothesis Theory, and Clientele Effect Theory.

Signaling hypothesis theory is proven by the research results which shows that the corporate dividend policy is able to significantly increase the corporate value (Budagaga, 2017; Rizqia et al., 2013). Signal theory is based on the inequality in the amount of information that management has with shareholders so that policies made by management are believed to contain information related to the corporate performance and conditions (Budagaga, 2017). Based on these studies, the hypothesis is as follow:

H3: *Dividend policy has a positive and significant effect on the corporate value.*

2.5 Corporate Growth

Corporate growth is a position where the company places itself in an economic system for the same industrial sector as a whole. It is a part of industrial growth as a whole due to the contribution of the corporate growth itself, especially if it is above the average growth value of the sector, so that it indicates that the business conditions of the sector are good. Therefore this ratio could be a positive signal that the company has a high value because it is able to produce optimal returns continuously, year by year (Ramadan, 2015).

Corporate growth is a signal that the company has a high value because it is able to produce better returns year by year. Therefore, companies with high corporate growth will attract many investors so that they can affect the corporate value. Corporate growth can be measured using the asset-reserve ratio and sales growth ratio. The corporate growth is generally a variable that controls the influence of exogenous factors on company performance (Khamis, Hamdan, & Elali, 2015).

This study raises the problem of how the funding policies, dividend policy, and investment opportunities can increase the corporate value. As based on the differences result of the previous research about the funding and dividend policies, and due to the previous research corporate growth that is not only affect the corporate value but also become a moderating on toward value creation (Ramadan, 2015), therefore in this study will use the corporate growth as a moderating for the factors.

Companies that have high growth generally use equity as a source of operational financing. Conversely, companies with low growth should use debt as an option for operational financing (Hermuningsih, 2013). (Myers, 1997) explained that companies with high debt levels, and having corporate growth will have a negative effect on the corporate value because managers will use debt to take advantage of investment projects because the burden of debt (interest) will reduce the corporate net income. The hypothesis proposed is:

H4: *Corporate growth can negatively influence the influence of funding policies and corporate values.*

Companies that are faced by corporate growth and take advantage of investment opportunities appropriately will have a positive impact on the corporate value. (S. Farooq, Ahmed, & Saleem, 2015) explained that companies that have overinvestment and underinvestment show a large negative impact on company performance. However, companies that have the right investment have a positive impact on company performance. Based on the description above, the hypothesis proposed is:

H5: *Corporate growth is able to moderate the influence of investment opportunities and corporate value.*

Companies that have profitable growth opportunities for the company, it will use profits as a source of funding. (Iturriaga & Crisostomo, 2010) explained that there is a negative relationship between dividend policy and corporate value when faced with the existence of corporate growth. Signaling theory explains that the existence of asymmetric information between managers and investors, and the existence of corporate growth can decrease the corporate value

if the company pays dividends. Thus, the hypothesis proposed is:

H6: *Corporate growth can negatively moderate the influence of dividend policy and corporate value.*

III. METHODOLOGY

3.1 Data

The study focused on manufacturing industry sector in Indonesia for reflecting the manufacturing industry sector in the developing market. The data used in a panel data form which is considering the firms that have distributed dividends in the study period (2012-2016).

3.2 Population and Sample

The population of this study is all companies engaged in the manufacturing industry sector and listed on the Indonesia Stock Exchange during 2012-2016. The sample used is by considering several criteria, such as, the company or issuers have issued the company's annual financial statements for the study period, namely the annual financial statements from 2012 to 2016, and have been published in www.idx.co.id. Companies that are sampled must also have distributed dividends in the study period (2012-2016). Based on population screening that met the sample requirements, 20 manufacturing industry sector companies were selected as research samples.

3.3 Variable and Indicator

This research variable consists of the dependent variable (corporate value), the independent variable (funding policy, investment opportunity, and dividend policy), and moderating variable (corporate growth).

3.3.1 Corporate Value

The corporate value variable is measured by using the Tobin's Q indicator. This ratio can imply the corporate value comprehensively because Tobin's Q tries to reflect the corporate value by involving the potential for increasing share prices, the potential for financial management by management, and the potential investment opportunities that will grow (Wolfe and Sauaia, 2003). This ratio assesses the shareholder value creation through a comparison of the total market value added to total liability and divided by the total assets of the corporation (Obradovich and Gill, 2012):

$$Tobin's\ Q = (Total\ Market\ Value + Total\ Debt) / Total\ Assets$$

3.3.2 Funding Policy

The funding policy variable is assessed by using a debt to equity ratio (DER) indicator, which is a financial ratio that compares the total debt of a company with its own total capital, with the formula (Obradovich & Gill, 2012):

$$\text{Debt to Equity Ratio} = \text{Total Debt} / \text{Total Equity}$$

3.3.3 Investment Opportunity

Investment opportunity variables are measured by using Market to Book Value of Equity (MV / BVE), which compares the total market value of the company with the total equity owned by the company.

$$MV / BVE = (\text{Total outstanding shares} \times \text{share price}) / \text{Total Equity}$$

3.3.4 Dividend Policy

The dividend policy variable is assessed by using the Dividend Payout Ratio (DPR) indicator, which compares the dividend value of each share with the value of the profit of each share.

$$DPR = \frac{\text{Dividend per share}}{\text{Return per share}}$$

3.3.5 Corporate Growth

Corporate growth can be measured using the asset-reserve ratio and sales growth ratio. The corporate growth is a variable that can moderate the influence of exogenous factors on corporate value (Khamis, Hamdan and Elali, 2015; Ramadan, 2015). Corporate growth variables are assessed by using the sales growth indicator which is the corporate sales growth year by year. Sales growth can be used to predict company profits that will be achieved in the next year. Sales growth is measured by using a formula (Hermuningsih, 2013):

$$SG = (\text{net revenue}_t - \text{net revenue}_{t-1}) / \text{net revenue}_{t-1}$$

3.4 Regression Equation Model

The data in this study are panel data analyzed with the program eviews 9. The regression equation model of this study is as follows:

$$Y = \sigma + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_1 * X_4 + \beta_6 X_2 * X_4 + \beta_7 X_3 * X_4 + e$$

$$\text{Tobin's Q} = \sigma + \beta_1 \text{DER} + \beta_2 \text{MV/BVE} + \beta_3 \text{DPR} + \beta_4 \text{SG} + \beta_5 \text{DER} * \text{SG} + \beta_6 \text{MV/BVE} * \text{SG} + \beta_7 \text{DPR} * \text{SG} + e$$

IV. THE RESULTS OF STATISTICAL TESTS

4.1 Descriptive Statistics

Table 1: Descriptive Statistics

Variables	Observations	Mean	Median	SD	Minimum	Maximum
Tobin's Q	100	3.1826	2,0332	3.2073	0.3386	14.6332
DER	100	0.7527	0,4936	0.6798	0.1502	3.0286
MV/BVE	100	5.0912	2,5937	8.0951	0.0201	47.2689
DPR	100	0.2038	0,4007	1.6843	-15.0124	1.8204
SG	100	0.0766	0,0802	0.1683	-0.2990	1.2731

Source: Output Eviews 9, processed (2019)

Manufacture corporations listed in Indonesia Stock Exchange in 2016 reach amount 143, but the 23 firms must be eliminated because they did not publish the annual report completely for the research period from 2012 until 2016. As for this study use dividend payout ratio in reflecting the shareholders' preference in an effort to increase shareholder value creation by dividend, then 99 firms cannot be counted because they did not issue the dividend continuously. Therefore, only 20 firms that can be used for this study, multiplied by 5 years of the research period. So the sample is about 100 data.

4.2 Regression Model Selection

The regression equation model is chosen based on the results of the Chow Test and Hausman Test. The Chow Test results show that the probability of cross-section Chi-square is 0.0000 (0.0000 < 0.05), so the best model used is the Fixed Effect Model (FEM). The Hausman Test results show the probability value of a random cross-section is 0.0021 (0.0021 < 0.05), so based on that test, the best model is known as the Fixed Effect Model (FEM). Because after the Chow Test and the Hausman Test are done with the same selected model, it is

concluded that the regression equation model used is the Fixed Effect Model (FEM).

4.3 Classic Assumption Test

4.3.1 Multicollinearity Test

Multicollinearity test results show the correlation coefficient value among independent variables is less than 0.8. This shows that there is no multicollinearity in this research regression equation model.

4.3.2 Heteroscedasticity Test

Based on the results of the Glejser test, the probability value of the DER and DER*SG variables has a value of 0.0075 and 0.0143. This value is less than 0.05, so the heteroscedasticity problems exist in this research data. In handling the heteroscedasticity problems in the regression equation model is done by using the General Least Square (GLS) regression model.

The heteroscedasticity test results of the GLS method were assessed by comparing the sum squared resid weighted value and the sum squared residual unweight value. GLS test results obtained sum squared resid weighted values (15.1356) is smaller than the sum squared residual unweight value (18.6960), so it was concluded that the equation model of regression with the GLS method had no heteroscedasticity problem.

4.3.3 Normality Test

Based on the normality test results on the residual model of the regression equation of the GLS method, it is known that the Jaque-Bera value is 0.4021 and the probability value is 0.8179 (0.8179 > 0.05). Therefore, the residual model of the regression equation of the GLS method is normally distributed.

4.4 Hypothesis Test

Hypothesis test of this study used the GLS method which the analysis results are presented in Table 2.

Table 2: Hypothesis Test Results of the Fixed Effect Regression Equation Model

Variable	Coefficient	t-Statistic	Prob.
DER	-0.7460	-3.2528	0.0017
MV/BVE	0.2866	13.7755	0.0000
DPR	-0.1372	-1.9530	0.0547
SG	0.6441	1.5901	0.1161
DER*SG	0.2289	0.5019	0.6172
MV/BVE*SG	0.1311	5.5414	0.0000

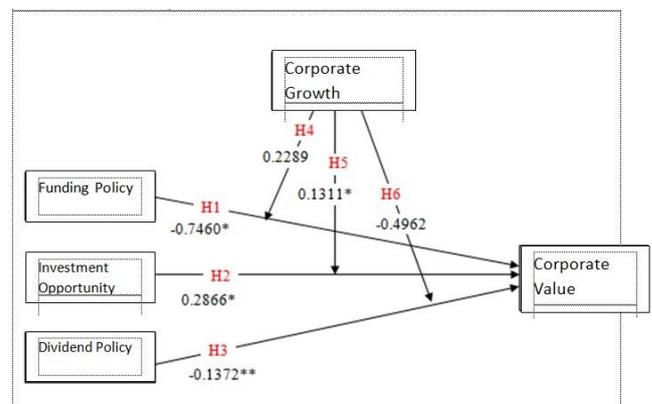
DPR*SG	-0.4962	-1.3354	0.1859
C	2.2128	12.4949	0.0000

Source: Output Eviews 9, processed (2019)

Based on the coefficient of the hypothesis test results of the regression equation above, the equation model can be formulated as follows:

$$\text{Tobin's } Q = 2.2128 - 0.7460\text{DER} + 0.2866\text{MV/BVE} - 0.1372\text{DPR} + 0.6441\text{SG} + 0.2289\text{DER*SG} + 0.1311\text{MV/BVE*SG} - 0.4962\text{DPR*SG}$$

Based on Table 2 above, the research model can be described as follows:



Description: *) Significant at alpha 5%, **) Significant at alpha 10%
Source: Output Eviews 9, processed (2019)

Figure 1: Path Analysis of the Research Model

V. DISCUSSION

The results of this study indicate that the funding policy has a significant negative effect on corporate value, thus the hypothesis H1 is accepted. This result is contrary to irrelevance theory from (Baker & Martin, 2011) which state that capital structure does not affect the corporate value in an ideal environment, which has no tax, inflation, or transaction costs (Ramadan, 2015). The results are in accordance with the research results of (Odit & Chittoo, 2008). Funding policy through additional debt is considered a threat to shareholders due to the additional burden on debt (interest) so that net income will be smaller, and will reduce the position of shareholders in the capital structure.

The results of this study indicate that investment opportunities have a significant positive effect on the corporate value so that the H2 hypothesis is accepted. This result is in line with the research results conducted by (Rahim et al., 2010; Rizqia et al., 2013; Sulistiono, Moeljadi, Djazuli, & Solimun, 2017), investment opportunities have a positive effect on corporate value. The ability of companies to generate profits and take advantage of large investment opportunities

will determine the changes in the corporate stock price, so that a positive and significant response will appear in the stock price, namely an increase of the corporate value (Hermuningsih, 2013).

The results of this study indicate that the dividend policy has a significant negative effect on the corporate value so that the H3 hypothesis is rejected. In general, the results of this study indicate a market tendency that prefers investment opportunities funded with profits rather than profits distributed in the form of dividends and then the company must seek additional capital by debt.

The non-influence of dividend policy on the corporate value is also caused by several companies may have the policy to distribute dividends on a regular basis even though the net profit in the period is minus (loss), and also even in a loss condition, the company tries to ensure that the company can survive. However, the market does not believe that the signal given by the company by distributing dividends to show that the company is in good condition is correct information. In other words, the signaling theory of dividend does not apply.

The results of this study also show that corporate growth is unable to moderate the influence of funding policies on the corporate value. This shows that corporate growth is not a moderating variable for funding policies on the corporate value. The results of this study can also be interpreted according to the Pecking Order Theory, that companies that have high sales growth rates would prefer to finance investments with retained earnings compared to using debt.

The results of this study indicate that corporate growth is able to moderate the influence of investment opportunities on the corporate value positively and significantly. Therefore, corporate growth is a moderating variable for the influence of investment opportunities on the corporate value. Companies that have corporate growth and take advantage of the right investment opportunities will have a positive impact on stock prices so that the corporate value will rise. (S. Farooq et al., 2015) explained that companies that have the right investment have a positive impact on the corporate performance.

The results of this study indicate that corporate growth is not able to moderate the effect of dividend policy on the corporate value. This shows that corporate growth is not a moderating variable for dividend policy on the corporate value.

Globally, it can be said that companies that have high corporate growth tend to use the profits obtained to finance investments compared to paying them as dividends. (Iturriaga & Crisostomo, 2010) show that in the presence of growth opportunities, there is a negative relationship between

dividends and the corporate value, and asymmetry and corporate growth information, dividend payments can cause a decrease in the corporate value.

VI. ENDING

The results of this study are models that can explain the relationship between independent variables used simultaneously or partially and the dependent variable, namely the corporate value, and corporate growth as a moderating variable. The research concludes that:

1. Funding policies have a significant negative effect on the corporate value. If the funding policy by increasing debt increases, the value of the company will experience a significant decline.
2. Investment opportunities have a significant positive influence on the corporate value. If there is an increase in investment opportunities, then the value of the company will experience a significant increase.
3. Dividend policy has a significant negative effect on the corporate value, so it can be seen that the market prefers the company to hold profits to be reinvested rather than to distribute it as dividends.
4. Corporate growth is able to moderate the influence of investment opportunities on the corporate value positively significant so that corporate growth is a moderating variable for investment opportunity variables and the corporate value.
5. Corporate growth is not a moderating variable for the influence between funding policy and dividend policy on the corporate value.

6.1 Theoretical Implication

The regression equation model in this study has an R-squared value of 0.9881 so that all the independent variables in this study are able to explain the corporate value of 98.81%. This explains that the research model used is good, but funding policies and dividend policies do not have a significant effect on the corporate value after being moderated by corporate growth variables so that the weaknesses of this research can be used to develop further researches.

6.2 Managerial Implication

The results of this study indicate that the funding policy has a direct influence on the corporate value. Funding policies measured by leverage show that the higher the debt that a company has, it will be the lower the corporate value. Therefore, company management needs to pay attention to the level of debt owned by the company, in order to maintain and increase the corporate value so that it will attract more investors to invest in the company.

The management of the company also needs to maximize investment opportunities owned by the company to increase the corporate value. This is based on the results of the study that investment opportunities have a significant positive effect on the corporate value.

Corporate growth is a moderating variable for the influence of investment opportunities on the corporate value. This gives an overview to management that when investment opportunities are used to increase corporate value by considering corporate growth, the results obtained will be able to increase the corporate value according to management expectations.

The global implication is that markets prefer companies to use company profits to be reinvested (retained earnings), compared to those profits distributed to shareholders (dividends) and then have to find additional capital by means of debt. The market (investors and potential investors) believe in investment opportunities as much as that, funding through retained earnings will be more efficient, and will benefit shareholders in the future. Even more, high investment opportunities and high corporate growth (good cash flow) (Priya and Mohansundari, 2016), will further increase the corporate value of the company, so funding policies and dividend policies are also needed.

6.3 Research Limitation

In this study, corporate growth is only able to moderate investment opportunities, while funding policies and dividend policies are not moderated by corporate growth. This gap becomes a homework that needs to be examined again to find the right model in optimizing the relationship of funding policy and dividend policy in an effort to obtain good and optimal corporate value.

6.4 Future Research Agenda

1. In future researches, it is necessary to re-analyze the factors that are able to moderate and become a good intermediary between corporate management policies in an effort to increase the value or quality in company.
2. Future researches are expected to add other variables that affect the corporate value, such as Good Corporate Governance, Corporate Social Responsibility, Managerial Ownership, and so on.
3. Future researches need to develop research models on other industrial sectors other than the manufacturing sector, for example in the main sector industries (agriculture and mining sectors), or service industry sectors (property, infrastructure, finance, and trade sectors).

4. Dividend policy as a signal does not apply to this study. There is even a tendency for companies to share profits with a certain consistency. Thus, it is necessary to conduct a behavioral analysis of dividend distribution by companies in more depth.

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