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Analysis of the Influence of Operating Leverage and Dividend Policy on the Value of Companies with Capital Structure as a Variable Intervening of the Indonesia Stock Exchange

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Abstract

The purpose of this study was to analyze the effect of operating leverage and dividend policy on firm value with capital structure as an intervention variable. The population of this study were food and beverage companies listed on the Indonesia Stock Exchange in the 2016-2020 period, namely 26 companies. The sample in this study amounted to 10 companies and had 50 observational data that had been selected using the purposive sampling method. The data used in this study is secondary data obtained from the Indonesia Stock Exchange (IDX) and data analysis using regression analysis. The results show that operating leverage has a negative and insignificant effect on firm value, dividend policy has a positive and insignificant effect on firm value, and operating leverage has a negative and significant effect on firm value with capital structure as an intervening variable, dividend policy has a negative effect and significant to capital structure mediated by firm value, capital structure has no positive and insignificant effect on firm value, capital structure mediates the effect of dividend policy on firm value, capital structure has a positive and significant effect on firm value.

Keywords
operating leverage; dividend policy and capital structure; firm value

I. Introduction

The capital market is a market composed of long-term financial instruments that can be traded, including debt securities (bonds), shares (stocks), mutual funds, derivative instruments and other instruments. The capital market is a way of providing finance to investors through companies and other institutions (eg the government), as well as a way of carrying out investment activities. The capital market thus provides various facilities and infrastructure for business activities and other related activities.

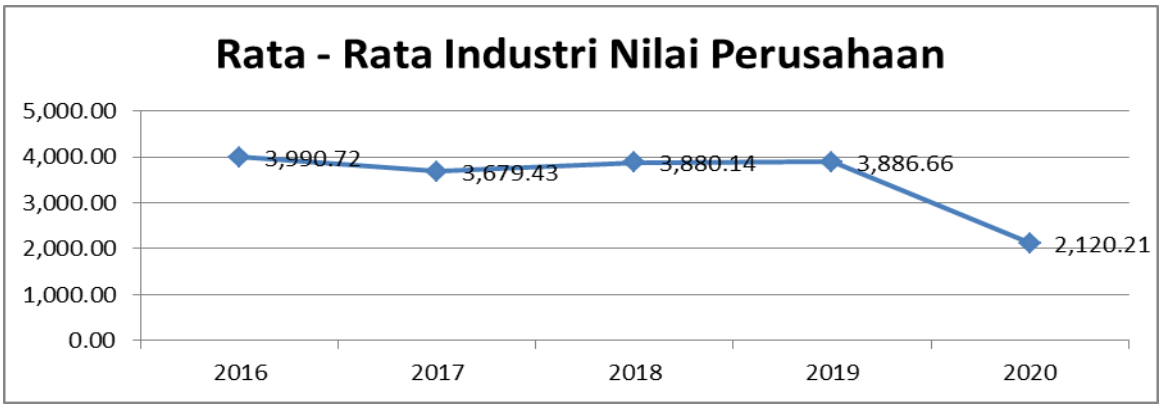
Economic growth is still an important goal in a country's economy, especially for developing countries like Indonesia (Magdalena and Suhatman, 2020). In Indonesia, one sector that is currently experiencing rapid growth is the economic sector. This is directly related to technological advances, such as the industrial revolution that has accelerated things, including companies raising new funds to conduct business and increase business value. As we all know, the company obtains these funds from investors who put them on the capital market.

Investment activities are preferred by companies because: investing can have a huge impact on the acquisition benefits of building a business. according to Masno (2020: 7) Equity Investment is an investment in to finance a company for which a profit is expected

The high purchasing power of people who consume food and drink forces companies to maintain tough competition in order to provide the best possible products and services. It attracts investors because it sees an almost specific opportunity to benefit from

investment funds, such as equity dividends or capital gains. Based on the development of the food and beverage industry, companies and investors with an interest in owning capital must take into account the company's financial situation when making financial decisions, one of which is to pay attention to the working capital structure. Companies need to consider the factors that affect their capital structure in order to make the right capital structure decisions.

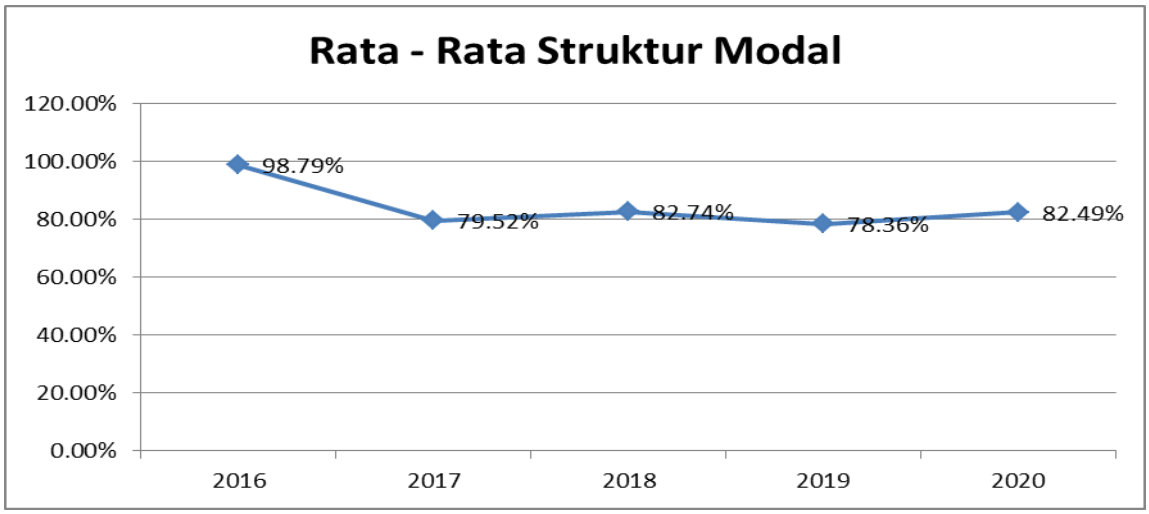
In order to assess the future of the business, it can be seen from the profit made each year. The company's ability to generate profit also reflects the good value of the company. The value of a company can be seen in the price per share on the capital market, whether high or low (Utami, 2015). The following are data on the average value of companies in the food and beverage sector for the years 2016-2020.



Source: preliminary survey of financial data

Figure 1. *Chart of price to book value ratio*

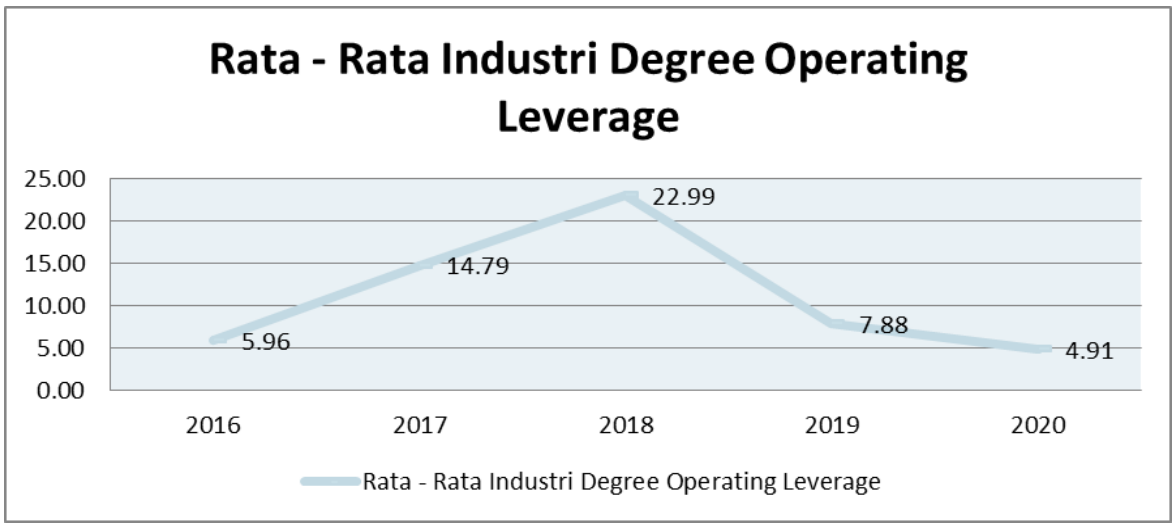
Based on the above chart, it can be seen that the average book value of food and beverage companies listed on the Indonesian stock exchange fluctuated from 2016 to 2020. And in 2019-2020, it fell sharply. In general, the ideal book value is twice the book value. Therefore, it can be explained that the 2016-2020 agribusiness still lacks the ideal average enterprise value because the enterprise value is less than twice the book value.



Source: Financial report before survey

Figure 2. *Average Liabilities to Assets Ratio (DER) chart*

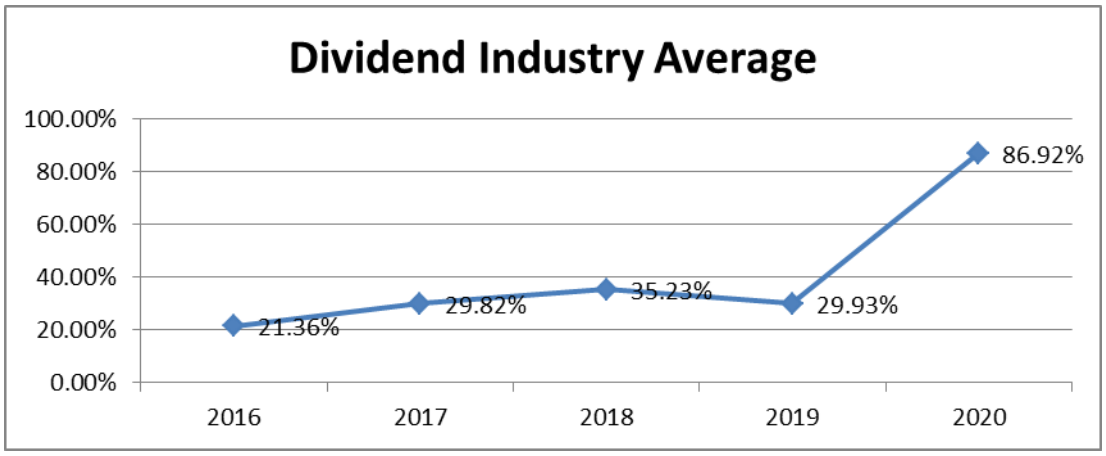
From the table above, it can be seen that the capital structure (leverage ratio) of agri-food companies listed on the Indonesian Stock Exchange fluctuated from 2016 to 2020. It is known that in 2016 it fell from 19 to 98.79%. 27% to 79.52% in 2016 and from 82.74% in 2018 to 3.22% in 2017. The capital structure (ratio of assets to liabilities) decreased from 4.38% to 78.36 in 2019 % and in 2020 from 4.13% to 82.49%. Reports with larger numbers indicate that a company is using its debt more productively to grow its business.



Source: Pre-Survey Financial Reports

Figure 3. *Graph of the average degree of operating leverage*

The table above shows the change in operating leverage from 2016 to 2020. It is known to have increased by 8.83 from 5.96 in 2016 to 14.79 in 2017. In 2018, it increased again from 8.2 to 22,99. However, in 2019 it fell sharply from 15.11 to 7.88, and in 2020 again from 2.97 to 4.91.



Source: Pre-Survey Financial Reports

Figure 4. *Dividend Average Ratio (DPR) Chart*

From the table above, it can be seen that the dividend payout ratio (DPR) has increased relatively steadily from 2016 to 2018, with 8.46% in 2017 to 29.82% and again in 2018 with 5.41% to 35.23%. Is but in 2019 it decreased by 5.3 percent to 29.93 percent and in 2020 it increased significantly from 56.99 percent to 86.92 percent.

II. Review of Literature

2.1 Management

According to G.R. Terry (2010;16) explained that Management is a typical process consisting of action-planning, organizing, mobilization, and control to determine and achieve goals through the utilization of human resources and other resources. Can be interpreted management It is the process of planning, organizing, controlling, and supervision to achieve the goals that have been set effective and efficient.

2.2 Financial Management

Financial management describes some of the decisions that Investment decisions, financing decisions or Decisions to meet financing needs, and dividend policy decisions (Mustafa, 2017). As described above, financial management Performs management functions related to activities Financing and financing companies to achieve common goals.

2.3 Signaling Theory

Signal theory is information published in the form of advertisements that will be a signal for investors to make investment decisions. If an advertisement has real value, it is expected that the market will respond and be welcomed by the market. Disclosure of accounting information, including timely submission of financial reports, provides a signal (good news) that the company has good prospects so that investors can be interested in trading their shares (Andriana and Raspati, 2015). According to (Nurmiati, 2016), signaling theory is a signal that provides information asymmetry to the company in managing the parties involved in information acquisition.

2.4 Operating Leverage

Operating leverage can be defined as the emergence of a fixed cost in a company's operations that is associated with the use of fixed assets. Operating leverage occurs when a company uses fixed assets in its operations. To measure the sensitivity of operating leverage, DOL (degree of operating leverage) is used. DOL is a function of a company's cost structure and is usually defined as the relationship between fixed costs and total costs. Through DOL, management can find out how much EBIT changes are caused by sales changes.

2.5 Dividend Policy

Dividend policy in accordance with the work of Sudana (2011: 167) suggest that: dividends are one of the company's purchasing decisions, in particular with regard to the internal expense of the institution. In fact, the size of the shared profits influenced the size of non-distributed profits.

Dividend payment ratio, There is another way to measure dividend payouts: with the payout ratio of dividends, ie division shares is the total amount of all transactions with 020 000 functions that can be systematically formed as follows:

$$DPR = \frac{Dividen\ tunai\ per\ lembar\ saham}{Laba\ bersih\ per\ lembar\ saham}\ x\ 100\%$$

The dividend payout ratio usually follows the company's life cycle. Dividend distribution will decrease, although it does not exist if the company is in a long growth cycle and the size of the adult cycle is slowly increasing.

2.6 Company Value

The value of a company is equal to the value of the shares (ie the number of shares multiplied by the market value per share) and the market value of the debt. However, if the amount of debt is always made, then any increase in the number of shares will automatically increase the amount of the company. In this case, an increase in the value of the company is equivalent to an increase in the share price (Pranaya, 2016).

Price at book value (PBV), It is the comparison between the share price and the book value of the company. Well-managed companies should have a PBV of at least 1 book value or more (overvalued) and if the number of PBVs is less than 1, it can be determined that the share price is below the (undervalued) book value (Sugiono & Untung, 2016). To calculate the PBV, you can use the formula:

$$Price\ to\ Book\ Value = \frac{Harga\ Saham}{Nilai\ Buku\ Saham}$$

2.7 Capital Structure

A capital structure is a long-term source of funds to be incorporated into a company for a period of one year or more (Arifin, 2018). Capital structure relates to a company's long-term costs and is measured by comparing long-term debt to equity (Sudana, 2011).

2.8 C-heart Frame

A state of mind or flow of thought is a temporary explanation of the symptoms that are the subject of the problem in question. The framework is a conceptual model of how theory relates to many factors identified as important issues (Sugiyono, 2017). Based on previous theory and research, the relationships between variables in a research model can be systematically explained as follows:

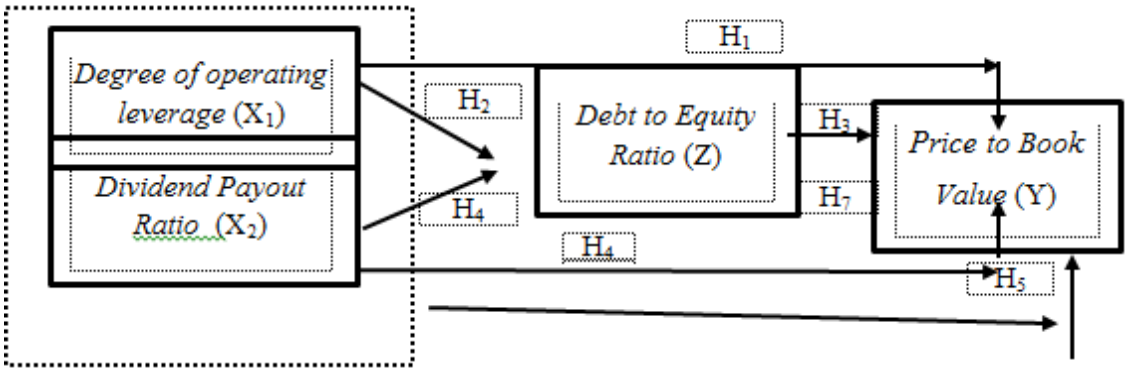


Figure 5. *Research Paradigm*

III. Research Method

This study is a causal effect research, which is a study designed to test the influence of a variable on a variable. The variables used in this study consisted of independent variables (X1), dependent variables (Y) and intervening variables (Z). Independent variable (X) consists of two variables, namely free cash flow (X1) and investment opportunity set (X2). While the dependent variable (Y) consists of one variable, namely dividend policy and intervening variable also consists of one variable, namely debt policy (Z).

Sample determination using purposive sampling techniques with the criteria of the company publishing annual reports from 2016 to 2020. The research sample used was 10 non-financial companies listed on the Jakarta Stock Exchange. Analysis methods used in the form of panel data regression analysis and path analysis (path analysis) This study will use the following regression model:

Panel Data Regression Analysis

First Model

$NI=\beta0+ \beta1CLR + \beta2IN + \beta3KM + \beta4LO + \beta5DEV + \beta6LK+ \varepsilon1$

Second Model

$DEV= \beta0+ \beta7CLR + \beta8IN + \beta9KM + \beta10LO+ \varepsilon2$

Third Model

$LK= \beta0+ \beta11CLR + \beta12IN+ \beta13KM+ \beta14LO+ \varepsilon3$

Fourth Model

$NI= \beta0+ \beta15DEV + \beta16LK+ \varepsilon4$

Model Path Analysis 1 s.d. 3 uses model 1 to 3 in the regression analysis of the above panel data.

Fourth Model

$NI= \beta0+ \beta15DEV + \varepsilon4$

Fifth Model

$NI= \beta0+ \beta16LK+ \varepsilon5$

IV. Results and Discussion

4.1 Results

a. Descriptive Statistics

The results of descriptive statistical calculations can be seen in table 1 below:

Table 1. Descriptive Analysis

	DOL (X1)	DPR (X2)	PBV (Y)	DER (Z)
Mean	11.28084	0.406497	3511.432	0.843811
Median	2.471543	0.219850	6.859092	0.794086
Maximum	203.2953	3.492647	30168.22	1.965740
Minimum	0.162007	0.000000	0.579709	0.163544
Std. Dev.	31.24372	0.579446	7886.214	0.519029
Skewness	4.992849	3.372473	2.665988	0.509967
Kurtosis	30.08093	17.46532	8.731768	2.357196
Jarque-Bera	1735.606	530.7076	127.6732	3.028044
Probability	0.000000	0.000000	0.000000	0.220023
Sum	564.0422	20.32483	175571.6	42.19055
Sum Sq. Dev.	47832.32	16.45214	3.05E+09	13.20018
Observations	50	50	50	50

Source: Eviews 9.0 Data Panel Regression Output

b. Data Analysis Requirements Testing

Based on paired testing of the three panel data regression models that the chow test and the hausman test test with variable y showed the results of the best panel data regression estimation is fixed effect. For panel data regression testing with variable z, that chow test shows the results of the best panel data regression estimation is fixed effect,

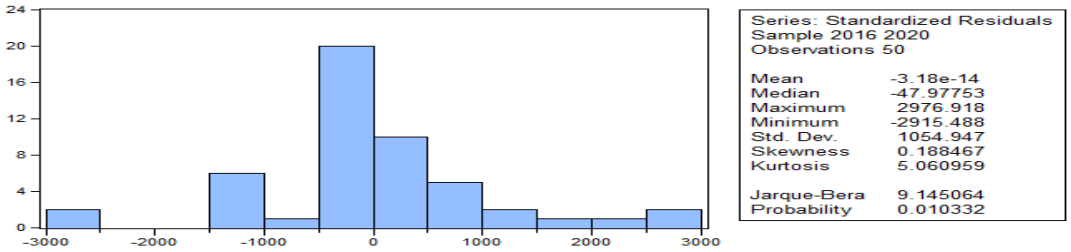
while the hausman test and lagrange multiplier test show the best estimated result is random effect. In this study, researchers concluded that the fixed effect method is the best estimation method compared to other methods, because the chow test and hausman test showed the same results stating that the fixed effect method is the best model estimate that will be used further in estimating the influence of operating leverage and dividend policy on the value of companies with capital structure as intervening variables in food consumer goods industry companies and The drinks sampled in the study during the 2016-2020 period.

c. Classic Assumption Test Results

After determining the regression model of the data panel to be used, the next step is to test and fulfill the assumptions needed for testing a panel data. This test uses a panel data regression model, then the problems that may occur in this model cannot be separated from 4 violations of assumptions, namely normality, autocorrelation, multicollinearity and heterochemicity.

d. Normality Test

The normality test aims to test whether in a regression model, dependent variables, independent variables, or both have normal distributions or not. A good model is one that has a residual value that is distributed normally. The decision-making criteria is normal distribution data if the probability value of jarque-bera is greater than 0.05 then it can be concluded that the residual is distributed normally and vice versa. A good regression model is the distribution of normal or non-close data to see the normality of the data used testing. The normality results in this study were:

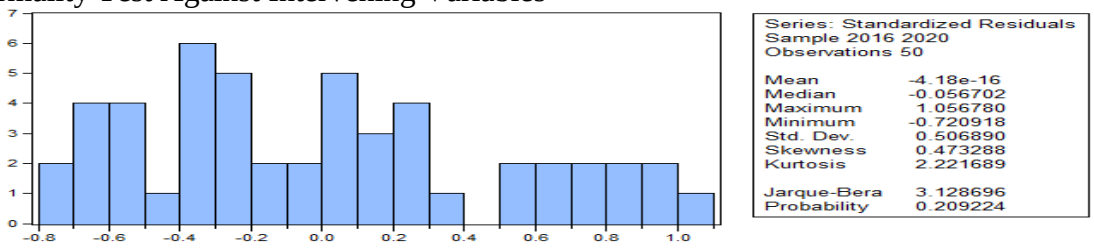


Sumber: Output Regresi Panel Data Eviews 9.0

Figure 6. *Normality results*

The normality test based on the Jarque-Bera probability value (JB) can be declared normal if the probability value > 0.05. From the results of the data processing obtained the probability value is 0.010332 > 0.05 then it can be concluded that the data from the model is distributed abnormally.

Normality Test Against Intervening Variables



Source: Output Regresi Panel Data Eviews 9.0

Figure 7. *Normality Test*

The normality test based on the Jarque-Bera probability value (JB) can be declared normal if the probability value > 0.05. From the results of processing the data obtained the probability value is 0.2092 > 0.05 then it can be concluded that the data from the model is distributed normally.

e. Multicolinearity Test

Table 2. Multicollinearity Test Results

	DOL (X1)	DPR (X2)
DOL (X1)	1.000000	-0.099654
DPR (X2)	-0.099654	1.000000

Source: data processed

From the output results showed that no independent variable has a correlation coefficient above 0.80 so it can be concluded that the data is free from multicolliniearity problems (correlation matrix < 0.80).

Multicollinearity Test against Intervening Variables

Table 3. Multicollinearity Test Results

	DOL (X1)	DPR (X2)	PBV (Y)
DOL (X1)	1.000000	-0.099654	-0.101527
DPR (X2)	-0.099654	1.000000	0.287410
PBV (Y)	-0.101527	0.287410	1.000000

Source: data processed

From the results of the Eviews output in table 3 above shows that there are no independent variables that have a correlation coefficient above 0.80 so it can be concluded that the data is free from multicolliniearity problems (correlation matrix < 0.80).

f. Autocorrelation Test

The autocorrelation test aims to test whether in the research model there is a correlation problem between the faults of the nagging in the t and t-1 periods. To detect the presence or absence of autocorrelation in the model can be used Durbin Watson test (Ali, 2016).

Table 4. Durbin Watson Table (DW)

Scala	**Description**
Less than 1.10	There is Autocorrelation
1.10 S/D 1.54	Without Conclusion
1.55 S/D 2.46	No Autocorrelation

2.47 S/D 2.90	Without Conclusion
More than 2.91	There is Autocorrelation

Source: Wing (2009)

Autocorrelation Test Against Dependent Variables

Table 5. Autocorrelation Test Results

R-squared	0.982105	Mean dependent var	3511.432
Adjusted R-squared	0.976925	S.D. dependent var	7886.214
S.E. of regression	1197.945	Akaike info criterion	17.22017
Sum squared resid	54532731	Schwarz criterion	17.67905
Log likelihood	-418.5041	Hannan-Quinn criter.	17.39491
F-statistic	189.5942	Durbin-Watson stat	1.273888
Prob(F-statistic)	0.000000		

Source: Data output processed

Autocorrelation Test Against Intervenig Variables

Table 6. Autocorrelation Test Results

R-squared	0.819618	Mean dependent var	0.843811
Adjusted R-squared	0.761116	S.D. dependent var	0.519029
S.E. of regression	0.253680	Akaike info criterion	0.313407
Sum squared resid	2.381077	Schwarz criterion	0.810533
Log likelihood	5.164831	Hannan-Quinn criter.	0.502715
F-statistic	14.01001	Durbin-Watson stat	1.538485
Prob(F-statistic)	0.000000		

Source: Data output processed

From the results of the Eviews output in table 6 above shows that there is a durbin-watson value produced between 1.10 to 1.54, it can be concluded that without conclusion.

g. Heteroskedastity Test

Heterochemicity test aims to test whether in regression models there is a inequality of variance from residual one observation to another. If thevariance from residual one observation to another remains, then it is called homochemicity and if it is different it is called heterochemicity. A good regression model is that of homochemicity or non-occurring heterokedastity (Ghozali, 2013: 139). Heteroskedasticity tests can be performed using the white test. This test can be known from the probability of F-statistics greater than

0.05, so it can be said that there is no heteroskedasticity (Ali, 2016). Here are the results of heteroskedasticity tests on research data, as follows:

Table 7. Heteroskedastity Test Results

Heteroskedasticity Test: White

F-statistic	0.237173	Prob. F(5,44)	0.9440
Obs*R-squared	1.312208	Prob. Chi-Square(5)	0.9337
Scaled explained SS	5.169471	Prob. Chi-Square(5)	0.3956

Test Equation:
Dependent Variable: RESID^2
Method: Least Squares
Date: 02/14/22 Time: 22:46
Sample: 1 50
Included observations: 50

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	42667569	46118913	0.925164	0.3599
DOL (X1)^2	4589.626	17558.07	0.261397	0.7950
DOL (X1)*DPR (X2)	-425283.2	4501610.	-0.094474	0.9252
DOL (X1)	-1136077.	3521634.	-0.322599	0.7485
DPR (X2)^2	-28873734	36282615	-0.795801	0.4304
DPR (X2)	89128789	1.21E+08	0.738748	0.4640

R-squared	0.026244	Mean dependent var	55586892
Adjusted R-squared	-0.084410	S.D. dependent var	1.68E+08
S.E. of regression	1.75E+08	Akaike info criterion	40.90616
Sum squared resid	1.34E+18	Schwarz criterion	41.13560
Log likelihood	-1016.654	Hannan-Quinn criter.	40.99353
F-statistic	0.237173	Durbin-Watson stat	0.839423
Prob(F-statistic)	0.943967		

Source: Data output processed

From the results of the Eviews output in table 7 above shows that the white test results show a greater F-statistic value than Alpha (0.05) which is 0.237173 > 0.05 so that it can be concluded that there is no heteroskedasticity problem in this data.

Table 8. Heteroskedastity Test Results

Heteroskedasticity Test: White

F-statistic	1.224789	Prob. F(5,44)	0.3136
Obs*R-squared	6.108801	Prob. Chi-Square(5)	0.2958
Scaled explained SS	3.291893	Prob. Chi-Square(5)	0.6551

Test Equation:

Dependent Variable: RESID^2

Method: Least Squares

Date: 02/15/22 Time: 22:25

Sample: 1 50

Included observations: 50

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.338233	0.072768	4.648064	0.0000
DOL (X1)^2	-7.15E-06	2.77E-05	-0.258144	0.7975
DOL (X1)* DPR (X2)	0.001378	0.007103	0.194039	0.8470
DOL (X1)	-0.000281	0.005557	-0.050545	0.9599
DPR (X2)^2	0.123510	0.057248	2.157447	0.0365
DPR (X2)	-0.350502	0.190365	-1.841215	0.0723

R-squared	0.122176	Mean dependent var	0.249767
Adjusted R-squared	0.022423	S.D. dependent var	0.278647
S.E. of regression	0.275505	Akaike info criterion	0.371743
Sum squared resid	3.339728	Schwarz criterion	0.601186
Log likelihood	-3.293586	Hannan-Quinn criter.	0.459117
F-statistic	1.224789	Durbin-Watson stat	0.853709
Prob(F-statistic)	0.313641		

Source: Data output processed

From the results of the Eviews output in table 8 above shows that the white test results show a greater F-statistic value than Alpha (0.05) which is 1.224789 > 0.05 so that it can be concluded that there is no heteroskedasticity problem in this data.

h. Path Analysis Results

Path analysis is a test used to analyze relationship patterns between variables. Path analysis is the use of regression analysis to estimate the relationship ofuality between variables (causal models) that are predefined based on theory. Path analysis is performed to determine the pattern of relationships between three or more variables and cannot be used

to confirm or reject the hypotension of imaginary casuality. (Ghozali, 2013).

Path analysis is an analytical technique used to study the causal relationship between free variables and non-free variables. In this study, the relationship between free variables (operating leverage and dividend policies) and bound variables (company values) through intervening variables (capital structure).

Here is the summary of the path coefficients in this research data using Eviews 9.0 displayed in table 9 as follows:

Table 9. Path Coefficient Summary Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DOL (X1) – PBV (Y)	-3.320339	5.973819	-0.555815	0.5816
DPR (X2) – PBV (Y)	-3621.091	383.9627	-9.430840	0.0000
DOL (X1) – DER (Z)	-0.000500	0.001270	-0.393966	0.6959
DPR (X2) –DER (Z)	-0.133850	0.148610	-0.900682	0.3736
PBV (Y) – DER (Z)	3.41E-06	3.44E-05	0.099316	0.9214

The magnitude of e1 which is the influence of other variables on the capital structure can be calculated by e1 = √(1-0.080) = 0.959. the magnitude of the value of e2 which is the influence of other variables on the value of the company is calculated by e2 = √(1-0.302) = 0.835. Based on the summary table of path coefficients and calculations of e1 and e2 above, structural equations are obtained as follows:

a. DER = -3,321DOL + -3621.1DPR + 0.959
b. PBV = -0.00050DOL + -0.134DPR + 3.412DER + 0.835

Here is the results of the path diagram of structural equations in the research data as follows:

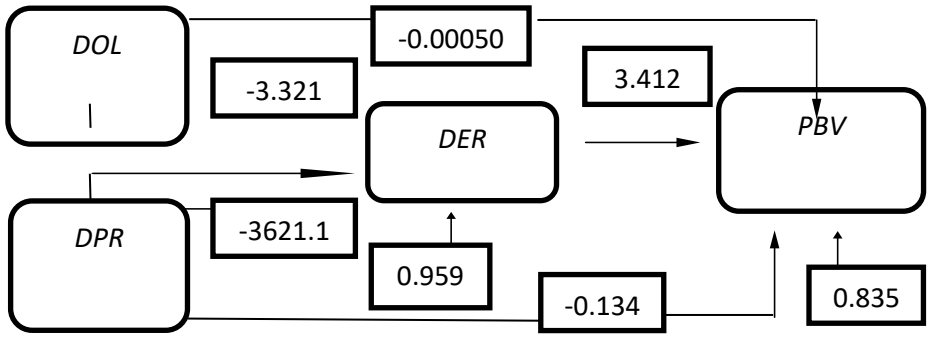


Figure 8. *Path Analysis*

From figure 8 summary of the above path coefficient can be seen that the coefficient of direct operating leverage (DOL) to the value of the company (PBV) of -0.00050 while the indirect influence of operating leverage (DOL) on the value of the company (PBV) with capital structure (DER) as an intervening variable can be calculated by multiplying the indirect coefficient which is -3.321 x 0.085 = -0.282 in other words the coefficient of

indirect relations is much greater than the direct relationship (-0.282). >-0.00050), so that the capital structure (DER) mediates the influence of operating leverage (DOL) on the value of the company (PBV) thus the conclusion that hypothesis 6 is accepted.

The dividend policy (DPR) on the value of the company (PBV) has a direct coefficient of -0.134 while the influence of the dividend policy (DPR) on the value of the company (PBV) with the capital structure (DER) as an Intervening variable can be calculated by multiplying its indirect coefficient of -3621.1x 0.085 = -307.8 in other words the coefficient of indirect relations is much greater than the direct relationship (-307.8 > -0.134), so that the capital structure (DER) mediates the influence of dividend policy(DER) (DPR) against the value of the company (PBV) thus the conclusion that hypothesis 7 is rejected.

i. Results of Mediation Influence Detection Test Analysis

In this study there are intervening variables projected by capital structure (DER). The sobel test is carried out by testing the strength of indirect influence of operating leverage (DOL) and dividend policy (DPR) on the value of the company (PBV) with capital structure (DER) as intervening variables. Calculated by multiplying the path:

1. DOL DER = -3.321 (a)
2. DPR PBV = 3,412(b)
3. DOL DER = -3621.1 (c)
4. DPR PBV = 3,412 (d=b)

So the coefficient ab = cd = (c-c'), where c is the influence of operating leverage (DOL) and dividend policy (DPR) on the value of the company (PBV) without going through the capital structure (DER), while c' is the coefficient of leveraged influence (DOL) and dividend policy (DPR) on the value of the company (PBV) with the capital structure (DER) as intervening variables. Error standards a and b are written with sa and sb, error standards c and d are written with sc and sd. And the standard magnitude of indirect effect error ab is sab, cd is scd calculated by the formula:

a) Calculation of path 1

$$Sab = \sqrt{b^2sa^2 + a^2sb^2 + sa^2sb^2}$$
$$= \sqrt{(3.412)^2(5.973)^2 + (-3.321)^2(3.449)^2 + (5.973)^2(3.449)^2}$$
$$= \sqrt{(11.642)\ (35.677)\ + (11.030)\ (11.896)\ + (35.677)\ (11.896)}$$
$$= \sqrt{(47.319)\ + (22.926)\ + (47.573)}$$
$$= 10.854$$

b) Calculation of path 2

$$Scd = \sqrt{d^2sc^2 + c^2sd^2 + sc^2sd^2}$$
$$= \sqrt{(3.412)^2(0.0013)^2 + (-3621.1)^2(3.449)^2 + (0.0013)^2(3.449)^2}$$
$$= \sqrt{(11.642)\ (1.697)\ + (13112.365)\ (11.896)\ + (1.697)\ (11.896)}$$
$$= \sqrt{(19.757)\ + (155984.6)\ + (20.188)}$$
$$= 394.99$$

To test the significance of indirect influences, then we need to calculate the t value of the coefficient ab and cd with the following formula:

1) Lane 1

$$t = \frac{ab}{sab}$$

$$t = \frac{(-3.321)x\,(3.412)}{10.854}$$

= -1.0439

2) Lane 2

$$t = \frac{cd}{scd}$$

$$t = \frac{(-3621.1)x\,(3.412)}{394.99}$$

= -31.279

Based on the calculation of statistical t values for path analysis can be interpreted as follows:

a) For line 1 the calculated value of -1.0439 < from t table with a significant level at 0.05 which is 1.67866, then Ho is accepted and H6 is rejected which means it can be concluded that the capital structure does not mediate the influence of operating leverage against the value of the company.
b) For line 2 the value of t calculates -31.279< of the t table with a significant level at 0.05 which is 1.67866, then Ho is accepted and H7 is rejected which means it can be concluded that the capital structure does not mediate the influence of dividend policy on the value of the company

4.2 Discussion

This research aims to reveal the influence of operating leverage and dividend policy on the value of companies with capital structures as intervening variables with hypotheses that have been established after hypothesis tests, then the explanation of each variable will be outlined as follows:

a. Operating leverage has a negative and insignificant influence on the value of the company. Laverage is a funding policy related to the company's decision to finance the company. Companies that use debt have obligations for interest expense and cost of goods on loans. The use of debt (external financing) has a considerable resio for unpaid debt, so the use of debt needs to pay attention to the company's ability to generate profits (Prasetyorini, 2013). Hermuningsih (2013) states that leverage has a significant effect on the value of the company.
b. Dividend policy has a positive and insignificant influence on the value of the company. This means that investors in buying shares of public companies, variable dividend policies are not a significant consideration. The existence of positive and insignificant influences can be made possible with the payment of dividends for four consecutive years is not able to create strong positive sentiment of investors. So that the value of the company increases relatively small. The findings of this study support the research of Ayuningtyas & Kurnia (2013) which found evidence that dividend policies have a positive and insignificant effect on the value of companies.
c. Operating leverage has a negative and significant influence on the Value of the Company with the capital structure as an intervening variable. The small liquidity of the company means that the company does not have enough funds to finance the company's operations and must increase debt. This means increasing the interest expense of the

loan, and reducing the expenditure of profits to pay the interest expense. The small level of profit is a sign that the company is in a less well-established state that will have an impact on the high value of the company.

d. Dividend policy has a negative and significant influence on the capital structure mediated with Company Value. Dividend policy negatively affects the capital structure. The use of dividends in funding sequences can be done to overcome the problem of excess internal cash flow (free cash flow) in profitable and low-growth companies. Thus the company is still able to pay high dividends and finance existing investment opportunities without having to seek additional external funds from debt financing.
e. While the capital structure negatively affects the value of the company. The results of this test support the pecking order theory where dividends can substitute debt in reducing the company's risk. A decrease in debt will minimize the company's risk thus increasing the value of the company. This shows that the dividend policy coloring the company's capital structure that will be responded to by investors. The investor's response is realized by the company's stock price in the capital market which reflects the value of the company. The results of this study are in accordance with amirya & atmini research (2007), that dividend policy affects the value of the company through capital structure.
f. The capital structure has no positive and insignificant influence on the Value of the Company. The direction of the capital structure is negative to the value of the company, meaning that at low debt levels the value of the company will increase. Conversely, at high debt levels the value of the company will decrease. This is because the position of the capital structure of the manufacturing company during the observation period is above its optimal point, then any addition of debt will lower the value of the company. The higher the debt, the higher the interest cost will increase beyond tax savings. So that additional debt will result in greater bankruptcy costs compared to tax savings from the interest burden of corporate debt. As a result, when the capital structure increases, it will decrease the value of the company, otherwise the decline in the capital structure will increase the value of the company. The results of this study are in accordance with research Sujoko & Soebiantoro (2007) and Amirya & Atmini (2007) concluded that capital structure has a negative and significant effect on the value of the company.

V. Conclusion

1. The Effect of Operating Leverage on the Value of the Company
   Alternative hypothesis 1 (H1) states that operating leverage has a positive and significant effect on the value of the company. Regression test results show that operating leverage has a calculated t value of -0.555815< t table 1.67866 with a probability value of 0.5816> 0.05. This shows that Ho is supported so hypothesis 1 is rejected. The results of this study showed that operating leverage has no positive and insignificant effect on the value of the company.
2. The Effect of Operating Leverage on Capital Structure
   Alternative hypothesis 2 (H2) states that operating leverage has a negative and significant effect on capital structure. Regression test results show that operating leverage has a calculated value of -0.393966< t table 1.67866 with a probability value of 0.6959> 0.05. This shows that Ho is supported so that hypothesis 2 is rejected. The results of this study showed that operating leverage has no effect on capital structure.

3. The Effect of Operating Leverage on Company Value
   Alternative hypothesis 3 (H3) states that the capital structure mediates the influence of operating leverage on the value of the company. Sobel test results showed that the t count value of -1.0439 < from t table with a significant level at 0.05 which is 1.668. This indicates that Ho was accepted so hypothesis 3 was rejected. The results of this study show that the capital structure does not mediate the influence of operating leverage on the value of the company.
4. Effect of Dividend Policy On Company Value
   Alternative hypothesis 4 (H4) states that dividend policy has a positive and significant effect on the value of the company. Regression test results show that the dividend policy has a calculated value of -9.430840< t table 1.67866 with a probability value of 0.0000< 0.05. This shows that Ho is supported so hypothesis 4 is rejected. The results of this study showed that the dividend policy did not have a positive and insignificant effect on the value of the company.
5. Effect of Dividend Policy On Capital Structure
   Alternative hypothesis 5 (H5) states that dividend policy has a negative and significant effect on capital structure. Regression test results show that the dividend policy has a calculated value of -0.900682< t table 1. 67866 with a probability value of 0.3736> 0.05. This shows that Ho is supported so that hypothesis 5 is rejected. The results of this study showed that the dividend policy has no effect on the capital structure.
6. *Capital* Structure *Mediates The Influence of Dividend Policy On The Value of the Company*
   Alternative hypothesis 6 (H6) states that the capital structure mediates the influence of dividend policy on the value of the company. The results of the Sobel test showed that the t count value of -31,279< from t table with a significant level at 0.05 which is 1,668. This indicates that Ho was accepted so hypothesis 6 was rejected. The results of this study showed that the capital structure does not mediate the influence of dividend policy on the value of the company.
7. Capital Structure Mediates The Influence of Dividend Policy On The Value of the Company
   Alternative hypothesis 6 (H6) states that the capital structure mediates the influence of dividend policy on the value of the company. The test results showed that the calculated t value of -31,279< from the table t with a significant level at 0.05 which is 1,668. This indicates that Ho was accepted so hypothesis 6 was rejected. The results of this study showed that the capital structure does not mediate the influence of dividend policy on the value of the company.

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