



The Influence of Profitability, Solvency, Firm Size on Stock Prices with Dividend Policy as Intervening Variable in Manufacturing Companies Listed on the IDX

Poppy Okta Fiana Putri*, Zefriyenni Zefriyenni, Lusiana Lusiana
Universitas Putra Indonesia YPTK Padang
Corresponding author: poppyoktaviana59@gmail.com

Abstract

The aim of this research is to find out how much influence profitability, solvency and firm size have on share prices with dividend policy as an intervening variable in manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2019-2023. There are 218 manufacturing companies listed on the Indonesian stock exchange in 2019-2023. Meanwhile, the sample for this research consisted of 54 companies which were included in manufacturing companies and were selected using purposive sampling. The analysis method used is linear multiple regression data analysis, using computer assistance with the SPSS 23 software program. Based on the research results, it shows that there is a significant influence ($0.777 > 0.05$) on policy profitability. There is no significant effect of solvency ($0.396 > 0.05$) on dividend policy. Firm size does not have a significant effect ($0.079 > 0.05$) on dividend policy. There is a significant influence of profitability ($0.000 < 0.05$) on share prices. There is no significant effect on solvency ($0.998 > 0.05$) on share prices. There is a significant effect of firm size ($0.000 < 0.05$) on share prices. There is a dividend policy that has no significant effect ($0.708 > 0.05$) on share prices. There is a dividend policy that does not mediate profitability on share prices. There is a dividend policy that does not mediate Solvency on Share Prices. There is a dividend policy that does not mediate firm size on share prices.

Keywords: Profitability, Solvency, Firm Size, Dividend Policy and Share Price.

1. Introduction

In the current era of globalization, more and more companies are being founded and these companies are creating very tight business competition. Companies in Indonesia often face various challenges to seize market opportunities in an increasingly competitive business environment. Increasingly tight business competition means that every company must innovate and increase company value in order to achieve company goals. One of the important goals for establishing a company is to increase welfare and maximize wealth in the company. The establishment of a company must have clear goals. There are several things that state the purpose of establishing a company, the first goal is to achieve maximum profits. The second goal is to make the company owner or share owners prosperous. Meanwhile, the third objective is to maximize the company's value as reflected in its share price. The three company goals are actually not substantially different, it's just that the emphasis that each company wants to achieve is different from one to another. Economic development in Indonesia cannot be

separated from the development of the capital market in Indonesia. The more advanced and developed the capital market in Indonesia so that the economy will be increasingly pushed forward and develop as well. Market capital in Indonesia is one of the forums where domestic and foreign investors invest their money. Share prices are one of the important factors that need to be considered when making and taking investment decisions. It is necessary to consider share prices for market players because share prices reflect the value of a company, if the share price is higher it means the value of the company is also higher.

Indonesian people are increasingly interested in investing. The high interest of investors in investing is based on the main motive, namely obtaining profits on the funds invested. Investors can invest their capital through the capital market. Among the many financial instruments traded in the capital market, shares are the financial instrument most popular and chosen by investors because they are believed to be able to provide an attractive level of profit for investors. The

high attractive rate of return is an incentive for investors to take purchasing action. Usually, purchasing shares in the capital market is done by looking at a company's share price.

Shares are a sign of participation or ownership of a person or entity in a company or limited liability company. Every investor who invests has the same goal, namely getting capital gains, namely profits from the positive difference between the selling price and the buying price of shares as well as cash dividends received from issuers because the company obtains profits which will be distributed to shareholders. When investing, an investor needs information about which companies can provide profits in the future (Siregar & Farisi, 2018). companies sell their shares to obtain funds that will be used in the development of their business and for investors to obtain income from their capital.

Share price is the price that is formed according to demand and supply in the share buying and selling market and is usually the closing price, each share in circulation must have a value. Share prices on the stock exchange are not always fixed, sometimes they increase and they can also decrease, depending on the strength of demand and supply prices. In the capital market, fluctuations in share prices make the stock exchange attractive for several groups of investors (investors). On the other hand, increases and decreases in share prices can occur due to fundamental, psychological or external factors (Nopianto et al., 2019).

The share price is the price that occurs on the stock exchange at a certain time. Stock prices can fluctuate in minutes and can even change in seconds. This is due to the demand and supply mechanism between share buyers and share sellers on the exchange. Success in generating profits will provide satisfaction for rational investors. A fairly high share price will provide benefits, namely in the form of capital gains and a better company image, making it easier for company management to obtain funds from outside the company (ruzikna Dan, 2018).

Manufacturing companies are companies that process raw goods into semi-finished goods or finished goods that have selling value. Manufacturing companies must meet the characteristics of the company. These characteristics include managing raw materials or raw materials to be made into finished products. Companies that provide raw materials to make a product, apart from that consumers do not interfere in all production processes and the company must produce finished or tangible products. This is what differentiates manufacturing companies from service companies, if service companies have intangible products. The next function is the administrative function and financial

function, for example textile companies that make cloth, garment companies, household necessities, automotive companies, electronics companies, craft companies.

A manufacturing company is a company that operates in the manufacturing sector or is independent in the trading business sector that carries out a business activity that is managed by management that has the same goals and the same achievements. One of the goals is that the company can obtain maximum profits and wants the company to be run for a long time, this is due to business competition.

Manufacturing companies on the Indonesian stock exchange are one of the economic drivers that significantly contribute to economic growth. Manufacturing companies can control the economy, this is understandable considering that Indonesia has natural resources that can be processed into industrial products to obtain higher value. In such conditions the share price of the company concerned tends to rise, the share price also shows the value of a company. Share value is an appropriate index for company effectiveness, so it is often said that maximizing company value means maximizing shareholder wealth.

We can see the development of manufacturing company share prices in the following table:

Table 1. Average Share Price of Manufacturing Companies Listed on the Indonesia Stock Exchange (BEI) for the 2019-2023 period (In Rupiah)

Year	2019	2020	2021	2022	2023
Average	6.41 0,25	7.692,3 0	17.543,8 5	20.408,1 6	19.666 ,66

From the table above, a graph can be made as follows:

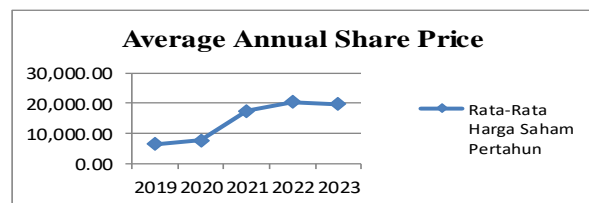


Figure 1. Average Annual Share Price

Based on the graph above, share prices in 2019-2023 experienced a drastic increase due to high investor interest, which affected share prices. Meanwhile, in 2023 the average share price will decline. The decline in share prices is thought to have occurred due to profitability, solvency, and firm size.

2. Method

From research uses a quantitative descriptive research method using secondary data, namely based on data on Stock Prices, Profitability Values, Solvency, Firm size and dividend policy in manufacturing companies listed on the Indonesian Stock Exchange 2019-2024. The population in this study was 218 manufacturing companies and the sample size was 54 companies. This research uses multiple linear regression analysis methods and is processed using the SPSS 23 application.

3. Result and Discussion

Descriptive Analysis Test

Table 2.
Statistik Descriptive

	N	Minimum	Maximum	Mean	Std. Deviation
Stock price	270	52	53000	2891.93	5480.245
Dividend Policy	270	.00	3.98	.4310	.40309
Profitability	270	.00	1.46	.1063	.12837
Solvency	270	.05	5.89	.7065	.68800
Company Size	270	20.62	33.66	29.1096	2.00685
Valid N (listwise)	270				

Source: Data Processed Results Using SPSS 23.

Based on table 2 above, information is obtained that the total sample consists of 63 and there are 315 observation data. The Stock Price variable (Y) as the dependent variable has the lowest value of 52 and the highest value is recorded at 53000 with an average of the Stock Price variable of 2891.93 with a standard deviation of 5480.245.

The Dividend Policy variable (Z) as an independent variable has the lowest value of 0.00 and the highest value of 3.98 with an average of the Dividend Policy variable of 0.4310 with a standard deviation value of 0.40309. The Profitability variable (X1) has the lowest value of 0.00 and the highest value of 1.46 with an average value of 0.1063 and a standard deviation value of 0.12837. The Solvency variable (X2) has the lowest value of 0.05 and the highest value of 5.89 with an average value of 0.7065 and a standard deviation value of 0.68800. The Firm Size variable (X3) has the lowest value of 20.62 and the highest value of 33.66 with an average value of 29.1096 and a standard deviation value of 2.00685.

Classical Assumption Test

Structure I

Table 3.
Normality Test Results

		Unstandardized Residual
N		15
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.45105892
Most Extreme Differences	Absolute	.160
	Positive	.160
	Negative	-.116
Test Statistic		.160
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Table 3 shows a K-S value of 0.160 (sig 0.200) for all variables above 0.05, so it can be concluded that the variables Profitability, Solvency, Firm Size and Dividend Policy are statistically distributed normally and are suitable for use as research data.

Structure II

Table 4.
Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		270
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.07584676
Most Extreme Differences	Absolute	.037
	Positive	.037
	Negative	-.033
Test Statistic		.037
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Table 4 shows a K-S value of 0.037 (sig 0.200) for all variables above 0.05, so it can be concluded that the variables Profitability, Solvency, Firm Size, Dividend Policy and Stock Prices are statistically normally distributed and suitable for use as research data.

Autocorrelation Test

Structure I

Table 5.
Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.688 ^a	.473	.330	.50886	1.755

a. Predictors: (Constant), Firm_Size_X3Ln, Solvency_X2Ln, Profitability_X1Ln

b. Dependent Variable: Dividend_Policy_ZLn

Source: Data processed with SPSS 23.

Based on table 5, it shows that the Durbin-Watson (DW) value is 0.969, where this value is between -2 to +2, so it can be concluded that the regression model does not contain autocorrelation.

Structure II

Table 6.
Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.460 ^a	.211	.199	.07642	.529

a. Predictors: (Constant), Dividend_Policy, Solvency_X2Ln, Profitability_X1Ln, Firm_Size_X3Ln

b. Dependent Variable: Stock_Price_Y

Source: Data processed with SPSS 23.

Based on table 6, it shows that the Durbin-Watson (DW) value is 0.529, where the value is between -2 to +2, so it can be concluded that the regression model does not contain autocorrelation.

Multicollinearity Test

Structure I

Table 7.
Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	Profitability_X1Ln	.964	1.037
	Solvency_X2Ln	.820	1.219
	Firm_Size_X3Ln	.847	1.180

a. Dependent Variable: Dividend_Policy

Source: Data processed with SPSS 23.

Based on table 7 above, it can be seen that the VIF value is < 10, so it can be concluded that this regression model variable does not have multicollinearity problems because the VIF Profitability value is 1.037 with a Tolerance of 0.964 > 0.10. The VIF Solvency value is 1.219 < 10 with a tolerance of 0.820 > 0.10. The VIF value for Firm Size is 1.180 with a tolerance of 0.847 > 0.10.

Structure II

Table 8.
Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
Profitability_X1Ln	.964	1.038
Solvency_X2Ln	.818	1.222
Firm_Size_X3Ln	.838	1.194
Dividend_Policy	.988	1.012

a. Dependent Variable: Stock_Price_Y

Source: Data processed with SPSS 23.

From table 8 it can be seen that the VIF value is < 10 so it can be concluded that the regression model does not have multicollinearity problems because the VIF Profitability value is 1.038 < 10 with a tolerance of 0.964 > 0.10. The VIF Solvency value is 1.222 < 10 with a tolerance of 0.818 > 0.10. The VIF value for firm size is 1.194 with a tolerance of 0.838 > 0.10. The VIF value of the Dividend Policy is 1.012 < 10 with a tolerance of 0.988 > 0.10.

Heteroscedasticity Test

Structure I

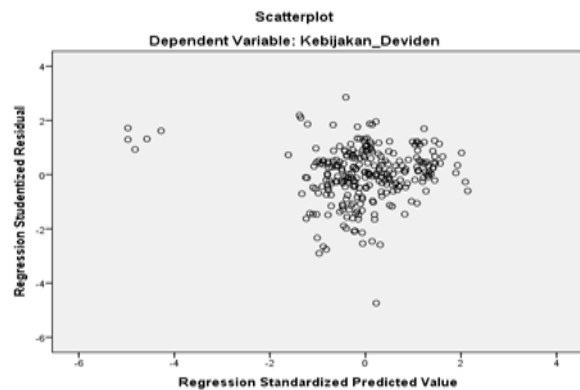


Figure 2.

Scatterplot – Heteroscedasticity Testing

Source: Data processed with SPSS 23

From Figure 2, you can see in the scatterplot graph that the points are scattered randomly, do not form a particular pattern and are spread both above and below the number 0 on the Y. This can be concluded that there is no heteroscedasticity in the regression model, so the regression model is suitable for use. to see the independent variable against the dependent variable.

Structure II

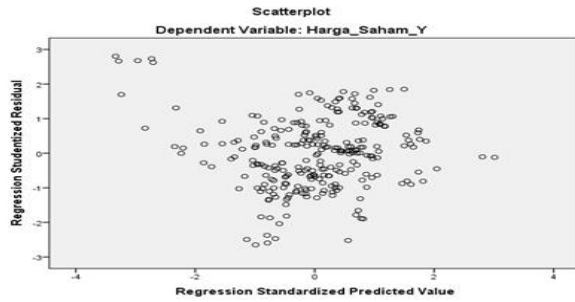


Figure 3.

Scatterplot – Heteroscedasticity Testing

From Figure 3, the scatterplot graph shows that the dots are scattered randomly, do not form a particular pattern and are spread both above and below. The number 0 on the Y axis. This can be concluded that there is no heteroscedasticity in the regression model, so the regression model is suitable for use. to see the independent variable against the dependent variable.

Multiple Linear Regression Analysis Test

Multiple regression Structure I is presented in table 9 below:

Table 9.
 Multiple Linear Regression Analysis Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-6.205	2.880		-2.155	.032
	Profitability_X1Ln	.017	.059	.018	.283	.777
	Solvency_X2Ln	-.058	.068	-.057	-.849	.396
	Firm_Size_X3Ln	1.487	.844	.117	1.761	.079

a. Dependent Variable: Dividend_Policy
 Source: Data processed with SPSS 23

Based on table 9 above, the regression equation can be seen as follows:

$$Z = -6,205 - 0,017 (X1) - 0,058 (X2) + 1,487 (X3)$$

Interpretation based on this equation can be interpreted as follows:

1. The regression coefficient for the Profitability variable is 0.018, meaning that if Profitability is increased by one weight unit, assuming Solvency and Firm Size are ignored at 0 (zero), it will result in an increase in the Dividend Policy of 0.017 weight units. A positive coefficient means that there is a positive relationship between Profitability and Dividend Policy, the better or higher the Profitability, the greater the Dividend Policy will be.

2. The regression coefficient for the Solvency variable is -0.057, meaning that if Solvency is increased by one weight unit, with the assumption that Profitability and Firm Size are ignored or have a value of 0 (zero), then will result in an increase in the Dividend Policy of -0.058 unit weight. A negative coefficient means that there is a negative relationship between Solvency and Dividend Policy, the better or higher the Solvency, the higher the Dividend Policy will be.

4. The regression coefficient for the Firm Size variable is 0.117, meaning that if the Firm Size is increased by one weight unit, with the assumption that Profitability, Solvency is ignored or has a value of 0 (zero), it will result in an increase in the Dividend Policy of 1.487 weight units. The coefficient is positive, meaning there is a positive relationship between company size and policy Dividends, the better or higher the firm size, the higher the dividend policy will be.

Structure II

Table 10.
 Multiple Regression Analysis Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.427	.241		-1.772	.078
	Profitability_X1Ln	.027	.005	.313	5.633	.000
	Solvency_X2Ln	1.331E-5	.006	.000	.002	.998
	Firm_Size_X3Ln	.398	.070	.337	5.647	.000
	Dividend_Policy	.002	.005	.021	.375	.708

a. Dependent Variable: Stock_Price_Y
 Source: Data processed with SPSS 23.

Based on table 10 above, the regression equation can be seen as follows:

$$Y = -0,427 - 0,002 (Z) + 0,027 (X1) + 0,133 (X2) + 0,398 (X3)$$

Interpretation based on this equation can be seen from the regression equation as follows:

1.The regression coefficient for the Profitability variable is 0.313, meaning that if Profitability is increased by one weight unit, with the assumption that Solvency, Firm Size and Dividend Policy are ignored or have a value of 0 (zero), it will result in an increase in the Share Price of 0.027 weight units. A positive coefficient means that there is a positive relationship between Profitability and Share Prices, the better or higher the Profitability, the higher the Share Price will be.

2.The regression coefficient for the Solvency variable is 0.000, meaning that if Solvency is increased by one weight unit, with the assumption that Profitability, Firm Size and Dividend Policy are ignored or have a value of 0 (zero), it will result in an increase in the Share Price of 1.331 weight units. A positive coefficient means that there is a positive relationship between Solvency and

Share Prices, the better or higher the Solvency, the higher the Share Price will be.

3.The regression coefficient for the Firm Size variable is 5.647, meaning that if the Firm Size is increased by one weight unit, with the assumption that Profitability, Solvency and Dividend Policy are ignored or have a value of 0 (zero), it will result in an increase in the Share Price of 0.398 weight units. A positive coefficient means that there is a positive relationship between firm size and share prices, the better or higher the firm size, the lower the share price will be.

4.The regression coefficient for the Dividend Policy variable is 0.021, meaning that if the Dividend Policy is increased by one weight unit, with the assumption that Profitability, Solvency and Firm Size are ignored or have a value of 0 (zero), it will result in an increase in the Share Price of 0.002 weight units. A positive coefficient means that there is a positive relationship between Dividend Policy with share prices, the better or higher the dividend policy, the lower the share price will be.

Hypothesis Test Results

Partial Test Results (T Test)

Structure I

Table 11.
Partial Test Results (T Test)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-6.205	2.880		-2.155	.032
Profitability_X1Ln	.017	.059	.018	.283	.777
Solvency_X2Ln	-.058	.068	-.057	-.849	.396
Firm_Size_X3Ln	1.487	.844	.117	1.761	.079

a. Dependent Variable: Dividend_Policy

Source: Data processed with SPSS 23.

Based on table 11 above, it can be interpreted as follows :

1.Effect of Profitability on Dividend Policy

Based on the table above, it shows that the Profitability variable (X1) has a t value of 0.283 and a significant value of 0.777 > 0.05, so it can be concluded that Ho is accepted and H1 is rejected, meaning that Profitability (X1) partially has an insignificant effect on Dividend Policy (Z) .

2.Effect of Solvency on Dividend Policy

Based on the table above, it shows that the Solvency variable (X2) has a t value of -0.849 and a significant

value of 0.396 > 0.05, so it can be concluded that Ho is accepted and H2 is rejected, meaning that Solvency (X2) partially has an insignificant effect on Dividend Policy (Z) .

3.The Influence of Firm Size on Dividend Policy

Based on the table above, it shows that the Firm Size variable (X3) has a t value of 1.761 and a significant value of 0.079 > 0.05, so it can be concluded that Ho is accepted and H3 is rejected, meaning Firm Size (X3) partially has an insignificant effect on Dividend Policy (Z) .

Structure II

Table 12.
Partial Test Results (t-Test)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.427	.241		-1.772	.078
Profitability_X1Ln	.027	.005	.313	5.633	.000
Solvency_X2Ln	1.331E-5	.006	.000	.002	.998
Firm_Size_X3Ln	.398	.070	.337	5.647	.000
Dividend_Policy_Z	.002	.005	.021	.375	.708

a. Dependent Variable: Stock_Price_Y

Source: Data processed with SPSS 23.

Based on table 12, it can be explained as follows:

1. Effect of Profitability on Share Prices

Based on the table above, it shows that the Profitability variable (X1) has a t-value of 5.633 and a significant value of $0.000 < 0.05$, so it can be concluded that H_0 is rejected and H_4 is accepted, meaning that Profitability (X1) partially has a significant effect on Stock Prices (Y).

2. Effect of Solvency on Share Prices

Based on the table above, it shows that the Solvency variable (X2) has a t-value of 0.002 and a significant value of $0.998 > 0.05$, so it can be concluded that H_0 is accepted and H_5 is rejected, meaning that Solvency (X2) partially has an insignificant effect on Stock Prices (Y).

3. Effect of Firm Size on Share Prices

Based on the table above, it shows that the Firm Size variable (X3) has a t-value of 5.647 and a significant value of $0.000 < 0.05$, so it can be concluded that H_0 is rejected and H_6 is accepted, meaning that Firm Size (X3) partially has a significant effect on Share Price (Y).

4. Effect of Dividend Policy on Share Prices

Based on the table above, it shows that the Dividend Policy (Z) variable has a t-value of 0.375 and a significant value of $0.708 > 0.05$, so it can be concluded that H_0 is accepted and H_7 is rejected, meaning that the Dividend Policy (Z) partially has no significant effect on Stock Prices (Y).

Simultaneous Test Results (F Test)

Structure I

Table 13
Simultaneous Test Results (F Test)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	2.822	3	.941	1.107	.347 ^b
Residual	226.079	266	.850		
Total	228.902	269			

a. Dependent Variable: Dividend Policy

b. Predictors: (Constant), Firm_Size_X3Ln, Profitability_X1Ln, Solvency_X2Ln

Source: Data processed with SPSS 23

It can be seen that table 13 shows an F value of 1.107 and a significant value level of $0.347 > 0.05$ so it can be concluded that H_0 is accepted and H_a is rejected, which means that Profitability (X1), Solvency (X2) and Firm

Size (X3) simultaneously have an insignificant influence towards Dividend Policy (Z).

Structure II

Table 14.
Simultaneous Test Results (F Test)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	.414	4	.104	17.745	.000 ^b
Residual	1.547	265	.006		
Total	1.962	269			

a. Dependent Variable: Stock_Price_Y

b. Predictors: (Constant), Dividend_Policy, Solvency_X2Ln, Profitability_X1Ln, Firm_Size_X3Ln

Source: Data processed with SPSS 23

Based on table 4, it shows that the F value is 17,745 and the significant value is $0.000 < 0.05$, which means

that Profitability (X1), Solvency (X2), Firm Size (X3) and Dividend Policy (Z) simultaneously have a significant effect on Share Prices (Y). So it can be concluded that Ho is rejected and Ha is accepted.

Table 15.

Coefficient of Determination Test Results (R2 Test)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.688 ^a	.473	.330	.50886	1.755

a. Predictors: (Constant), Firm_Size_X3Ln, Solvency_X2Ln, Profitability_X1Ln

b. Dependent Variable: Dividend_Policy

Source: Data processed with SPSS 23

From table 15, the R2 (Adjusted R Square) figure is 0.330. Dividend Policy (Z) is 0.330 or 33%. Meanwhile, other variables outside the research influence the remaining 67% or 67%. This shows that the percentage contribution of the independent variables Profitability (X1), Solvency (X2), and Firm Size (X3) to the dependent variable Structure II is 0.67 or 67%.

Table 16.

Coefficient of Determination Test Results (R2 Test)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.460 ^a	.211	.199	.07642	.529

a. Predictors: (Constant), Dividend_Policy, Solvency_X2Ln, Profitability_X1Ln, Firm_Size_X3Ln

b. Dependent Variable: Stock_Price_Y

Source: Data processed with SPSS 23.

Based on table 16, the R2 (adjusted R Square) figure is 0.199 or 19.9%, this shows that the percentage contribution of the independent variables Profitability (X1), Solvency (X2), Firm Size (X3) and Dividend Policy (Z) to the variable dependent Share Price (Y) is 0.199 or 19.9%. Meanwhile, the remaining 80.1% or 80.1% is influenced by other variables outside the research.

Path Analysis Results (Path Analysis)

Structure I

1. The Effect of Profitability on Share Prices through Dividend Policy

Based on the results of these calculations, it is known that the direct influence value is 0.313 and the indirect influence is 0.000378, which means that the indirect influence value is smaller than the direct influence, which means Ho is accepted and H8 is rejected. This shows that Profitability (X1) has no effect on Share Prices (Y) through Dividend Policy (Z) as a variable.

2. Effect of Solvency on Share Prices through Dividend Policy

Based on the results of these calculations, it is known namely the direct influence value is 0.000 and the indirect influence value is -0.001197, which means that the indirect influence value is greater than the direct influence value, which means Ho is accepted and H9 is rejected. This shows that Solvency (X2) has a positive and significant effect on Share Prices (Y) through Dividend Policy (Z) as an intervening variable.

Structure II

3.The Influence of Firm Size on Share Prices through Dividend Policy

Based on the results of these calculations, it is known that the direct influence value is 0.337 and the indirect influence is 0.003717, which means that the indirect influence value is smaller than the direct influence value, which means that H_0 is accepted and H_{10} is rejected. This shows that Firm Size (X3) has no significant effect on Share Prices (Y) through Dividend Policy (Z) as an intervening variable.

Discussion

The Influence of Profitability on Dividend Policy

Based on the statistical analysis results, it can be seen that Profitability (X1) partially has an insignificant effect on Dividend Policy (Z). The company will know its ability to generate profits in sales, total assets and own capital. When profits are obtained at the end of the year, the company will determine whether the profits obtained will be distributed to shareholders or retained as investment in the future. The results of this research are in line with the results of research put forward by (Putri, 2019) who found that profitability as proxied by ROA had a negative and insignificant effect on dividend policy.

The Influence of Solvency on Dividend Policy

Based on the statistical analysis results, it can be seen that Solvency (X2) partially has an insignificant effect on Dividend Policy (Z). Solvency is the ratio between the use of long-term debt and all the available capital of a company. An increase in a company's debt ratio will reduce the income received by shareholders. This may happen because the company's obligation to pay off debts is not financed by company profits, but is paid by external sources, namely from shareholder capital. The aim is that newly generated profits can be used to pay dividends to shareholders. The results of this research are in line with the results of research found by (Marcelino, 2021) who found that Solvency does not have a significant effect on Dividend Policy.

The Influence of Firm Size on Dividend Policy

Based on the results of statistical analysis, it can be seen that firm size (X3) partially has an insignificant effect on dividend policy (Z). Firm size is a reflection of a company; large-scale companies will have a more transparent network in the world of capital markets, while small-scale companies cannot access it. The world of capital markets easily, therefore access to the world of capital markets can be interpreted as flexibility and the company's ability to attract shareholders or investors so that with a large company scale it will get shareholders or investors who will invest their capital in the company and this will increase capital for the company, including paying dividends. The results of this research are in line with the results of research

found by (Marcelino, 2021) which found that firm size partially had no significant effect on dividend policy.

The Effect of Profitability on Stock Prices

Based on the statistical analysis results, it can be seen that Profitability (X1) partially has a significant effect on Share Prices (Y). Profitability is a company's the ability to generate profits from several policies that have been determined by company management. The higher the profitability of a company, the better it will be, because shareholder prosperity increases along with the higher the company's profitability. This study's results align with the research conducted by (Roza & Lestari, 2020) who found that Profitability had a positive and significant effect on Share Prices.

The Effect of Solvency on Stock Prices

Based on the statistical analysis results, it can be seen that profitability (X2) has an insignificant effect on share prices (Y). Solvency is a ratio showing a company's ability to meet its finances if it liquidates both long-term and short-term liabilities. Solvency ratios play an important role in helping management and investors understand the level of capital structure risk in their company. Low solvency can support the level of investor confidence in investing capital in the company so that this can increase share prices. Likewise, high solvency can certainly cause share prices to decline. The results of this research align with those of research conducted by (nur azizh, 2019) who found that solvency had no significant effect on stock prices.

The Effect of Firm Size on Share Prices

According to the results of statistical analysis, it can be seen that firm size (X3) partially has a significant influence on share price (Y). Firm size is a scale where companies can be classified as large or small according to various ways, including total assets, log size, stock market value. The more total assets, the greater the turnover of money and the greater the market capitalization, the greater the company is known in society. Firm size can influence share prices on the capital market. A large company with a large share distribution will also have a small impact on the loss of control of the dominant party over the company, so large companies tend to be more courageous in issuing new shares to meet the company's needs than small companies. The results of this research are in line with the results of research conducted by (Pradanimas & Sucipto, 2022) who found that firm size had a positive and significant effect on share prices.

The Effect of Dividend Policy on Share Prices

Based on the results of statistical analysis, it can be seen that the Dividend Policy (Z) partially has an insignificant effect on Share Prices (Y). Dividend

policy is a decision by a company relating to the proportion of profits that can be used to be distributed to shareholders in the form of dividends or retained earnings to finance future investments. The dividends distributed to shareholders on a stable or increasing basis will increase investor confidence because this indirectly informs investors that the company's ability to generate profits is increasing. Stock prices change in response to changes in dividends, because the market may believe that the changes indicate something about possible future earnings. This research is in line with the research results which found that Dividend Policy did not significantly affect share prices.

The Effect of Profitability on Share Prices through Dividend Policy

Based on the results of statistical analysis, it can be seen that Profitability (X1) does not mediate the Share Price (Y) through Dividend Policy (Z) as an intervening variable. Profitability is a company's ability to generate profits from activities during a certain period. High profits can have an impact on the price of shares in circulation, high share prices are a reflection of high company value. A company that makes a profit will decide on the allocation of that profit. The company will decide whether the profits obtained will be distributed in the form of dividends or retained for future investment. The results of this research are in line with the results of research found by Akhmad (2019) states that Profitability has no significant effect on Share Prices through Dividend Policy.

The Effect of Solvency on Stock Prices through Dividend Policy

Based on the results of statistical analysis, it can be seen that Solvency (X2) does not mediate the Share Price (Y) through Dividend Policy (Z) as an intervening variable. The policy taken by company management is to pay part of the company's profits to shareholders rather than retain them as retained profits to be reinvested in shareholders to obtain capital gains. The results of this study are not in line with the research results found by Pratama (2021) states that solvency significantly affects share prices through dividend policy.

The Influence of Firm Size on Share Prices through Dividend Policy

Based on the results of statistical analysis, it can be seen that Firm Size (X3) does not mediate the Share Price (Y) through Dividend Policy (Z) as an intervening variable. Firm size is a reflection of the total assets owned by a company. A large firm size reflects that the company is experiencing good development and growth, thereby increasing the value of a company. Shareholders or investors with a large company scale will get shareholders or investors who

will invest their capital in the company, increasing capital for the company, including dividends. Results of this research in line with those found by (Handayani et al., 2020) states that firm size has an insignificant effect on share prices through dividend policy.

4. Conclusion

This research aims to find out how the influence Profitability, Solvency and Firm Size on Share Prices traverse Dividend Policy as an intervening variable in this manufacturing company listed on the Indonesian Stock Exchange in 2019-2023. It can be concluded that:

1. Profitability does not significantly affect Dividend Policy in Manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2019-2023.
2. Solvency does not have a significant effect on Dividend Policy in Manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2019-2023.
3. Firm size does not have a significant effect on Dividend Policy in Manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2019-2023.
4. Profitability has a significant effect on share prices in manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2019-2023.
5. Solvency does not have a significant effect on share prices in manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2019-2023.
6. Firm size has a significant effect on share prices in manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2019-2023.
7. Dividend policy has no significant effect on share prices in manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2019-2023.
8. Dividend policy does not mediate profitability on share prices in manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2019-2023.
9. Dividend policy does not mediate Solvency on Share Prices in Manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2019-2023.
10. Dividend policy does not mediate firm size on share prices in manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2019-2023.

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