THE EFFECT OF FIRM SIZE, FIRM GROWTH, PROFITABILITY AND CAPITAL STRUCTURE ON FIRM VALUE WITH DEVIDENT POLICY AS INTERVENING VARIABLES IN TELECOMMUNICATION COMPANIES LISTED ON INDONESIA STOCK EXCHANGE

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Abstract: The purpose of this study was to examine the effect of firm size, firm growth, profitability and capital structure on firm value with dividend policy as an intervening variable. The population in this study are telecommunications companies listed on the Indonesia stock exchange (IDX) for the period of 2010-2018. The method of selecting samples uses saturated or census samples. The samples used were 4 companies. The method used in this research is panel data regression method with a significance level of 5% using the common effect model (CEM). Hypothesis testing using t test, f test, and residual test. The results showed that simultaneous firm size, profitability, capital structure has a negative effect on firm value. Partially the variable firm growth, capital structure, and dividend policy have a positive and significant effect on firm value. Firm size, profitability has a positive effect on dividend policy, while partially firm growth, capital structure has a negative effect on dividend policy. Mediation Test results show that the dividend policy is not able to mediate the relationship between firm size, company growth, profitability and capital structure on firm value.

Keywords: Firm Size, Firm Growth, Profitability, Capital Structure, Dividend Policy, Firm Value.

1. INTRODUCTION

Firm value is very important, because of its ability to reflect the financial performance of the company which can have an impact on the desire of investors to invest in the company. Stock valuation information is very important to be known by investors in deciding their desire to invest in the capital market. Market value is the value of shares contained in the capital market. Intrinsic value is the value that actually occurs in a stock. The three types of stock valuation are very important for investors to know to decide on the right decision when investing. When buying or selling investor shares need to compare between intrinsic value with market value in shares. Higher market value when compared to intrinsic value, the stock is classified as high selling value. In this situation investors can sell these shares, and if the market value is smaller than intrinsic value then these shares are classified as low selling value and investors are encouraged to buy these shares.

The phenomena that occur in telecommunications companies listed on the Indonesia Stock Exchange in 2010-2018 are listed in Table 1:

Table 1. Profitability that Affects Company Value (Study of Telecommunications Companies Listed on the Indonesia Stock Exchange in 2014-2017)

No.	Company	Year	2014	2015	2016	2017
1	XL AXIATA Tbk (EXCL)	PBV	2.97	2.21	1.18	1.46
		ROE	-6.38	-0.18	1.77	1.73
2	SMARTFRENTELECOM Tbk (FREN)	PBV	0.52	0.77	0.99	0.56
		ROE	-34.81	-22.86	-33.64	-63.48
3	INDOSAT Tbk (ISAT)	PBV	1.48	2.25	2.48	1.76
		ROE	-13.09	-8.77	9.00	8.28
4	TELEKOMUNIKASI INDONESIA Tbk (TLKM)	PBV	3.57	3.35	4.23	3.99
		ROE	24.90	24.96	27.64	23.53

Based on the table above, PT. XL AXIATA, Tbk (EXCL) in 2017 The variable ROE (profitability) decreased to 1.73, but PBV (firm value) increased to 1.46. PT. SMARTFREN TELECOM (FREN) 2016. Variable ROE (profitability) decreased to -33.64 but PBV (firm value) increased to 0.99. PT TELECOMMUNICATION INDONESIA (TLKM) in 2015. The ROE variable increased to 24.96 but PBV (firm value) decreased to 3.35. This indicates a mismatch of theories which say that an increase in corporate profitability can affect firm value. This means that the better the profitability growth, the better the firm value (Husnan, 2001).

2. LITERATURE REVIEW

2.1 Signalling theory

According to Brigham and Houston (2006) signal is an action taken by the company to provide instructions for investors about how management views the company's prospects in the future. This signal is in the form of information about what has been done by management to realize the owner's wishes. Information released by the company is important, because it affects the investment decisions of external parties. The information is important for investors and business people because the information basically presents information, notes or pictures, both for past, present and future circumstances for the survival of the company and how it affects the company.

2.2 Agency theory

This theory was put forward by Michael C. Jansen and William H. Meckling in 1976 (Horne and Machowicz, 1998) where agency theory revealed the relationship between agents, managers and principals, creditors and investors.

Management is an agent of the shareholders, as the owner of the company. The shareholders hope the agent will act on their behalf so as to delegate authority to the agent. To be able to carry out its functions properly, management must be given incentives and adequate supervision. Supervision can be done through ways such as binding agencies, auditing financial statements, and restrictions on decisions that can be taken by management.

2.3 Pecking order theory

This theory briefly states that: (a) the company prefer internal financing (funding from the company's operating results in the form of retained earnings), (b) If outside funding will issue the safest securities first, i.e. it starts with the issuance of bonds, then followed by securities that are characterized by options (such as convertible bonds), only finally if they are still not sufficient, new shares are issued. In accordance with the theory, there is no target debt to equity ratio, because there are two types of own capital, namely internal and external. Own capital from inside the company is preferred over capital that comes from outside the company.

2.4 Bird in hand theory

Myron Gordon and John Lintner (1959), who stated that the firm value would be maximized by a high dividend payout ratio, because investors assumed that the risk of dividends was not as great as the increase in capital costs, so investors preferred profits in the form of dividends rather than expected profits from increases in value capital. Theory Bird-in the hand is also known as high dividend Increase stock value theory.

2.5 Firm value

Firm value is an investor’s perception of the company’s success rate that can be related to stock prices and profitability. High stock prices will have an impact on high firm value. What is meant by the above stock price is the price that occurs when the shares are traded on the stock market (Indonesia Stock Exchange), or more accurately called the closing price of shares on the stock market. Maximum profit will encourage prosperity for shareholders. The prosperity of shareholders will increase firm value. The prosperity of shareholders increases if the price of their shares also increases.

2.6 Firm Size

Firm size has a different effect on the firm value. In terms of firm size seen from the total assets owned by the company, which can be used for company operations. If the company has a large total assets, the management is more flexible in using the assets in the company. The freedom that this management has is proportional to the worries that the owner has over his assets.

2.7 Firm Growth

Firm growth is an increase or decrease in total assets owned by a company. Firm growth is calculated as a percentage change in assets in a particular year against the previous year (Suprantiningrum, 2013). According to Brigham and

Houston (2009) firm growth is a change (increase or decrease) in total assets owned by the company.

2.8 Profitability

Profitability (profitability) is the company's ability to earn profits in relation to sales, total assets and own capital (Sartono, 2001). According to Kieso and Weygandt (2011) profitability ratios measure the income or operating success of a company for a given period of time.

2.9 Capital Structure

Capital structure is a balance of the amount of short-term debt that is permanent, long-term debt, preferred shares and ordinary shares. Meanwhile the financial structure is a balance between total debt and own capital. In other words the capital structure is part of the financial structure Basically the task of the company's financial manager is trying to find the financial balance needed and find the qualitative arrangement of the balance as well as possible.

2.10 Dividend Policy

Dividend policies are often seen as part of spending decisions, especially internal spending. This happens because the size of the dividends paid by the company will affect the company's internal funding sources, namely retained earnings. The greater the dividend paid to shareholders, the smaller the retained earnings, and vice versa.

2.11 Hypothesis

Based on the background, the formulation of the problem and the foundation of research theory, several independent variables were identified namely Firm Size (X1), Firm Growth (X2), Profitability (X3) and Capital Structure (X4). Dependent Variable is Firm Value (Y1). Intervening Variable is Dividend Policy (Y2).

The hypothesis is a provisional estimation of the problem to be tested for truth, through analysis of relevant data and the truth will be known after the research is conducted. In developing this research hypothesis there are various opinions of previous researchers who have examined the value of the company where the hypothesis that has been tested can be the basis for withdrawing the hypothesis in this study:

H1: Firm size has a positive effect on firm value
H2: Firm growth has a positive effect on firm value
H3: Profitability has a negative effect on firm value.
H4: Capital structure has a negative effect on firm value
H5: Firm size has a negative effect on dividend policy
H6: Firm growth has a positive effect on dividend policy
H7: Profitability has a positive effect on dividend policy
H8: Capital structure has a negative effect on dividend policy
H9: Dividend Policy has a positive effect on firm value
H10: Firm Size, Firm Growth, Profitability and Capital Structure have a positive effect on Firm Value through Dividend Policy

3. METHODS

Data analysis method in this research is multiple regression analysis with the help of Eviews. This research is a type of research with a causal relationship. The study was conducted on telecommunications companies listed on the Indonesia stock exchange (IDX) for the period of 2010 to 2018.

4. RESULTS AND DISCUSSION

4.1 RESULT

Classic assumption test

Test normality for residuals using the Jarque-Bera (J-B) test. In this study, the significance level used was $\alpha = 0.05$. Data normality test results with Jarque-Bera (J-B) can be shown in the following figure:

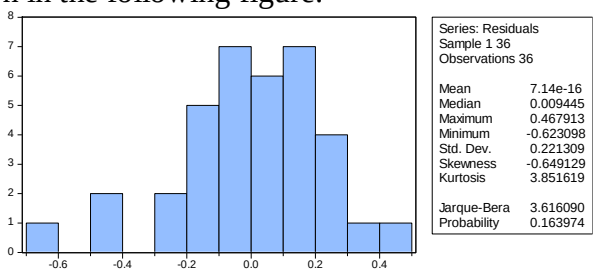

Figure 2. Normality Test with Jarque-fallow Test

The probability value of the J-B statistic is 0.163974. Because the probability value of p, which is 0.163974, is greater than the significance level, which is 0.05. This means that the assumption of normality is fulfilled.

Multicollinearity Test

In this study, the symptom of multicollinearity can be seen from the correlation values between variables contained in the correlation matrix. Multicollinearity test results, it can be concluded that there are no symptoms of multicollinearity between independent variables. This is because the correlation value between independent variables is not more than 0.9 (Ghozali, 2013).

Autocorrelation Test

The value of the Durbin-Watson statistic is 1,300537. Note that because the Durbin-Watson statistical value is located between 1 and 3, which is 1 <1,300537 <3, the non-autocorrelation assumption is fulfilled. In other words, there are no symptoms of high autocorrelation in residuals.

Heteroscedasticity Test

To test whether heteroscedasticity occurs or not, the Breusch-Pagan test can be used. Based on the results of the Breusch-Pagander test, the Prob value is known. Chi-Square is 0.0626> 0.05, so it can be concluded that heteroscedasticity does not occur.

Determination of Estimation Model between Common Effect Model (CEM) and Fixed Effect Model (FEM) with Chow Test

To determine whether the CEM or FEM estimation model in forming the regression model, the Chow test was used. Based on the results of the Chow test it is known that the probability value is 0.0000. Because the probability value is 0.00 <0.05, the estimated model used is the fixed effect model (FEM).

Determination of Estimation Model between Fixed Effect Model (FEM) and Random Effect Model (REM) with Hausman Test

To determine whether FEM or REM estimation models form a regression model, the Hausman test is used. Based on the results of the Hausman test it is known that the probability value is 0.6485. Because the probability value is 0.6485> 0.05, the estimation model used is the common effect model (CEM).

Hypothesis testing

In testing hypotheses, the coefficient of determination analysis, simultaneous influence testing (F test), and partial effect testing (t test) will be carried out. Statistical values of the coefficient of determination, F test, and t test

Analysis of the Coefficient of Determination

The coefficient of determination is a measure to determine the suitability or accuracy of the estimated value or the regression line with sample data. If the correlation coefficient is already known, then to get the coefficient of determination can be obtained by squaring it.

Coefficient of determination (Adjusted R-squared) for Enterprise Value of R^2 = 0.8935. This value can be interpreted as firm size, firm growth, profitability, capital structure, dividend policy simultaneously or jointly affect firm value by 89.35%, the remaining 10.65% is influenced by other factors.

Based on Appendix 2 it is known the coefficient of determination (Adjusted R-squared) for dividend policy of R^2 = 0.8401. This value can be interpreted as firm size, firm growth, profitability, capital structure simultaneously or jointly affect dividend policy of 84.01%, the remaining 15.99% is influenced by other factors.

Test of Significance of Simultaneous Effect (F Test)

The F test aims to test the effect of the independent variables together or simultaneously on the independent variables. Based on Appendix 2, the Prob value is known. (F-statistics) for substructure I equation is 0.000000 <0.05, it can be concluded that firm size, firm growth, profitability, capital structure together or simultaneously have a significant effect on dividend policy variables. Given the Prob value. (F-statistics) for substructure II equation is 0.000000 <0.05, it can be concluded that firm size, firm growth, profitability, capital structure, dividend policy together or simultaneously have a significant effect on firm value.

Panel Data Regression Equation and Test for Significance of Partial Influences (t Test)

Table 3. t Test Results for Substructure I

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1?	17.93290	11.60529	1.545235	0.1335
X2?	-1.090598	0.570134	-1.912880	0.0660
X3?	1.036154	0.111471	9.295250	0.0000
X4?	-0.632536	0.186103	-3.398856	0.0020
C	-44.41327	30.58584	-1.452086	0.1576

Based on Table 3, obtained the equation of substructure I as follows.

$$M = -44{,}41 + 17{,}93X_1 - 1{,}09X_2 + 1{,}03X_3 - 0{,}63X_4$$

Table 4. t Test Results for Substructure II

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1?	-0.941979	3.379576	-0.278727	0.7824
X2?	2.140266	0.196406	10.89715	0.0000
X3?	-0.148370	0.040924	-3.625540	0.0011
X4?	0.164575	0.087636	1.877943	0.0701
M?	0.020407	0.043722	0.466753	0.6440
C	2.531446	8.821877	0.286951	0.7761

Based on Table 4, obtained the equation of substructure II as follows.

$$Y = 2{,}53 - 0{,}94X_1 + 2{,}14X_2 - 0{,}14X_3 + 0{,}16X_4 + 0{,}02M$$

Mediation Significance Test Results

Then the mediation significance test is carried out, which tests whether the dividend policy is significant in mediating the effect of firm size, firm growth, profitability, capital structure on firm value.

It is known:

1. The direct effect of firm size on dividend policy is 17.9329, while the direct effect of dividend policy on firm value is 0.020407, thus the indirect effect of 17.9329 × 0.020407 = 0.365957. It is known that firm size does not significantly affect dividend policy and dividend policy also does not significantly affect firm value, so dividend policy is not significant in mediating the effect of firm size on firm value.
2. The direct effect of firm growth on dividend policy is -1.090598, while the direct effect of dividend policy on firm value is 0.020407, so the indirect effect of -1.090598 × 0.020407 = -0.02226. It is known that firm growth does not significantly affect dividend policy and dividend policy also does not significantly affect firm value, so dividend policy is not significant in mediating the effect of firm growth on firm value.
3. The direct effect of profitability on dividend policy is 1.036154, while the direct effect of dividend policy on firm value is 0.020407, so the indirect effect of 1.036154 × 0.020407 = 0.021145. It is known that profitability has a significant effect on dividend policy but dividend policy has no significant effect on firm value, so dividend policy is not significant in mediating the effect of profitability on firm value.
4. The direct effect of capital structure on dividend policy is -0.632536, while the direct effect of dividend policy on firm value is 0.020407, so the indirect effect of -0.632536 × 0.020407 = -0.01291. It is known that capital structure has a significant effect on dividend policy but dividend policy has no significant effect on firm value, so dividend policy is not significant in mediating the effect of profitability on firm value.

4.2 Discussion

Effect of Firm Size on Firm Value

Hypothesis testing results partially indicate firm size has a negative and significant effect on firm value. This finding supports the results of previous studies, namely Eka Indriyani (2017) Namely, firm size has no effect on firm value. Firm size can be seen from the total assets owned by one company. Large size of a firm reflects that the company is experiencing good growth and growth thereby increasing firm value. The results of this study are not in line with research conducted by Nurhayati (2013) and Eko (2014) which states that company size has a positive and significant effect on firm value. Different results were also expressed by Dewi (2013) which stated that there was no effect of firm size on firm value. Large and growing firm size could illustrate future profit levels, this ease of financing could affect firm value and be good information for investors (Eko, 2014). Information regarding firm size in the market is very important for investors in assessing the firm value. This will be considered by investors as a good prospect for the company so that it will be able to attract investors to invest in certain companies.

Effect of Firm Growth on Firm Value

The results of hypothesis testing partially show that firm growth has a positive effect on firm value and firm growth has a significant effect on firm value. The firm growth is expressed in the growth of the firm's total assets. Firms that have a large growth in total assets will be easier to get the attention of investors because it reflects the firm is able to generate profits that are used to increase the number of assets. This means that firm growth shows a positive effect on firm value, where the better the firm growth can increase firm value. Research conducted by Chaidir (2015) states that firm growth has a significant effect on firm value.

Effect of Profitability on Firm Value

The results of partial hypothesis testing indicate that profitability with a Return on Equity (ROE) proxy has a negative effect on Firm Value. This finding supports the results of previous studies, namely Rianto Adi Putra (2012) Namely, profitability has no effect on firm value. This is not in line with the theory which shows that any increase in profitability will cause an increase in firm value.

High profitability will give a positive signal to shareholders and prospective investors about the company's performance in obtaining profits. So that the higher the value of profitability certainly shows that the company's performance is good. A good company performance will attract investors to buy company shares because investors expect a return on their investment in the company. The results of this study are not in line with those conducted by Jusriani and Rahardjo (2013) as well as Mardiyati et al (2012) which states that profitability as measured by Return on Equity (ROE) affects the firm value.

Effect of Capital Structures on Firm Value

The results of hypothesis testing partially show that capital structure has a positive and not significant effect on firm value. Capital structure is the ratio between total debt and company capital. Debt to Equity Ratio (DER) reflects the proportion of the total amount of long-term debt with own capital. Increasing debt causes the company's burden to be large because of the burden of debt costs that

must be borne. The greater the debt will cause the company's priority to pay dividends will be smaller because the company's profits are reduced by the company's debt costs (Al Najjar, 2012).

MM Capital Structure Theory states that an increase in debt can increase the value of the company if it has not reached its optimal point, this is reinforced by the trade-off theory which explains that the use of debt can reduce the tax burden and company agency costs (Brigham and Houston, 2001). The study concluded that capital structure has a significant positive effect on firm value, the statement was strengthened by Chowdhury and Chowdhury (2010).

Effect of Firm Size on Dividend Policy

The results of partial hypothesis testing indicate that firm size has a positive effect on dividend policy but is significant. Firm size has a positive and significant effect on dividend policy. A large and growing firm size can illustrate the company's ability to obtain high profits so that it attracts investors to invest in the company. Large companies will have a tendency to distribute high amounts of dividends to maintain the reputation of the company in the eyes of investors. While small companies will tend to allocate the profits to retained earnings to increase company assets, making the company likely to distribute low dividends to investors.

Size has a significant effect on dividend policy because a company that has a large size will be easier to enter the capital market so that with this opportunity the company pays a large amount of dividends to shareholders. Meanwhile, new and small companies will experience many difficulties to have access to the capital market, so that the larger the firm size, the easier it is to obtain external capital in greater amounts, especially from debt (Handayani and Hadinugroho, 2009). This finding does not support the results of previous studies, namely Chasanah (2008), who found that firm size had no effect on dividend policy.

The Effect of Firm Growth on Dividend Policy

The results of partial hypothesis testing indicate that firm growth has a negative effect on dividend policy but is significant. This shows that the seventh hypothesis was rejected. The results of this study are consistent with research conducted by Suharli (2007) on companies listed on the Jakarta Stock Exchange in the period 2002-2003 and Islamiayah (2012) which states that there is no effect between firm growth and dividend policy. This is in line with research conducted by Permana (2016) stating that the variable firm growth has a negative and significant effect on dividend policy.

These findings are not consistent with findings made by Sulistiyowati, et al (2010) which states that the firm growth rate is one of the factors that affect dividend policy. By using the concept of Pecking Order Theory the faster the growth rate of a company, the greater the need for funds needed to finance such growth. The greater the need for funds for the future, the company would prefer to hold profits rather than pay it as dividends to shareholders.

Effect of Profitability on Dividend Policy

The results of partial hypothesis testing indicate that profitability has a positive and significant effect on dividend policy. Profitability in this study is proxied by return on equity (ROE) as measured by net income after tax to total

equity used for company operations to produce corporate profitability. The greater ROE shows the company's performance is getting better because the rate of return on corporate investment is greater so that it can increase dividend income. This means that profitability has a positive effect on dividend policy. This is consistent with research conducted by Ahmad & Wardani (2014) states that profitability has a positive and significant effect on dividend policy. Based on this explanation it can be said that the hypothesis of this study is accepted and is in accordance with the theory that profitability has a positive effect on dividend policy. This is also reinforced by the signalling theory which states that dividends are a signal about the prospects of management in making profits in the future.

Effect of Capital Structures on Dividend Policy

The results of partial hypothesis testing indicate that capital structure has a negative and significant effect on dividend policy. The capital structure is proxied by a debt to equity ratio (DER) by comparing the amount of debt to equity. The higher the DER ratio shows that the greater the obligations that must be met by the company, so that the profits owned by the company decreases and has an impact on the distribution of dividends. Conversely, the smaller the DER ratio shows that the company is able to meet the company's funding needs by using its own capital. Thus the capital structure which is proxied in the DER ratio has a negative influence on dividend policy. This is in line with research conducted by Ahmad & Wardani (2014), Trisna Dewi and Panji Sedana (2011) and Oktaviani & Basana (2015) which states that capital structure has a significant negative effect on dividend policy. However, different from the research conducted by Swastyastu, et al. (2014) states that capital structure has no effect on dividend policy. Signaling theory emphasizes that dividend payments are a signal to investors that the company has an opportunity to grow in the future so that dividend payments will increase market appreciation of the company's shares that distribute the dividends.

Effect of Dividend Policy on Firm Value

The results of partial hypothesis testing indicate that dividend policy has a positive effect on firm value. If the dividend paid is high, the stock price tends to be high thus firm value is also high. Conversely, if the dividend paid is low, the share price of the company is also low, so the firm value will be low (Martono and Harjito, 2005).

Signalling theory emphasizes that dividend payments are a signal to investors that the company has an opportunity to grow in the future so that dividend payments will increase market appreciation of the shares of companies that distribute the dividends. The rationale is that investors generally avoid risk and dividends received now carry much less risk than dividends received in the future. Dividend payments are now believed to reduce investor uncertainty. Conversely, if dividends are reduced or not paid, the level of investor uncertainty will increase and cause an increase in desired returns and reduce the value of shares. Therefore, according to this theory, every company must develop its dividend policy to be able to maximize the firm value. The results of this study are relevant to the results of research conducted by Fenandar (2012) which states that dividend policy has a positive and

significant effect on firm value. This is also reinforced by the theory of Dividend Relevance (Bird-in-the-hand Theory) which says that firm value can be maximized by determining a high dividend distribution.

Amanda Wongso (2013) in a study of the effect of dividend policy, ownership structure and debt policy on firm value shows that debt policy and institutional ownership do not have a significant effect on firm value but managerial ownership and dividend policy have a positive and significant effect on firm value

According to Indriyo Gitosudarmo and Basri (2008) dividend policy has a strong effect on the market price of shares in circulation. Paying more dividends will tend to increase share prices. Increasing the stock price will increase firm value. Investors feel safer to obtain income in the form of dividend payments rather than waiting for capital gains because the dividends distributed have risks and lower cost consequences. So companies should form a high dividend payout ratio that offers a high dividend yield in order to maximize stock prices and firm value. Research conducted by Sugiarto (2011) states that dividend policy has a significant positive effect on firm value. Different research results obtained by Nurhayati (2013), which states dividend policy does not have a positive and significant effect on firm value. Michaely and Michael (2012) in their research mentioned that dividend policy is everything but is irrelevant to managers and the market.

Effect of Dividend Policy as an Intervening Variable in the Relationship of Firm Size, Firm Growth, Profitability and Capital Structure on Firm Value

The results of partial hypothesis testing indicate that firm size does not significantly affect dividend policy and dividend policy does not significantly affect firm value, so dividend policy is not significant in mediating the effect of firm size on firm value.

The results of partial hypothesis testing indicate that firm growth does not significantly affect dividend policy and dividend policy does not significantly affect firm value, so dividend policy is not significant in mediating the effect of firm growth on firm value.

The partial hypothesis test results show that profitability has a significant effect on dividend policy but dividend policy does not significantly affect firm value, so dividend policy is not significant in mediating the effect of profitability on firm value.

The results of partial hypothesis testing indicate that capital structure has a significant effect on dividend policy but dividend policy does not significantly affect firm value, so dividend policy is not significant in mediating the effect of profitability on firm value.

Therefore, dividend policy is not significant in mediating the effect of firm size, firm growth, profitability, capital structure on firm value.

5. CONCLUSION AND SUGGESTIONS

5.1 Conclusion

Based on the results of the study, it can be concluded that:

1. Firm size has a negative and significant effect on firm value in telecommunications companies listed on the Indonesia Stock Exchange.

2. Firm growth has a positive and significant effect on firm value in telecommunications companies listed on the Indonesia Stock Exchange.
3. Profitability has a negative and significant effect on firm value in telecommunications companies listed on the Indonesia Stock Exchange.
4. Capital structure has a positive effect and is not significant on firm value on telecommunications companies listed on the Indonesia Stock Exchange.
5. Firm size has a positive and significant effect on dividend policy on telecommunications companies listed on the Indonesia Stock Exchange.
6. Firm growth has a negative effect on dividend policy and is significant on telecommunications companies listed on the Indonesia Stock Exchange.
7. Profitability has a positive and significant effect on dividend policy on telecommunications companies listed on the Indonesia Stock Exchange.
8. Capital structure has a negative and significant effect on dividend policy on telecommunications companies listed on the Indonesia Stock Exchange.
9. Dividend policy has a positive but not significant effect on firm value on telecommunications companies listed on the Indonesia Stock Exchange.
10. Dividend policy is not significant in mediating the effect of firm size, firm growth, profitability, capital structure on firm value in telecommunications companies listed on the Indonesia Stock Exchange.

5.2 Suggestion

The following are suggestions for various parties related to the results of research data analysis:

1. The next researcher is expected to increase the number of other independent variables such as the variable Liquidity, investment decisions, and so on, so that adding a variable will add new findings even better and is expected to affect the value of the company.
2. The next researcher is expected to use other intervening variables besides the dividend policy so that adding another mediating variable will add new findings even better.

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