

## Impact Factor:

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JIF = 1.500	SJIF (Morocco) = 5.667	

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**SECTION 31. Economic research, finance,  
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## THE EFFECT OF DIVERSITY OF THE NATIONALITY, BOARD OF DIRECTOR, INVESTMENT DECISION, FINANCING DECISION, AND DIVIDEND POLICY TO COMPANY VALUES

**Abstract:** Purpose in research which is to analyze the influence of diversitas nationality broad of directors, investement decision financing decision , and dividends policy on the company one manufacturing companies at the indonesian stock exchange .The research is research is quantitative with a population of manufacturing companies listed on the effect indonesia of 2013-2016. The sample used purposive sampling. Multiple regression analysis was used. Data was collected from secondary data and all the information required of the Indonesia stock exchange. The research results show that the board of commissioners board of directors of foreign influential in significant impact on value of enterprise, investement decision influential in significant impact on value of enterprise, financial decision influential in significant impact on value of enterprise, dividend policy do not affect significant impact on value of enterprise and the board of commissioners, investement decision, financial decision, and dividend policy under significant on the perceived value.

**Key words:** Diversity of The Nationality, Board of Director, Investment Decision, Financing Decision, and Dividend Policy.

**Language:** English

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### 1. INTRODUCTION

An increasingly modern business world, the development of science and technology and good economic conditions can lead to competition in the business world. To be able to increase the value of the company, the manager will be able to manage the company's finances effectively and efficiently.

In recent years the movement of Foreign Citizens in Indonesia has grown very rapidly. Based on research conducted on Norwegian companies or by [1, p. 1] it was found that the Anglo American corporate governance system could make the company improve its reputation in the global market. The corporate governance system in Indonesia is their two systems, which can be used as the so called board and the board of directors is a supervised board.

According to [1, p. 1] the board structure in

Indonesian companies adheres to its two systems, which consist of the board of directors as managers and the board of commissioners as the party that supervises.

Optimization of company values can be used to make financial decisions and reduce corporate value [2, p. 819]. Company managers have the task and task to make decisions to achieve a company project [3, p. 89] to be able to meet the needs of investors, financial managers try to maximize investor credibility by making financial decisions and policies, namely investment decisions, financing decisions and dividend policy. All three decisions are very necessary to do because these results influence each other and affect the value of the company.

### 2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

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<b>JIF</b>	<b>= 1.500</b>	<b>SJIF (Morocco)</b>	<b>= 2.031</b>		

a. The value of the company [4, p. 98] defines the value of a company as an appreciation or appreciation of investors towards a company. This value is reflected in the company's stock price. Investors who judge companies have well prospects in the future will tend to buy shares of the company. The company's value is basically measured from several aspects, one of which is the company's stock market price, because the company's stock market price reflects the investor's valuation of the overall equity held. Company value can be measured by Market to Book Ratio (MBR) [3, p. 89] and [5, p. 22]:

$$\text{MBR} = \frac{\text{Market Price per Share}}{\text{Book Value per Share}}$$

### b. Nationality Diversity

Council diversity is defined as the distribution of differences between members of the board of directors and directors that relate to characteristics regarding differences in attitudes and opinions [5, p. 22] and [6, p.11]. The characteristics of the board viewed from nationality or nationality other than the country where the company is located is what is meant by the diversity of foreign nationalities.

The presence of foreign directors and directors reflects a different idea regarding the role of the board of companies in relation to the role of control, especially if they come from countries with stronger shareholder rights. The advantage of the existence of foreign directors, including: (1) available broader qualified board member candidates (with broader industry experience), (2) with different backgrounds, foreign directors can add to a more diverse and valuable experience, which is not owned by the domestic board of directors, and (3) members of the foreign board of directors can help convince foreign investors that the company is managed professionally [7, p. 1].

The composition of the board of directors of foreign citizens can be seen from the results of ethnic diversification in a company. The existence of citizen board of directors, the company is able to lift the company's image because the citizens of the country are more competent and professional in their fields, which in turn will increase the value of the company [8, p. 85]. The foreign council can bring opinions and perspectives that vary in language, religion, experience, education, life culture and professionalism that differ from country to country [9, p. 231] and [10, p. 605].

The advantage of the existence of foreign directors, among them: (1) available wider qualifying board member candidates (with broader industry experience), (2) with different backgrounds, foreign directors can add more experience diverse and valuable, which is not owned by the domestic board of directors, and (3) members of the foreign board of

directors can help convince foreign investors that the company is managed professionally [11, p. 373].

### c. board of Commissioners

According to the National Committee on Corporate Governance policy, the board of commissioners is a corporate organ that has the collective duty and responsibility to supervise and advise the directors and ensure that the company carries out Good Corporate Governance. Based on Law No. 40 of 2007, the purpose of the existence of the board of directors is to supervise the course of business and provide advice to the board of directors.

The advantage of a company if it has a foreign national councilor is the existence of broader industry experience, as well as market image that assesses that companies with foreign board members work professionally [1, p. 1]. The experience and imaging will make investors give more sacrifices through investing in companies.

The higher the company's stock price means that the greater the willingness of investors to sacrifice for the company and the value of the company will also increase. With the duties and authorities possessed by a board of commissioners, as well as the advantages of a foreign councilor, the nationality of the board members of the company is said to have an influence on the value of the company. The more members of the board of commissioners of foreign nationality, it can be said that the value of the company will also be higher. In a company the proportion of foreign commissioners is calculated by comparing the total number of board of commissioners, following the formula to determine the proportion of foreign commissioners [1, p. 1].

As for measuring the proportion of the board of commissioners, with the following formula:  
Proportion

$$\text{KI} = \frac{\text{KI}}{\text{DK}} \times 100\%$$

### d. Board of Directors

The board of directors is responsible for the running of the company, the achievement of company objectives, corporate financial reporting, and receiving advice given by the board of commissioners [9, p. 231]. The higher the company's stock price means the greater the willingness of investors to sacrifice for the company and the value of the company will also increase. With the duties and authority possessed by a board of directors, as well as the advantages of a foreign councilor, the nationality of the board members of the company is said to have an influence on the value of the company. The more members of the board of directors who are foreign nationals, it is said that the value of the company will also be higher.



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### e. CEO or CFO

The CEO (Chief Executive Officer) is the highest position in the company that has the responsibility to manage all company activities. The CEO is fully responsible for the management and running of the company. The CEO is the executive at the top of the company and is responsible for the survival and success of the company [12, p. 1002]. CFO (Chief Financial Officer) is a position in a company that has primary responsibility for managing the company's financial risk.

### f. Investment Decision (Investment Decision)

Investment decisions are one of the functions of financial management concerning the management of funds both sourced from within and from outside the company, in various forms of investment decisions aimed at obtaining finance that is greater than the cost of funds in the future. Another goal of the investment decision is not just to gain profits in the future, but to maximize the value of the company [13, p. 1].

Investment decisions are an important factor in the company's financial function. Every decision to allocate capital into investment proposals whose benefits will be realized in the future must be carefully considered by the company [15, p. 1028]. The company is a combination of real asset values and investment choices in the future (Smith and Watts in Setiarini, 2006: 84). Company growth is a factor that is expected by investors so that the company can provide the expected returns. The company's growth which is always increasing and the increase in asset value is expected to encourage expectations for investors because of investment opportunities with the expected benefits that can be achieved.

The investment decision will have an impact on sources and financing where the funding sources can be obtained from internal in the form of retained earnings or external companies that can be in the form of debt or issuance of new shares. The company will tend to use internal funding sources first to pay dividends and if it requires external funding, the company will use debt before the issuance of new shares (Kagzi et al., 2018).

Investment decisions can be measured by using a price earning ratio, where this ratio shows a comparison between the closing price and earnings per share or with the following formula (Brigham, 2011):

$$\text{PER} = \frac{\text{Closing price}}{\text{Earning per Share}}$$

### g. Funding Decision

Funding decisions can be interpreted as decisions regarding the company's financial structure. The company's financial structure as a

composition of funding decisions that can include short-term debt, long-term debt and own capital. Every company wants a capital structure that can certainly maximize the value of the company and can minimize the cost of capital issued by the company [16, p. 1].

According to [2, p. 819] funding decisions are the strategic nature of corporate management. It can be said to be strategic because this decision has an impact on business continuity, business competition, financial management and cash flow as well as the image of the financial market. There are two views regarding funding decisions. The first view is known by the traditional view that capital structure influences the value of a company. The traditional view is represented by two theories, namely Trade off Theory and Pecking Order Theory. The second view is stated that the capital structure does not affect the value of the company.

[16, p. 1] found that there was an increase in abnormal returns a day before and after the announcement of an increase in debt proportions, on the contrary there was a decline in abnormal rates when the company announced debt proportions. [16, p. 1] also found that the company's stock price rose if a loan was used upfront to buy back the company's shares. If using funds originating from debt, it is clear that the funds have costs, at least as much as the interest rate, but if you use equity capital, then you still have to consider the opportunity cost for your own capital.

Arrangement between which combination of capital sources will be taken, then certain considerations of the company are needed. Therefore, funding policy is a policy that discusses the source of funds that will be used to finance an investment that involves the optimal combination of the use of various funding sources. Some companies assume that the use of debt has a minimal level of risk compared to the issuance of new shares.

In choosing a funding source, whether sourced from within or from outside the company, Pecking Order Theory establishes a sequence of funding decisions where the first-time managers will choose to use retained earnings. Debt and issuance of shares are the last choice to increase their capital. This theory is based on the argument that the use of retained earnings is cheaper than external funding sources. The use of external sources of funds through debt will only be used if investment needs are higher than internal funding sources.

If external financing is required, the company will issue the safest securities first, starting from the issuance of bonds and then followed by option-style securities (convertible bonds), and finally the issuance of new shares if it is still insufficient. [2, p. 819] found that investments generated from leverage have positive information about the company in the future and then have a positive impact on the value

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of the company. [1, p. 1] found that funding decisions affect the firm's value positively by 16%. Wahyudi and Pawestri (2006) found that funding decisions did not affect the value of the company.

According to [3, p. 89] funding decisions are confirmed through Debt to Equity Ratio (DER), which is a comparison between financing and financing through debt with funding through equity, which can be formulated as follows:

$$\text{DER} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

### h. Dividend Policy

Dividend policy is determining how much or the proportion of profits to be distributed as dividends [16, p. 1]. In designing and implementing the policy there is a trade off that must be considered. The policy on dividend payments is a very important decision in a company. This policy will involve two parties who have a different interest, namely the first party is the shareholders and the second party is the company. Dividends are defined as payments to shareholders by the company for the profits that have been obtained. If management increases the portion of the profit of one share that has been paid as dividends, then they can improve the welfare of the shareholders. It suggests that the dividend decision is a decision whether the profits earned by the company at the end of the year will be shared with the shareholders in the form of dividends or used to increase investment capital in the future.

Dianggao's dividend policy is a decision relating to the management and use of profit that is the right of every shareholder, and later the profit is divided as retained earnings for investment [12, p. 1002]. Dividends are compensation received by shareholders, in addition to capital gains. The value and time of dividend payment is determined at the General Meeting of Shareholders (GMS) and the value distributed can range from 0 to the amount of net income for the current year or last year. [16, p. 1] stated that dividends are part of the company's profits that will be distributed to shareholders. The amount of dividends to be distributed is proposed by the Board of Directors and agreed at the GMS. Dividends can be distributed in cash (cash dividends), other assets (dividend property), notes dividend, or stock dividends. Dividend policy will be recognized based on consideration of the interests of shareholders and also the interests of the company.

Dividend policy as a decision relating to dividend payments to the company, where the size of the dividend distributed depends on the retained earnings balance for the benefit of the company. Dividend policy can be proxied by the following dividend payout ratio [3, p. 89]:

$$\text{DPR} = \frac{\text{DPS}}{\text{EPS}}$$

Information:

DPR = Dividend Payout Ratio

DPS = Dividend per Share (Dividend Per Share)

EPS = Earnings per Share (Earning Per Share)

According to [13, p. 1], dividend policy is important for two reasons. Payment of dividends will affect stock prices and retained earnings (retained earnings) are usually the biggest and most important source of additional capital for the company's growth. Both of these reasons make the dividend policy must be decided carefully and carefully so that the two reasons can be fulfilled optimally. There are three theoretical views commonly used as a basis for determining dividend policy. The three theories are as follows:

#### a. Dividend Irrelevance Theory

The main supporters of this theory are Merton Miller and Franco Modigliani (MM). They argue that the value of a company will depend only on the ability of the company to profit from the company's assets, not on how the profit will be divided into dividends and retained earnings.

#### b. Bird in the Hand Theory

This theory was coined by Myron Gordon and John Lintner who argued that dividend distribution had a positive influence on firm value. This theory refers to the concept of time value of money where current dividends should have a higher value than future capital gains.

#### c. Tax Preference Theory

This theory states that actually dividend distribution harms investors. This is because there are taxes that must be paid when dividends are distributed. It's different with capital gains that don't need to pay taxes until the stock is sold. In accordance with the concept of time value of money, the tax payment in the future is more profitable than the current tax payment with the same amount. The dividend policy commonly carried out by companies is cash dividends. According to [13, p. 1], there are several forms of cash dividend policy. The form of the policy for giving dividends is:

##### a. Stable dividend policy

This policy will provide a permanent dividend per share for a certain period even though the company's profit fluctuates. This stable dividend will be maintained for several years and then if the profit gained increases steadily and stably the dividends will also be increased to be maintained for several years.

##### a. Increased dividend policy

With this policy, the company will pay dividends to shareholders with an ever increasing amount with stable growth. For example, the growth is set at 5%.

##### b. Dividend policy with a constant ratio

This policy gives dividends, the amount of which follows the amount of profit obtained by the



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company. The greater the profit obtained the greater the dividends paid, and vice versa. The basis that is often used is often called the dividend payout ratio.

### c. Low and extra dividend dividend policy

This policy determines the amount of dividend payments per sheet that is distributed small, then added with extra dividends if the profit reaches a certain amount.

Dividend policy chosen by the company must of course pass careful consideration so that there will be no problems for the company in the future. According to [3, p. 94], the factors that influence the size of the dividend to be paid are:

#### a. Position of Company Solvency

If the company under insolvency or solvency conditions is not profitable, the company usually does not distribute profits. This is because the profit obtained is more widely used to improve the position of its capital structure.

#### b. Company Liquidity Position

Cash dividends are cash outflows for the company. Therefore, if a company pays dividends, it means that they have to provide enough cash and this will reduce the level of company liquidity. Companies with poor liquidity tend to pay smaller dividends compared to companies with better liquidity.

#### c. Need to pay off debts

The more debt that must be paid, the more funds must be provided. Besides that with the maturity of debt, the debt fund must be replaced. Alternatives to replacing debt funds can be by finding new debt or by sources of internal funds by increasing retained earnings. This will certainly reduce Dividend Payout Ratio (DPR).

#### d. Expansion Plan

The faster the expansion carried out, the greater the funds needed. These funding needs can be met either from debt, increasing their own capital, or from internal funding sources by increasing retained earnings which will ultimately reduce the Dividend Payout Ratio (DPR).

#### e. Investment Opportunities

The more open investment opportunities, the smaller dividends will be paid because the funds will be used to obtain the investment opportunity.

### f. Income Stability

Companies that have stable income do not need to provide a lot of cash just in case, whereas companies that have unstable income must provide a lot of cash just in case. This result in companies whose income is not stable will reduce its Dividend Payout Ratio.

### g. Supervision of the Company

Sometimes the owner does not want to lose control of the company. Therefore, companies tend to look for sources of funds from their own capital. The possibility of entering a new investor will certainly reduce the control of the old owner of the company. If you spend from debt the risk is quite large. That is what causes companies to tend not to distribute dividends. [11, p. 373] found that dividend policy has a positive effect on firm value

$$DPR = \frac{DPS}{EPS}$$

## 3. RESEARCH METHODS

This research is a quantitative research. Quantitative research is structured research and quantifies data to be generalized. The data source used in this study is secondary data. Data collection techniques used in this study is documentation [14, p. 87]. The documentation method is carried out by collecting secondary data and all necessary information and the Indonesia Stock Exchange (IDX) which can be accessed on the [www.idx.co.id](http://www.idx.co.id). The data collected in this study is secondary data in the form of annual reports, annual financial reports issued by the company through the official website [www.idx.co.id](http://www.idx.co.id).

In this study the manufacturing companies that were sampled were banks that were listed on the Indonesia Stock Exchange in 2013 to 2016 totaling 34 companies.

No	Code	Companies
1	ARNA	PT. Arwana Citramulia Tbk
2	ALDO	PT. Alkindo Naratama Tbk
3	AMFG	PT. Asahimas Flat Glass Tbk
4	ASII	PT. Astra International Tbk
5	BRNA	PT. Berlina Tbk
6	BTON	PT. Beton Jaya Manunggal Tbk
7	CPIN	PT. Charoen Pokphan Indonesia Tbk
8	EKAD	PT. Ekadharma International Tbk
9	IGAR	PT. Champion Pasific Indonesia Tbk
10	INAI	PT. Indal Aluminium Industry Tbk
11	INTP	PT. Indocement Tunggal Prakasa Tbk
12	JPFA	PT. Japfa Comfeed Indonesia Tbk
13	LION	PT. Lion Metal Works Tbk



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No	Code	Companies
14	AUTO	PT. Astra Auto Part Tbk
15	MAIN	PT. Malindo Feedmill Tbk
16	SIPD	PT. Searad Produce Tbk
17	SMCB	PT. Holcim Indonesia Tbk
18	SMGR	PT. Semen Gresik Tbk
19	SPMA	PT. Suparma Tbk
20	TKIM	PT. Pabrik Kertas Tjiwi Kimia Tbk
21	TOTO	PT. Surya Toto Indonesia Tbk
22	TRST	PT. Trias Sentosa Tbk
23	DVLA	PT. Darya Varia Laboratoria Tbk
24	POLY	PT. Asia Pacific Fibers Tbk
25	PTSN	PT. Sekar Laut Tbk
26	GJTL	PT. Gajah Tunggal Tbk
27	ICBP	PT. Indofood CBP Sukses Makmur Tbk
28	IKBI	PT. Sumi Indo Kabel Tbk
29	IMAS	PT. Indomobil Sukses International Tbk
30	INDF	PT. Indofood Sukses Makmur Tbk
31	INDR	PT. Indo Rama Synthetic Tbk
32	INDS	PT. Indospring Tbk
33	MRAT	PT. Mustika Ratu Tbk
34	MYOR	PT. Mayora Indah Tbk

## 4. RESULT AND ANALYSIS

### a. Multiple Linear Regression Test

Coefficients <sup>a</sup>				
Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	2.886	.914	
	KI	.648	1.949	.029
	PER	.051	.128	.035
	DER	.278	.239	.101
	DPR	.026	.355	.006

a. Dependent Variable: MBR

Based on the table above, the regression equation is obtained as follows:

$$Y = 2,886 + 0,648 X_1 + 0,051 X_2 + 0,278 X_3 + 0,026 X_4 + e$$

The regression equation means that:

1. If the board of commissioners ( $X_1$ ) raises one unit, the value of the company (Y) will increase by 0.648 units assuming another variable is constant.
2. If investment decision ( $X_2$ ) rises one unit, then

what happens is the firm value (Y) will increase by 0.051 units with the assumption that other variables are constant.

3. If financing decision ( $X_3$ ) raises one by one, the firm value (Y) increases by 0.278 units assuming another variable is constant.

4. If the dividend policy ( $X_4$ ) rises by one unit, then the firm value (Y) rises by 0.026 units assuming a constant variable.

### b. Coefficient Determination

R	R Square	Adjusted R Square	Std. Error of the Estimatet
.487	.429	.177	2.17227

From the calculation data above obtained information that obtained R value of less than 50%, namely 48.7%. Simultaneous determination value (r square) of 0.429 means that the national diversity

variable of the board of director, investment decisions, funding decisions, dividend policy of the company value changes 42.9% while the remaining 57.1% is influenced by other variables not examined.

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### a. a. F test (simultaneous test)

df	Mean Square	F	Sig
4	7.780	3412	.008

From the table above, it is known that the Fcount value is 3.412 and Ftable is 2.440282. Thus it is proven that Fcount is greater than Ftable which means that Ho is rejected and receives Ha at a significance level of 0.008. From these results, there

is a significant influence on the national diversity variables of the board of directors, investment decisions, funding decisions, dividend policies together (simultaneous) on the value of the company.

### d. T test (partial test)

Model	T <sub>test</sub>	Sig
1 Constant	3,157	0,002
CI	2,333	0,007
PER	2,395	0,035
DER	2,816	0,002
DPR	,722	0,094

Degree of freedom (df) = (n-k-1) = 136-4-1 = 131 with a level of confidence level of 5% or 0.05, then the value of t table is 1.97824. The explanation for each variable is as follows:

1. The tcount in this study for X1 is 2.333 with a significance level of 0.07 greater than t table 1.97824 so that Ho is rejected. The results of the study inform that independent commissioners are in line with the value of the company

2. The tcount in this study for X2 is 2,395 with a significance level of 0,035 or greater than the table 1,97824 so that Ho is rejected. The results of the study prove that the investment decision affects the value of the company.

3. The tcount in this study for X3 is 3.816 with a significance level of 0.009 or greater than t table 1.97824 so that Ho is rejected. The results of the study suggest that financial decisions affect the value of the company

4. The tcount in this study for X4 is 0.722 with a significance level of 0.094 or smaller than the table 1.97824 so that Ho is accepted. This study also informs that dividend policy does not affect the value of the company.

Based on the results and analysis of research data, it shows that simultaneously, it can be seen that nationality board of director, investment decision, financing decision, and dividend policy together have a significant effect on the value of the company with a significance level of 0,000 smaller than 0.05 or 100% have a significant effect on the value of the company. The results of this study are in line with the research conducted by [16, p. 1]. Research conducted on manufacturing companies in the 2007-2009 period shows the results that simultaneously the LnPER, LnDER, and LnDPR variables have a significant influence on the firm's value. Strengthened by the results of research conducted by [16, p. 1], which obtained the results that investment

decisions, funding decisions, dividend policy have a positive and significant effect on the value of the company.

Analysis of company value in the stock market has many uses, one of its uses for investors who are buying shares is that investors can see the development of the company's value and see which company's initial shares have more promising future prospects. The aim of investors is certainly to get high profits. It means the company needs to pay attention to its performance to remain competitive. [1, p. 4] the value of a company is basically measured by several aspects, one of which is the company's stock market price.

Based on the research it can be concluded that nationality board of director, investment decision, financing decision, and dividend policy have a significant influence on the value of the company. Partial test results or t tests that have been carried out obtain the following results:

1. The influence of the national diversity of the board of directors on the value of the company

Variable foreign commissioners have a significant effect on company value. This result shows how many foreign directors or directors in the company have a role in increasing the value of the company. The results of this study are in line with the opinion of [15, p. 1028] which states the role of the board of the company is related to the role of control, especially if it comes from countries with strong shareholder rights.

The results of this study are in line with the research conducted by [1, p. 1] which in their research obtained higher results or the more members of foreign commissioners, the higher the value of the company. With the duties and authorities possessed by a board of commissioners, as well as the advantages of a foreign councilor, the nationality of the board members of the company is said to have an influence on the value of the company.

## Impact Factor:

<b>ISRA (India)</b>	<b>= 1.344</b>	<b>SIS (USA)</b>	<b>= 0.912</b>	<b>ICV (Poland)</b>	<b>= 6.630</b>
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<b>GIF (Australia)</b>	<b>= 0.564</b>	<b>ESJI (KZ)</b>	<b>= 4.102</b>	<b>IBI (India)</b>	<b>= 4.260</b>
<b>JIF</b>	<b>= 1.500</b>	<b>SJIF (Morocco)</b>	<b>= 2.031</b>		

### 2. Effect of investment decisions on firm value

Investment decision variables have a positive and significant effect on firm value. These results indicate that the investment decision opportunities made so far only look at the value of the company. A stable company value will certainly be more.

Investors are interested in investing. The results of this study agree with the research conducted by [13, p. 1] which in his research stated that investment decisions have a positive and significant influence on firm value.

Company growth is a factor that is expected by investors so that the company can provide the expected returns [19, p. 1]. The growth of the company which is always increasing and the increase in asset value is expected to encourage expectations for investors because of investment opportunities with the expected benefits can be achieved [20, p 409]. Another goal of the investment decision is not just to gain profits in the future, but to maximize the value of the company.

### 3. Influence of funding decisions (financing decision)

Variable decision financing (financing decision) has a positive and significant influence on firm value. This proves that the company's ability to pay obligations in the future has a market response. The results of this study are not in line with the research conducted by [13, p. 1] which in his research obtaining the results of funding decisions did not affect the value of the company.

The results of this study also agree with Famma (1998) to find that funding decisions positively influence firm value. Reinforced opinion [18, p. 71] funding decisions are a strategic trait carried out by company management. It can be said to be strategic because this decision has an impact on business continuity, business competition, financial management and cash flow as well as the image of the financial market.

### 4. Effect of dividend policy

Dividend policy variables have a positive and significant influence on firm value. The proportion of profit that will be distributed becomes the attention of investors to cooperate or invest. The results of this study do not agree with the research conducted by [16, p. 1] which in his research shows that the LnDPR variable does not have a significant effect on the value of the company.

In line with the results of research conducted by [19, p. 1], who obtained information that dividend, policy has a positive and significant effect on the value of the company. Supported by research conducted by [17, p.1857] and [18, p. 71], which obtained results that dividend policy has a positive and significant effect on the value of the company

## 5. CONCLUSIONS, SUGGESTIONS AND LIMITATIONS

Based on the results and analysis of research data shows that the simultaneous observation can be seen that the board of commissioners, investment decision, financing decision, and dividend policy together have a significant effect on the value of the company with a significance level of 0.008 which is smaller than 0.05 or 100% influential significantly against the value of the company. Research conducted on manufacturing companies in the 2007-2009 periods shows the results that simultaneously the LnPER, LnDER, and LnDPR variables have a significant effect on firm value.

Other results indicate that the board commissioner variable, investment decision, and financing decision are partially (individually) significantly influence the value of the company. The results of this study mean the role of the board of companies in relation to the role of control. The board of commissioners, investment decisions, and financing decisions partially (individually) had a significant effect on the value of the company. The result also investigate that a company has a foreign national council member and has broader experience, it will improve the performance of board members professionally. Conclusion shows that CFOs are possible to have an immediate impact on accounting decisions related to the company, such as choosing accounting methods and making accounting adjustments.

From the results of the data analysis, it can be concluded that the board of commissioners, investment decision, financing decision, and dividend policy similarly have a significant effect on the value of the company. While partially, only dividend policy that has no significant effect on the value of the company.

Suggestions obtained for the company, namely in conducting an IPO in the future, it is advisable to pay attention to the diversity of nationalities in the company as well as the distribution of assets, for investors before making an investment it is advisable to have a basis or understanding to analyze the possibilities that will occur.

This research has been endeavored and carried out in accordance with scientific provisions, but does not rule out the possibility of this study having limitations, namely: 1) factors that influence the value of the company in this study consist of four variables, namely the board of commissioners, investment decision, and financing decision, while there are still many more factors that can affect the value of the company, 2) there are some obsolance of research that has informed the companies should be reported their financial statement.



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