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The Influence of the Structure of Ownership and Dividend Policy of the Company (The Quality of the Earnings and Debt Policies are Intervening Variable): Empirical Study on Manufacturing Companies Listed on the Indonesia Stock Exchange

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Abstract:- This research aims to know the influence of ownership structure (1) and (2) dividend policy the company's profits to quality, (3) the structure of ownership and (4) the dividend policy of the company, (5) ownership structures and policies (6) dividend policy against debt and debt policy (7) and (8) the quality of the earnings of the company. Sample research as many as 14 companies in the Indonesia stock exchange. The company's research term for eight years of observations for the period (2010-2017).Sampling with purposif. Research data are the financial statements as of 31 December 2010-2017. Methods of analysis used is the method of path analysis.

The research results obtained that (1) the structure of ownership and (2) dividend policy the positive and significant effect of the quality of the profit of the company, (3) the structure of ownership and (4) dividend policy the positive and significant effect of the company, ownership structures (5) and (6) dividend policy the positive and significant effect against the policy of debt, debt policy (7) does not affect the value of the company and (8) the quality of the earnings is positive and significant effect against the value of the company.

***Keywords**:- Ownership Structure, dividends, earnings quality, company values, debt policy.*

I. INTRODUCTION

Financial statements become the main tool for the company to deliver financial information regarding accountability management (Schipper and Vincent, 2003). The submission of information through the financial statements need to be done to meet the needs of those external parties less internal have the authority to obtain the information they need directly from the source company. As stated in the conceptual framework of Financial Accounting Standards Board (FASB) that the objective of financial statements is to provide useful information for business decisions. The financial report is one of the sources of information that are formally published as a mandatory liability management resource management against the owner. The financial statements are prepared based on Financial accounting standards (SAK) consists of a balance sheet, income statement, cash flow statement, the report changes in equity and notes to financial statements. This report was acknowledged by investors, creditors, suppliers, labor organizations, stock exchanges and financial analysts as a source of important information about the existence of the economic resources of the company are expected to be useful for decision making, and This information is also expected to be a guideline for shareholders and potential investors to determine their investment interests against stock issuers.

The verses of the qur'an are associated with financial report (transaction) is Q.S. Al-Baqarah: 282 "" o believers, if you bermu'amalah not in cash for the specified time, you should write it down. And let an author among you write it correctly. And let not the author of the reluctant to write it as Allah has taught him, then let him write, and let the person who owes it dictate (what will be written), and let him cautious to God, his God, and he shall not reducing its debt from in the slightest. And based on the hadeeth of Ibn Maajah-2356, "Has told us Ubaidullah bin Yusuf Al Jubairi and JamilIbn Al Hasan Al Atiki both said; has told us Mohammed bin Marwan Al Ijli said, have told us Abdul Malik bin An Nadlrah from his father from Abu Sa'id Al Khudri he said when he read this verse: ' O people of faith, when you guys owe accounts receivable for a certain time, let you guys write it. "

The use of the financial statements as an aspect of performance assessment is based on the accounting information, which reflects the value of the acquired company's resources from its business and also sacrificed by the managers to run the business activity the company. The company's performance is manifested in a variety of activities to achieve the objectives of the company because any such activities require resources, then the company's performance would be reflected in the use of resources to achieve the goals of the company. The importance of financial reports as information in assessing the company's performance, requires financial statements shall reflect the company's actual circumstances at a certain period of time, so the decision making with regard to the company will become a right, thus shareholders can make financial reports as useful information in decision making.

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Spider is one of the main information presented in the financial statements, so that the figures in the financial statements, being a crucial thing to be noteworthy by users of financial statements. This is because the figures in the financial statements is a function of the accounting policies and methods chosen by the company. The spider is an indicator that can be used to measure the performance of the company's operations that can affect the value of the company. Information on profit measure business success or failure in achieving the objectives of operation specified. Both lenders and investors, using profit to evaluate the performance of management, estimates the earnings power, and to predict profit in the foreseeable future.

Managers as managers of the company more knowing internal information and prospects of the company in the future than the owners (shareholders). Information mastery imbalance will trigger the emergence of a condition called as the asymmetry of information. Asymmetry between management (agent) and the owner (principal) may give a chance to the Manager to do the management profit (Richardson, 1998). Accounting profit gave rise to the issue of the quality of earnings, as profit from the potential accrual accounting process into objects with earnings (earning management). Quality profit refers to how quickly and appropriately reported profit reveals the real profit. The higher the quality of the earnings, then the quick and precise profit reported delivered a present value of the expected dividends (Jang, 2007). The quality of the earnings is inherent properties (attached) on the concept of accrual based accounting that gives entrance to the management in the selection of accounting method available. Qualified earnings are expected to be used to predict the flow of revenues and the company's prospects in the foreseeable future, and the quality of earnings is good is also expected to increase the value of the company.

Management can do with profit for the purpose of opportunistic (opportunistic) or for the purpose of efficient contracting. Management in the perspective of accounting policy choosing opportunistic to optimistic his interests. Whereas in perspective, efficientcontracting management will choose accounting policies can optimize the value of the company (Triyono, 2007).

The value of the company a company can be known through the company's share price (Hasnawati, 2005). The

measurement of how well the company values shown through stock price can be measured by using a Price Book Value (PBV). Price book value is the ratio between the price of a stock with a book value of the company. The company can be said to have a value of good company if it has a value of more than one PBV (Hasnawati, 2005). The magnitude of the value of the PBV influenced the policies adopted by the company. One of the policies that affect the price book value is debt policies. Debt policy is a policy of funding sourced from external parties companies (Hasnawati, 2005). The use of debt as financing activities the company can give you an advantage that comes from tax deductions because of the interest that is paid due wages will reduce the taxable income. In addition, the use of debt was able to attract shareholders to conduct stricter controls than the company obtain funding through the issuance of new shares (Rahmawati, 2010). In addition to the advantages derived from the use of debt and there are risks in the use of debt as a source of funding, among other things, there is a risk of default contained therein and the burden borne by companies will grow with the interest charges. Tax advantages obtained is smaller compared to the interest expenses payable (Rahmawati, 2010). Use of excessive debt can bring closer the company in bankruptcy. Based on the theory of Exchange (trade off theory) the greater the proportion of the use of debt then will be even greater odds of bankruptcy that will accrue to the company. Therefore the use of debt should be managed properly by managers (Rahmawati, 2010). Development of corporate values can be seen from the performance of the composite stock price index (IHSG) 8 years can be seen in table 1.

From table 1 it looks that in the long term, the performance of the JCI is still satisfactory, from the period of 35 years or 20 years, its annual long-term performance always beat inflation long-term Indonesia. But in the short term, the performance of the stock market fluektuatif, this result can be proved when there was a downturn at the beginning of the year, the 10th annual JCI performance still depressed, i.e. between 8.75% versus 11.32%.

Years	JCI Year-end	Annual Earnings	Accumulated Earnings
2010	3.703,51	46,13%	34,88%
2011	3.821,99	3,20%	39,19%
2012	4.316,69	12,94%	57,21%
2013	4.274,18	-0.98%	55,66%
2014	5.226,95	22,29%	90,36%
2015	4.593,01	-12,13%	67,27%
2016	5.296,71	15,32%	92,90%
2017	6.355,65	19,99%	131,47%

Table 1:- Performance of the composite stock price index (ISG) last 8 years
(Annualized performance JCI: 8.75%, Source: IDX processed by Snowball, 2018)

Companies have been going public debt policy has an important role in it as the solution of the conflict, namely the Agency. Agency conflict is a conflict between the managerial company shareholder with parties that are caused due to a divergence of interests, one of which is caused by free cash flow (free cash flow) (Jensen and Meckling, 1976). Debt policy was able to be made for the solution of the conflict because of debt policy agents are able to offset the agency cost incurred from agency conflicts. Free cash flow (free cash flow) is the net profit of the company's operations, after having taken into account the investment of working capital and fixed assets during the period. Free cash flow is the rights of shareholders so that investors will demand the Division of free cash flow in the company while the managers argued for using free cash flow through a that can benefit them (Jensen and Meckling, 1976). Shareholder pressure to be able to earn free cash, requires managers to be able to obtain funding sources from third parties namely the holders. With the existence of the debt, the Manager will be motivated to work more efficiently in order to improve the efficiency of the company to avoid a bankruptcy so that the debts have a role as monitoring the actions of managers (Jensen and Meckling, 1976).

In addition to the problem of agency dividend policy has an important role in explaining the value of the company. Dividend payment will be monitoring tool at the same time bonding (bond) for management (Copeland and Weston, 1992). Nevertheless not stalled on the issue of ownership structure and dividend policy, funding policy has also become an important variable that describes the value of the company. Optimal funding policy will increase the company's value through a decrease in taxes and decrease in cost of equity. The use of debt will lower the tax burden of a number of flowers, on the other hand the use of debt also lowers the cost of capital stock. However, the use of excessive debt will increase the risk of default due to the high interest charges and principal debt which must be paid by the company.

Agency relationship arises when one or more people (principal) employs another person (agent) to provide a service and then delegate authority to the agent decision making (Jensen and Meckling, 1976). Managers as managers of the company more knowing internal information and prospects of the company in the future than the owners (shareholders). Therefore, as a Manager, the manager shall be obliged to provide a signal about the condition of the company to the owner. However, the information conveyed is sometimes received does not correspond to the actual conditions of the company. Agency conflict resulting in the presence of nature of opportunistic management will result in poor quality earnings. Poor quality of earnings will be able to make these decision making to the wearer as investors and creditors, so the value of the company will be reduced (Siallagan and Machfoedz, 2006).

According to the Committee of Sponsoring Organization of the Treadway Commission, formed in 1985, that the structure of ownership which includes institutional ownership, ownership of production management, public ownership and foreign ownership as well as the policy dividend on a company can affect the value of the company and the quality of earnings. This encourages researchers to see if Stock ownership structure affects the value of the company (thesis.binus.ac.id/Doc/Bab1Doc/2011-2-00565 AK%20Bab1001).This is necessary to minimize the importance of differences that occur in a company so that it can generate quality financial reports earnings that can be beneficial to each party and can be showed the value of a company indeed. So if a company applies the mechanism of corporate governance and internal control system expected the company's performance will be increased to better company performance, with increasing expected can also increase the price of the stock company as an indicator of a company's value so that the value of the company will be achieved.

➢ *Formulation of the problem*

- What is the structure of the ownership influence on the quality of the company's profits?
- What is the dividend policy affect the quality of the company's profits?
- What is the structure of ownership of the effect on the value of the company?
- What is the dividend policy affect the value of the company?
- What is the structure of the Ownership influence on debt policy?
- What is the dividend policy affect debt policy?
- What is the policy on debt to the value of the company?
- What is the quality of the earnings effect on the value of the company?

II. A REVIEW OF THE LITERATURE

A. *Review of Theory*

➢ *Agency Theory*

Outline of the theory of Agency are grouped into two (Eisenhardt,1989), i.e. the positive agency research and principal agent research. Positive agent research focuses on the identification of situations where an agent and principal have conflicting goals and mechanisms of control are limited to only keep the behavior of self serving agents. Agency theory can not be released from both parties above, either the principal or the agent is a major offender and both have their respective bargaining position in placing the position, role and position. As the principal owners of capital have access to internal company information while the Agency as principals in the practice of the company's operations has information about the operation and performance of the company's real and thorough.

Agency theory says it is hard to believe that management (agent) will always act on the interests of shareholders (principal), so the necessary monitoring of the shareholders (Weston and Copeland,1992). Principal shareholder or employ agents to carry out tasks including economic, decision-making in an uncertain environment like a company in financial distress. Agents as a Manager will take the decision to perform a variety of strategies in order to sustain the company's business. On the other hand the agent is a party given authority by the principal shall be obliged to account for what has been entrusted to him. Agency theory States that in the management of the company there are always conflicts of interest (Brigham and Gapenski 1996) between (1) managers and company owners and Managers (2), (3) the owner of the company and its creditors. Therefore, the existence of which is required in the process of monitoring and examination of the activities undertaken by the parties.

According to Baiman (1990), there are three models of the relationship The Agency Principal-gent Model, The Transaction Cost Economics Model, The Rochester Model. All three have two skeleton similarities and differences of the two. The sameness, first, all three understand the provisions and the cause of the loss of efficiency that is created by the divergence between the behavior of individual interests and cooperation; Second, the three of them to analyze and understand the implications of the distinction avoids loss of control process efficiency at the agency problem. While the differences are, first, emphasize the difference sources of divergence of interests of cooperation and individual behavior; Second, stressing the difference aspects of the research agenda in General; third, the careful modeling of economic context underlying problem causing the Agency; Fourth, the derivation of optimization working relationship and understand how the working relationship which relieve Agency; Fifth, comparisons of results to do the observation model practices and analysis it. This means that public relations model within the framework of the Agency shows that managers do maximum expected utility in order to influence the design of their employment contract. Owners and managers together over the costs of the Agency is limited, so need an incentive to design contracts that reduce agency problems efficiently.

➢ *SignalingTheory*

Signal theory deals with the urge companies to provide information to external parties. One of the mandatory information to be revealed by the company is information about corporate social responsibility or corporate social responsibility. This information may be contained in the company's annual report or corporate social reports separately. The company conducts disclosure of corporate social responsibility in hopes of improving the reputation and value of the company. The urge is caused due to the asymmetry of information between the management and external parties. To reduce the asymmetry of information companies must disclose information, both financial and non financial information.

Signaling theory emphasizes on the importance of the information released by the company against the decision of investing parties outside the company. Information is an important element for investors and businessmen since the information on a substance presents the description, notes or description of good for the State of the past, current or future State for the survival of an enterprise and how nation State effect. The information is complete, accurate, relevant, timely and badly needed by investors in the capital market as an analysis tool for investment decisions.

Information asymmetry (asymmetric information) is the only private information are owned by investors who got information (informed investors). Information asymmetry will happen if management does not fully convey all information obtained about all the things that can affect your company to the market, then the market will generally respond to such information as a signal reflected from the change in stock price. The implication is the announcement of the company will be responded by the markets as a signal that conveys the presence of new information released by the management that would affect the value of the stock. Due to the asymmetry of information, the stock price that occurred have not reached equilibrium prices so that investors have the information to know that equilibrium prices will reach a certain point will buy the Securities and would later sell it at the price of ekulibrium so that it can enjoy the abnormal return the stock price difference (Wismar'ein, 2004).

➢ *Structure of Ownership*

The structure of ownership is socially supported power to wield control over something that is owned exclusively and use it for personal purposes. It is the proportion of ownership structure of stock ownership by the public, institutional or managerial. This research used in managerial and institutional ownership. Problems often arising from ownership structures this is the agency where there is conflict, the interests between the management of the company as the decision maker and its shareholders as the owner of the company. Surely the difference these interests will have an effect on the value of the company. A large number of shareholders (large shareholders) have significance in monitoring the behavior of managers within the company (Shleifer and Vishny, 1997). With the concentration of ownership, then the large shareholders such as institutional investors will be able to monitor the in management team more effective and can increase the value of the company in case of a takeover.

In addition, the concentration of ownership on the part of outside the company's positive effect on the value of the company (Lins, 2002). This indicates that the company's ownership structure affects the value of the company. Subsequent research (McConnel and Serveas, 1990) and Barclay and Watts, 1995). There are a few things to note in the structure of ownership, among other things: (1) ownership of a small part of the company's shares by management affect the tendency to maximize shareholder value than merely achieve the goal the company is solely; (2) the concentrated Ownership gives incentives to the majority shareholder to participate actively in the company; (3) the identity of the owner determines the priority of social objectives of the company and (4) maximization of existing shareholder value, for example, Government-owned companies tend to follow the political goals than goals.

Shareholders bought shares of the company in hopes of obtaining a rate of return on their investment which is extended with a level of risk that can be tolerated. Managers are selected and paid for by shareholders should be sought to exclude the policies to improve the welfare of the principal. The increase in prosperity is identical with the objectives of the company i.e. increase the company's value through the improvement of the welfare of the owners or shareholders can be done through financial and investment policies that is reflected in the share price in the capital market. The higher the stock price means prosperity and increasing the value of the owner of the company will also increase (Bringham and Gapenski, 1996).

Jensen and Meckling (1976) revealed that in order to achieve company goals and increase the company's value in the long term Manager is required to make decisions that take into account the interests of all stakeholders, where as stated by Ismiyanti and Hanafi (2004) that these stakeholders each have their own interests. According to Zulhawati (2004) related to the difference in the interest of this, management or company managers tend to prefer the significance which is generally contrary to the main objective of the company. Shareholders don't like it because it can add to the cost (cost) so that the company will lose the advantages received (Wahidahwati, 2002). It triggers the existence of a conflict of interest between managers and shareholders who called the conflict the Agency (Jogiyanto, 2007).

➢ *Debt policy theory*

- *The Agency Theory*

Agency theory (agency theory) began to develop from the research conducted by Jensen and Meckling (1976) which refers to the fulfillment of the primary goal of financial management that is maximizing shareholder wealth. This theory or explain about the separation between the functions of management (managers) with the function of ownership (stock holders) in a company, where as an agent of the stockholder, the Manager did not always act in the interest of the shareholders so that in case of conflicts between the company managers with shareholders, usually called the conflict the Agency (agency conflict). To reduce such conflicts, needed supervision mechanisms can align the interests between shareholders and managers. By doing the surveillance agency or fee required is often referred to by the agency cost. According to Jensen and Meckling (1976) agency costs are grouped into 3 (three types):

1) Monitoring Costs

Monitoring Costs is costs to monitor the behavior of the Manager of the company.

2) Bonding Costs

Bonding Costs is the cost to establish a mechanism to ensure that the managers of the company will act in accordance with the interests of shareholders.

3) Residual Loss

Residual Loss is the cost to encourage company managers in order to act in accordance with its ability for the benefit of shareholders.

There are several alternatives to reduce agency cost: first by enhancing the ownership of shares by management. According to Jensen and Meckling (1976) the addition of managerial ownership has the advantage to align the interests of managers and owners of the shares. Second, increase funding with debt (Wahidahwati, 2002). Debtholders are already implanting the Fund concerned with conducting surveillance by itself would be the use of those funds. Third, by increasing the dividend payout ratio, thus not available pretty much free cash flow and the management was forced to seek funding from abroad to finance its investment activities (Crutchley and Hansen, 1989) b. Trade off Theory.

The theory was developed by Haugen, Papas, and Rubenstain in 1969 and also known as Balancing Theory. Trade Off this Theory explains the existence of the relationship between tax, bankruptcy risk and the use of debt capital structure decisions caused taken company (Brealey and Myers, 1991). This theory compare the benefits and costs or the balance between advantages and disadvantages for the use of debt. This theory also explained that before reaching a point of maximum, the debt would be cheaper than the stock sales because of the tax shield. The implication is the higher the debt then will be the higher the value of the company (Mutamimah, 2003). However, upon reaching the maximum point, the use of debt by the company being unattractive, because the company must bear the costs of the Agency, the bankruptcy as well as interest charges which caused the stock value down (HermenditoKaaro, 2001).

- *The Pecking Order Theory*

Pecking Order theory says that companies are more likely to choose the funding that comes from the company's internal (internal financing) were sourced from cash flow, profit was arrested, and the depreciation of the external company (derived from external financing). Pecking Order Theory also States that companies with a high level of profitability is precisely the level of debt is low, due to the high profitability companies have abundant internal funds. Specifically, the company has the order of preference (hierarchy) in the use of funds. This theory establishes a funding decision sequence in which managers would first choose to use profit withheld, debt and the issuance of shares as a last resort (Hanafi, 2004) according to Brealey and Myers (1991), the order of funding according to pecking order theory are:

1) Companies prefer internal financing (internal funds). Internal funds derive from the profit resulting from the activities of the company. 2 adjust the target Company) dividend payout ratio against their investment opportunities, while they avoid dividend changes drastically.

2) dividend policy the relatively disinclined to modified where accompanied by fluctuations in profitability and investment opportunities that are not predictable, internal cash flow sometimes mean exceeding the needs of investment, but sometimes less.

4 external funding) if necessary, the company will publish first the safest securities, i.e. starting from the issuance of convertible bond debt, and the last alternative is stock.

- *Signaling Theory*

Signaling Theory according to the Brigham and Houston (2011), was an action taken that company management gave guidance for investors about how management looks at the prospects of the company. According to Brigham and Houston (2011), with the prospect of profitable companies will try to avoid selling stocks, and instead cultivate every new capital needed by other means, including the use of debt that exceeds the target capital structure is normal. The company with the prospect of less profitable will likely to sell its stake, meaning new investors brought in to share their losses. The announcement of the emission of shares by a company is generally considered as a cue (signal) that the company's prospects were less bright according to management's assessment. If a company offers sales of new stocks more often than usual, then its stock price will decline, as shares recently means negative hinted could hit the share price even if the prospect of the company sunny.

The company's financing decisions are influenced by the capital structure of the company. There is a choice among other funding sources internal and external capital. Internal capital is capital that comes from profit on hold and external capital comes from the creditors and owners, participants or the section in the company. While the capital originating from the lender is referred to as the company's debt (Arwana, 2001). Debt is defined as the sacrifice of economic benefits that will most likely occur in the future as a result of the necessity of certain business entities at this time for the transfer of assets and provides services to another in corporately the future as a result of transactions and events of the past (Areyouredsquirrel, 2001).

- *Dividend Policy*

According to Aharony and Swary (1980) in Nurhidayati (2006) suggests that the information provided at the time of the announcement of the dividend is more meaningful than on earning announcements. For investors, the dividend is the result of their share, in addition to capital gains obtained in the sale price of the stock is higher than the price of the purchase. The dividends derived from a company as a distribution resulting from the operation of the company.

The dividend should be distributed to the shareholders in order to maximize their wealth as they have invested their money in the expectation of being made better off financially (Prasanna Chandra; 1997 in Azhagaiah and Shabari: 181).

Dividend policy according to Martono and d. AgusHarjito (2000:253) is the part that cannot be separated with the funding decisions of the company. Policy dividend (dividend policy) is the decision as to whether the profit the company earned at the end of the year will be divided to shareholders in the form of dividends or will be withheld to increase capital in order to finance investment in the future.

According to Dr. Generous dividend policy according to Gitman (2000) in LaniSiaputra (2005:72) is a plan of action to be followed in making the decision of dividends. Sjahrial, West (2002:305), the company will grow and develop, then in time it will gain an advantage or profit. These spiders consists of earnings and profits shared custody. At later stages the spider who was arrested is one of the most important sources of funds for financing the growth of the company. The greater the financing company whose profit comes from being detained in Add depreciation, then the more robust financial position of the company. Of the entire company earned some profit distributed to shareholders in the form of dividends. Regarding the determination of the magnitude of the dividends will be distributed that is what is the dividend policy of the leadership of the company.

➢ *The Quality of Profit*

Talking about the quality of earnings will relate to how the profit it generated. The profit is generated means a form of tampering with the results of the accountability of the financial statements, in this case the company's management. This means the company's reported profit was a result of the use of certain reporting techniques chosen by the management of the company. Techniques that which is commonly called the management profit (earning management). Profit management is actually a reasonable case is made at every company, every company can be sure definitely do profit management. However, along with the occurrence of cheating-cheating in financial reporting (financial reporting), earning management be meaningful negative. Ortega and Grant (2003).

Quality of earnings (Earning Quality) can be indicated as the spider information capabilities provide a response to the market. In other words, the earnings reported have the power of response (the power of response). The strong market reactions to information earnings reflected the high earnings response coefficients (ERC), shows the reported earnings quality (2009, 2005). Further stated that the ERC to measure how big a return of shares in responding to the profit figures reported by the company that issued the securities. In other words, the ERC is a reaction to earnings being announced (published) by the company. This reaction reflects the quality of the reported earnings of the company. High and low power largely determined responsive ERC that is reflected from the information (good/bad news) is contained in the profit. ERC is one of size or proxy that is used to measure the quality of the earnings.

Some of the techniques of management profit (earnings management) can affect the profits reported by the management. Profit management practices will result in the quality of earnings is reported to be low. Earnings can be said to be of high quality if the reported earnings may be used by the user (users) to make the best decision, and it can be used to describe or predict the stock price and return (Barnhard and Stuart, 1998).

Profit management now negative and associated with the quality of the earnings. When the spiders are managed or regulated in such a way so as to confuse the users of the financial statements, then the profit presented low quality. The quality of the earnings should be measured by several methods so indicate the results that can be deduced not only from a single measurement. Abdelghany Research (2005) shows that not all of the stated profit of low quality according to one method was also not qualified based on other methods.

One of the methods for measuring the quality of earnings is the most simple model developed by Penman (2001) way is by measuring the ratio of cash from operations against income or sales. The greater the ratio, the more good quality earnings.

➢ *The Value of The Company*

The company's main goal is not only to maximize profit but the company will maximize prosperity shareholders or maximize wealth of stockholders through maximization of existing corporate values. The goal of maximizing shareholder is prosperity through maximizing the present value or price value of all shareholders ' profits expected in the future (Sartono, 2001).

Next Sartono (2001) States that the main purpose of the company is to optimize the value of the company. The higher the value of the company describes the greater the prosperity will be accepted by stakeholders. The value of the company will be reflected in its stock price. The value of the company formed through the indicator value of the stock market was heavily influenced by investment opportunities. The existence of investment opportunities could provide a positive signal about the company's growth in the future so that it can increase the value of the company.

Sartono (2001) also said that the company's value is determined by the value of own capital and the value of the debt. The value of the firm is closely related to the company's ability to increase the prosperity of the shareholders. For companies that sell shares to the public (went public), an indicator of the value of the company is the stock price traded on the stock exchange. The price of shares in the capital market is affected by a variety of factors, both internal and external factors of the company.

The fluctuation of the value of the company's shares is usually determined by the change of the company's earnings are reflected in the financial performance of the company. This led to the intrinsic value of the company becomes a very important measure for investors to take a decision in buying a stake in the company as a preferred investment in the capital market. Principal objectives to be achieved by the companies is maximizing profit. But be aware that that goal had many weaknesses. These weaknesses include:

a) Standard microeconomics with maximizing profit is static because it does not pay attention to the time dimension, so there is no difference between the profit in the short term and long term.

b) The notion of profit itself, is to maximize the amount of profit or profit rate nominally.

c) Concerning the risks associated with each alternative decision, maximise profit without taking into account the level of risk is a fatal error.

d) Maximizing profit could have been done by implanting the stock sale proceeds funds through deposits, but the shareholders will ask for a bigger profit level from the level of deposits over the greater risk, so the market price decreases as a result the value of the company will decrease as well.

The weakness of the existing value of a company is a form of corporate goal maximizes prosperity through increased shareholders (maximization wealth of stockholders), prosperity increased shareholders when stock prices had increased.

B. The Notion Intervening Variables

Intervening variables are defined as variables that influence the relationship between the theoretically independent Variables dependent variable, but cannot be seen, measured, and manipulated; its influence must be deduced from the influences of the independent variable or variables and moderates against symptoms that are being explored (Tuckman, 1988). This variable is a variable between (penyela) located between the independent Variables and the dependent Variable. This variable can be used in explaining the process of the relationship between independent variable with the dependent variable, such as X → Y → T, where T is the intervening variables used to describe the pattern of the relationship between the independent variable and the variable the dependent. For example, X is Y is age and reading skills, the result of causal relations between X and Y can be explained by the Intervening variables T, for example, education. Thus, the age (X) does not directly affect the ability of reading (Y), but beforehand through the intervening variables, education (T), or in other words, X and T T affect the Y.

Intervening variables are factors that affect the theoretically against the observed phenomena, but cannot be seen, measured, or manipulated (Wahab, 2011). Intervening variables (between) is a variable which connects between the dependent variable independent variable that can strengthen or weaken the relationship but cannot be observed or measured.

Suharmadi (2013) stated that the intervening variable is a variable between or mediating. Does it do mediate the relationship between the dependent variable independent variable. In the same example used in regression analysis model with moderating variables, namely the relationship between Earns with Income in mediation by variable Wealth. So Wealth as intervening variable or else described as below:

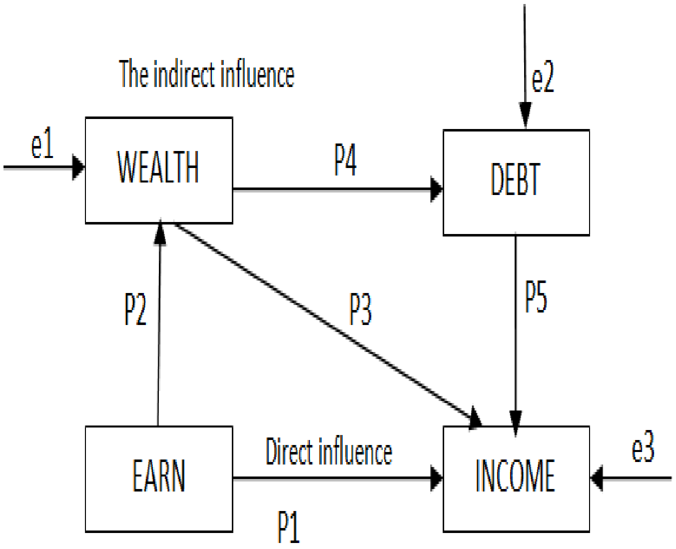

Fig 1:- Scheme of Intervening Variables

In Figure 1 can be explained that Google can take effect directly against Income, but can also influence indirectly, i.e. via the variable Wealth first to new Income and debt through. Logically the higher Google will increase Wealth with high Wealth will have an effect on Income.

To test the influence of intervening variables used method of path analysis (Path Analysis). Path analysis is an extension of linear multiple regression analysis, or path analysis is the use of regression analysis to estimate the relationship of causality between the variables (or causal model causal) that has been established previously based on theory.

Path analysis alone cannot determine a causal relationship and also cannot be used as a substitution for the researchers to look at the relationship of causality between the variables. The relationship of causality between the variables have been set up with a model based on the theoretical grounding. What can be done by path analysis is to determine the pattern of the relationship between three or more variables and cannot be used to confirm or reject the hypothesis of causality imaginary.

Diagram of the track provide explicitly the relationship of causality between the variables based on theory. The arrows show the relationships between variables. The model moves from left to right with the implications of the priority of the causal relationships of variables to the left. Each value p describe the paths and path coefficient. Based on image model pathways proposed relationship based on the theory that Google has a direct relationship with Income (p1).However Google also has an indirect relationship to Income that is from Google to the Wealth (p2) and then to the Income (p3).

III. CONCEPTUAL FRAMEWORK AND HYPOTHESES OF RESEARCH

A. Conceptual Framework

Ming (2006) in his research suggested that the ownership of the managerial ownership, Board of Directors, and institutional ownership has positive influence against the value of the company. In addition, Siallagan and Machfoedz (2006) found that the positive effect of managerial ownership of the quality of earnings, where the quality of the earnings effect positive against the value of the company. In a nutshell can be explained that the increased institutional ownership and ownership manajerial is expected to generate better reporting and more qualified profit reports. The quality of the earnings is expected to help in making better decisions so as to increase the value of the company.

When most of the company's profit distributed to shareholders as a dividend, then the funds available for funding the company in the form of profit being held will be getting smaller, so as to meet the needs of the company's funds, the Manager more tend to use relatively large debt. Therefore, the greater the dividends paid on the shareholders then getting bigger also use debt in the company.

Thus it can be concluded that the dividend policy has a positive influence towards debt policy. Optimal dividend policy of trying to establish a balance between the current dividend and growth in the future that maximize the company's share price (Brigham and Houston, 2004). The dividend payments are often followed by rising share prices, the increase in the payment of dividends will increase the growth of the prosperity of the company and shareholders. This shows that the company has good prospects so that the value of the company increases.

Pecking Order Theory States that in funding decisions, the first time the company will utilize profit withheld, then if not sufficient then it was only to be used with debt funding. Optimal dividend policy of trying to establish a balance between the current dividend and growth in the foreseeable future that maximize the company's share price (Brigham and Houston, 2004). The dividend payments are often followed by rising share prices, the increase in the payment of dividends will increase the growth of the prosperity of the company and shareholders. This shows that the company has good prospects so that the value of the company increases.

Corresponding relationship between dividend policy with stock prices and company values, or Brigham and Houston (2006) explains that the three known theory that gives a different explanation for the conflicting, even third theory in question is: (1) dividend irrelevance theory of Miller and Modigliani (1961), (2) bird in the hand theory of Gondon and Lintner (1963), and (3) tax preferency theory of Farrar and Slewyn (1967).

Dividend irrelevance theory of Miller and Modigliani (1961), explained that the dividend policy is irrelevant, since it does not affect at all the company's value or cost of capital. The value of the company depends on investment, not on how profits are divided for dividends and profits are not shared. This opinion was contrary to the thinking of the two. First, it is assumed that the investment decisions and the use of already made and does not affect his little big dividends paid. Second, capital market character was assumed to exist; that means (1) the Investor can sell and buy stocks without paying a transaction fee, as in a perfect capital market information is widespread investor can do everything yourself; (2) any company can publish a stock without the various fees; (3) no individual or corporate income tax; (4) details of every company is always available, so that investors do not need to see a special announcement regarding the dividend payment as an important indicator of the condition of the company; and (5) between the management and the owners of the shares there is no conflict or no agency problems.

B. Hypothesis

➢ *Ownership Structure of Relationship With The Quality Of Earnings*

Concentrated ownership is a common phenomenon in the country with an economy is growing as Indonesia and the countries of continental Europe. In contrast, in countries such as the United Kingdom the Anglo-Saxons and the United States, the structure of ownership is relatively very spread (La Porta and Silanez, 1999). Share ownership is said to be concentrated if most of the shares are owned by a small percentage of individuals or groups, so that shareholders have a number of relatively dominant stock compared to other (Dallas, 2004). Some empirical research found that the relationship between the level of concentration of ownership and the quality of the earnings was positive because when the concentration of ownership increased from a very low level then the agency costs will be reduced due to the increased surveillance done share owner and management company's profits will be reduced (Xu et al., Ding,2012 et al., 2007, Alves, 2012, Ayadi et al., 2012). According to Hubert and Langhe (2002), the concentration of ownership can be an internal disciplinary mechanisms of management, as one of the mechanisms that can be used to increase the effectiveness of monitoring, because with a large ownership shareholders have made access to information significant enough to offset the advantages of information-owned management. If this materializes then the Act of moral hazard management in the form of earnings management can be reduced. This is in line with the Dechow et al. (1995) which declared the largest shareholders are expected to monitor managerial behaviour action effectively, which will reduce the scope of managerial opportunism to get involved in the management of profits. Based on that explanation, the first hypothesis in this study are:

- H01: the ownership of the company does not have an effect on the quality of the earnings.
- Ha1: Corporate Ownership affects the quality of the earnings.

➢ *Relationship to the quality of Profit Dividends Dividend*

Alone has several features, among other things, the increase in size and obvious. To make it more comprehensive, in this research conducted related testing three such features. The goal is to find out whether the third of these features also have relationships with quality earnings.

First, the size of the related dividends. The size of the dividend was a feature of the distributed dividend, so want to be tested whether it can serve as an indicator of the quality of the earnings. This hypothesis is based on the research of Miao and Tong (2011) which found that companies that distribute dividends in large numbers have a better profit than companies that distribute dividends in small numbers or not distribute dividends at all. The conclusions of his research is that dividends in large sizes tend to be better at indicating the quality of the earnings versus dividend is small in size. Views, companies that distribute dividends in large numbers certainly supported by a larger cash, so that the less likely to profit from the contrived (manipulated), which does not have a strong cash base. On the basis of these, developed the following hypothesis.

- H02: Dividends do not affect positively on quality spider
- Ha2: influential positive Dividends to the quality of profit

➢ *Relationship with the value of the company's Ownership Structure*

Miller and Modigliani (1961) stated that the value of the company affected by the policy of debt. Kim and Sorensen (1986) stated that the policy of debt affected the structure of ownership. They stated that the value of the companies affected by the financial performance. Fuerst and Kang (2000) found a positive relationship between insider ownership with a market value after control of the company's performance. The value of the company may be increased if the institution is capable of being an effective monitoring tool. The relationship between analysts coverage which is external monitoring function and Tobins'Q as a proxy of the company value is positive and significant. Husnan (2000) States that financial performance is influenced by the structure of ownership then the hypothesis that we build is:

- H03: the structure of Ownership does not affect the value of the company.
- Ha3: effect on Ownership structure of the company value

➢ *The relationship Of Company Dividends*

Rozeff in Taswan (2003) assume that dividend information or as a cue will the prospect of the company. If the company increases dividend payments might be interpreted by investors as a signal of hope management about improving the company's performance will be in the future (Taswan, 2003).

Optimal dividend policy of trying to establish a balance between the current dividend and growth in the foreseeable future that maximize the company's share price (Brigham and Houston, 2004). The dividend payments are often followed by rising share prices, the increase in the payment of dividends will increase the growth of the prosperity of the company and shareholders. This shows that the company has good prospects so that the value of the company increases.

The results of the research conducted Taswan (2003) that the dividend policy of the company have a negative effect, while the research by IntanRachmawati and Akram (2007) found that the dividend policy of the positive effect of the company. From the above statements, it can be formulated in the first hypothesis in this study, namely:

- H04: dividend policy does not affect the value of the company
- Ha4: dividend policy affect the value of the company

➢ *Relationship of the structure of ownership of the Debt*

Structure of ownership Policy against having a relationship with a debt policy. Some researchers found a positive relationship between managerial ownership with the debt ratio of the company (Kim and Sorensen 1986, Soliha and Taswan 2002, Brailsford 1999). Other researchers found that managerial ownership and related negative influence with debt ratio (Wahidahwati 2002 and Mahadwartha 2003). From the explanation above it can be concluded that the company's debt policy without the managerial ownership will be different with the company with a managerial ownership, as evidenced by Christiawan and Tarigan (2006). Based on the above explanation then it can formulate a hypothesis as follows:

- H05: the structure of Ownership has no effect against the policy of the company's debt.
- Ha5: ownership structures influence on the policy of the company's debt.

➢ *Relationship of Dividend Policy*

Dividend is a Debt Against corporate profits distributed to shareholders in accordance with the number of shares owned. Pecking Order Theory States that in funding decisions, the first time the company will utilize profit withheld, then if not sufficient then it was only to be used with debt funding. When most of the company's profit distributed to shareholders as a dividend, then the funds available for funding the company in the form of profit being held will be getting smaller, so as to meet the needs of the company's funds, the Manager more tend to use relatively large debt. Therefore, the greater the dividends paid on the shareholders then getting bigger also use debt in the company. Thus it can be concluded that the dividend policy has a positive influence towards debt policy. Thus the hypothesis can be made as follows:

- H06: Dividend has no effect against a Debt Policy
- Ha6:Dividend effect on Debt Policy

➢ *The relationship of Debt Policy Against the value of the company*

Based on trade off theory company was able to gain the use of debt in the form of a reduction in tax revenue due to the interest expenses paid out of the company, but the use of debt is able to give you an advantage for the company only up to a certain point on the optimal (Brigham and Gapenski 1996). When the use of excessive corporate debt, it will increase the interest costs to be borne by the company and the use of debt will hold the companies to the risk of bankruptcy which will effect to the decrease in value of the company because of the negative signal received by the markets, then it should be able to balance the funding that comes from within the company and funding sourced from debt (Andri and Hanung, 2007).

Based on the description above, it can be formulated a hypothesis as follows:

- H07: debt Policy does not affect the value of the company.
- Ha7: debt Policy influence on the value of the company.

➢ *The relationship of the quality and value of the company*

In General, earnings management is one of the factors that can reduce the credibility of the financial statements. Ferdawati (2008) defines the management profit as an intervention that was deliberately done to gain some personal advantage to certain parties. There are several ways that is done by the management in the conduct of the management of earnings, among other things through accrual earnings management and real earnings management. Real earnings management is the manipulation performed by management through the company's everyday activities during the accounting period. Real earnings management can be done at any time throughout the accounting period so that managers will be easy to achieve the desired targets.

The development of empirical research on earnings management has Indicates that the Manager has shifted from accrual earnings management towards the real earnings management. Gunny (2005) found that the Manager had already shifted from accrual earnings management toward management of real profit after a period of Sarbanes-Oxley Act (SOX). According to Graham (2005), the shift from management profit accrual to the management of real profit due to several factors. First, the accrual manipulation more commonly made observation centre or inspection by the Auditors and regulators from on decisions about the pricing and production. Second, only emphasize on accrual manipulation is a risky action.

According to Roychowdhury (2006), real earnings management techniques can be performed by means of manipulating the sale, production is excessive, and reduce spending on disk. Real earnings management is undertaken by the management of short-term performance showed a good company but potentially lowers the value of the company.

Investors and creditors use the information profit as one of information to determine the value of the company. According to Wahyudi and Pawestri (2006), the value of the company will be reflected in its stock price. The higher the stock price then the higher the value of the company.Stock prices is based on valuation of the company against external asset of the company as well as the growth of the stock market. The market price of the shares of the companies that formed between the buyer and seller in the event of a transaction is called the market value of the company, because the market price of the stock is considered a reflection of the value of company assets.

Real earnings management potentially motivated by the existence of pressure or urge managers to generate short-term profits as well as the low level of management focus toward long-term business plan. Therefore, if the Manager doing management of real earnings current year then the profit of the company will increase which will eventually improve the performance of the company, if the company's performance increased the price of the stock market will be increased so that the value of the company will increase. However, in the next period of the company's profits will be reduced so that it causes the value of the company will experience a decrease in long-term cash flow and affecting the company.
Based on the above explanation, then deduce the following hypothesis:

- H08: the quality of earnings has no effect against the value of the company
- H18: the quality of the earnings effect on the value of the company

IV. RESEARCH METHODS

The population in this research is the overall manufacturing companies listed on the Indonesia stock exchange (idx) of the year 2010 to the year 2017. The companies were selected through purposive sampling method with the following criteria:

- Manufacturing companies listed on the Indonesia stock exchange (BEI) in the period 2010-2017.
- The financial statements have been audited by public accountant for the year ended December 31, during the period of observation research, i.e. from the year 2010 to the year 2017.
- data regarding the structure of ownership, dividends, debt policy, the quality of earnings and the value of the company.

A. Source and Type of Data

The data used in this research is secondary data in the form of the figures in the annual financial report of the company. Based on this research obtained, using documentary

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data types in the form of annual report period a 2010-2017 manufacturing company has been audited by public accountants, comprising the balance sheet, income statement, cash flow statement, report of changes in equity and notes to financial statements that contain a disclosure about the structure of ownership, dividends, debt policy, the quality ofearnings and the value of the company. The financial reports documentation retrieved from www.idx.co.id.

B. Methods of Data Collection

The methods used in this research is a method of observation, where data collected through the annual financial report of the observation of manufacturing companies listed on the Indonesia stock exchange (idx) for the period 2010-2017.

C. Research And Measurement Indicators Variable Variables

The research was carried out using the method of path analysis (path analysis), where the variables to be tested in this study is divided into two, namely, variables and variable endogenuseksogenus. Eksogenus variable is a variable that does not exist causes-causes of her, where is seen in the diagram of the model line, there are no arrows leading into directions other than measurement error on the part of (Sarwono, 2007). The variable eksogenus is the same as the free variables in the regression analysis.

D. Data Analysis And Hypothesis Testing

The analysis of the data for this research was conducted through the method of path analysis (path analysis).

The understanding path analysis from Robert b. Rutherford (1993) States that: "path analysis is a technique for analyzing causal relationships that occur on multiple regression-free if the variable affects variables depends not only directly, but also indirectly. "
In the meantime, the definition of Paul Webley (1997) States that: "path analysis is a direct development of the form of multiple regression with the aim to provide estimation of importance (magnitude) and significance (significance) relationships a hypothetical causal in a set of variables. "

Path analysis is a method of analysis that is used to look at the relationship between three or more variables. This method has the advantage over the linear regression because in addition to find the direct influence, path analysis model can also find influences not directly in the relationships between variables through an intermediate variable (intervening), so that it can obtained a more accurate analysis results and details. The term free variables or variable is not used in the analysis of the path, and instead the term used is variable and variable endogenuseksogenus.

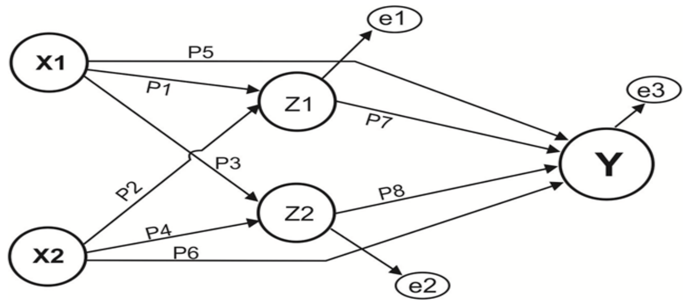

Fig 2:- The relationships between Variables x 1, x 2, Z1, Z2 and Y

Based on Figure 3 we can see the path coefficients as follows:

- P1 is the coefficient for influence line direct influence between X 1 against the Z1.
- P2 is the line of influence coefficient for direct influence between X 2 against Z1.
- P3 is the coefficient for influence line direct influence between X 1 against the Z2.
- P4 is the coefficient for influence line direct influence between X 2 against Z2.
- P5 is the coefficient for influence line direct influence between X 1 against Y.
- P6 is the coefficient for influence line direct influence between X 2 against Y.
- P7 is the coefficient for influence line direct influence between Z1 against Y.
- P8 is a coefficient for influence line direct influence between Z2 against Y.

Path analysis consists of several models, where the model used for this study is two equations model line, which is trying to find a direct influence between the mechanism of the structure of ownership of the company with the quality profit and debt as a policy variable intervering. Model equation can be described in Figure 3 above and formulated equations the structure as follows:

$Z_1 = P_1X_1 + P_2X_2 + e1$
$Z_2 = P_3X_1 + P_4X_2 + e2$
$Y = P_5 X_1 + P_{7Z}1 + P_8Z_2 + P_6x_{2+}e3$

Description:
X_1 = Ownership Of The Company
X2 = Divide
Z_1 = Debt Policy
Z_2 = Quality Of Earnings
Y= The value of the company
P X_i Y_i = *standardized coefficient beta*
e_i = *error*

➢ *F-test*

This test aims to indicate whether all of the independent variable that is meant in the model have the influence of the dependent variables against simultaneously. With the level of significance (by 5%), then the test criteria are as follows:

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- When significant F values > 0.05, then H0 is rejected means that there is a significant influence among all the variables are independent of the dependent variable.
- If the value of the significant F 0.05, then H0 < accepted meaning independent variable does not have an effect on the dependent variable.

V. RESULTS AND DISCUSSION

A. Description of Data

Research Data was obtained from data of financial statements companies listed on the Indonesia stock exchange www.idx.co.id. The samples must meet the criteria i.e. publish financial statements as of 31 December of the year 2010-2017 and the availability of data ownership Company, Dividend Policy, debt, earnings Quality, and the value of the company. Based on the results of the data collection of the number of companies that meet the criteria of a sample is the 14 companies for 8 years observation of large samples of the through are 112 samples.

After the data ownership company, dividends, debt policy, the quality of earnings and the value of the company as well as an attachment (master tables) obtained from the Indonesia stock exchange www.idx.co.id. further presented according the formula of table 1. As for the percentage of the results the data obtained variable data tables (attached), described in the descriptive tables 2.

Table 2 above average – average that obtained ownership of the company (X 1) in 2010-2017 is of 0.4892 and standard deviation are obtained with minimum 0.2522 0.0339 and maximum 0981. The average dividend (X 2) is of 0.4003 and standard deviation 0.2552 0933 with maximum and minimum 0.0703. Average debt policy (Z1) acquired for 0.3502 and standard deviation 0.1615 with minimum 0.08976 and maximum 0912. The average quality of earnings (Z2) retrieved 0.3297 and standard deviation 0.15224 0.08438 with minimum and maximum 0.8586. Average corporate values (Y) obtained in the company is 0.54133 and standard deviation of 0.24047 with a minimum of 0.11484 and a maximum of 1.14774.

Variable	Average	SD	Minimum	Maximum	Total Number	n
X1 (ownership of the company)	0.4892	0.2522	0.03391	0.9813315	54.79589	112
X2 (Divide)	0.4003	0.2552	0.0702	0.93295	44.83650	112
Z1 (Debt policy)	0.3502	0.1615	0.08976	0.91187	39.219022	112
Z2 (quality of Earnings)	0.329746	0.15224	0.08438	0.8586	36.9315	112
Y (The value of the company)	0.54133	0.24047	0.11484	1.14774	60.6292	112

Table 2:- Statistics Data company in BEI 2010-2017 Year (Source: data processed, 2018)

B. A Description of the Results of Research

Research data that has been presented then analyzed with a path analysis using SPSS program. 20. As for the stages of its analysis are described as follows: 1. Analysis of the regression equation

$Z1 = = P_1X_1 + P2X_2 + e1$

After performing a regression test on the above equation obtained statistical results as follows:

Variable Estimation Results table 3 Company Ownership and Dividends toward Debt Policy

Model	Path coefficient	t	p	R^2
X1(P1) X2 (P2)	0.652 0.620	18.698 17.795	0.000 0.000	0.868
Pz1e1 Sig. F	0.3633 0.000			

Table 3:- The dependent variables are Z1 (Debt policy) (Source: Data processed by 2018)

Table 3 describes the results of the company's ownership of parameter estimation (X 1) and dividends (X 2) against debt policy (Z1). Simultaneous ownership of the company and the dividend policy in effect significantly to debt. Simultaneous influence quantity is 0.868 or 86.8% is contributed from the company's ownership of the variables (X 1) and Dividends (X 2). While the remaining 13.2% influenced by other factors outside the model.

A simultaneous model of both these variables effect can be seen from the probability (sig) F 0000 or 0.05 <, meaning possession corporate and dividend together influential significantly to debt policy. Testing the influence of further testing by the individual through the statistical parameter t.

The results of the testing of proprietary statistical variables (X 1), retrieved the line coefficient of 0652, t count 18,698, and probability values of 0000. The value of the coefficient is positive and path probability value is 0000, this result means the ownership of the company's positive and significant effect against debt policy.

The results of the statistical tests of the dividend (X 2) obtained a coefficient of track 0620, the value t calculate the probability and the value of 17,795 0000 (probability value 0000 is much smaller than the alpha value of 0.05). The result means the dividend (X 2) a positive and significant effect against debt policy.

Good test results simultaneously or individually, there is an impact on debt policy. Having regard to the acquisition of sig > 0.05 on line x 1, sig > 0.05 on the x 2. It is certainly clear that the simultaneous and partial ownership of the company and its dividend policy significantly to influence wages. Empirical causal influences between variables (X 1) institutional ownership and (X 2) Managerial ownership can be described through equations 1. Z1 = P1X1 + P2X2 + e1, or Z1 = x 1 + X 2 0.620 0652.

The company's ownership structure is partially positive and significant effect against debt policy. Influence of partial quantities and direct corporate ownership structure towards debt policy is 0652 or 65.2%. Thus high low debt policy influenced by the company's ownership structure of 65.2%, while the remaining 34.8% described other factors outside the model.

Partially positive and significant effect of dividends against a debt policy. Influence of partial quantities and directly against the policy dividend is debt amounted to 62% or 0620. That is, the higher the debt affected by the policy of low dividends amounting to 62% while the rest 38% described other factors outside the model.

➢ *Regression Analysis on Equation*
(Z2 = P3x1 + P4x2 + E2)

After performing a regression test on the equation obtained statistical results, at table 4 describes the results of the company's ownership structure parameter estimation and dividends to the quality of earnings. Simultaneously the company's ownership structure and dividend affect the quality of the earnings. Simultaneous influence quantities 0.822 or is 82.2% is contributed from the company's ownership structure variables (X 1) and dividends (X 2). While the remaining 17.8% influenced by other factors outside the model.

This simultaneous effect significant model, can be seen from the probability (sig) F or 0000 < 0.05. Testing the influence of further testing by the individual through the statistical parameter t. individual test results indicate there are significant effects. Having regard to the acquisition of sig line 0.05 < X 1 and sig line 0.05 < x 2.

Table 4 results of Estimation a variable Dividend and Company Ownership of the quality of earnings

Model	Path coefficient	t	P	R^2
X1(P3) X2(P4)	0.686 0.545	16.948 13.466	0.000 0.000	0.822
Pz2e2 Sig. F	0.4219 0.000			

Table 4:- The dependent Variable Z2 (The quality of profit)
(Source: Data processed by 2014)

This certainly explains the influence of simultaneous and partial company ownership structure and dividend policy against debt, empirical causal influences between variables (X 1) the ownership of the company and (X 2) a dividend can be described through the equation. Z2 = P3X1 + P4X2 + e2, or Z2 = x 1 + X 2 0.545 0686.

The company's ownership structure partially affect the quality of the earnings. Influence of partial quantities and institutional policies directly to the quality of earnings is 0686 or 68.6%. Thus high profit low quality is influenced by the structure of the ownership of the company amounted to 68.6%, while the rest were 31.4% described other factors outside the model.

In a partial dividend effect significantly to the quality of the earnings. The partial influence of magnitude of direct ownership and managerial control of the quality of earnings is 0545 or 54.5%. That is, the poor quality of high profit affected by dividend of 54.5% 45.5% while the rest described other factors outside the model.

➢ *Analysis of Regression on the Equation*
*(*Y = x 1 + P5 P7Z1 + P8Z2 + P6x2 + e3)

After performing a regression test on the above equation obtained statistical results as follows: Variable Estimation Results table 5 Company Ownership, dividends, debt Policy and the quality of the Earnings of the company.

Model	Path coefficient	t	p	R^2
X1(P5)	0.444	3.593	0.000	0.866
X2(P6)	0.525	4.771	0.000	
Z1 (P7)	0.046	0.413	0.680	
Z2(P8)	0.193	2.021	0.046	
PYe3	0.3661			
Sig. F	0.000			

Table 5:- The dependent variables are Z1 (Debt policy) (Source: Data processed by 2018)

Table 5 illustrates the results of the company's proprietary variable estimation, dividends, debt policy and the quality of the earnings of the company. Simultaneously, the influence of X 1 (ownership of the company), x 2 (dividends), the Z1 (debt policy) and Z2 (the quality of profit) against the Y (corporate values) is 0.866 or 86.6%). The rest 13.4% influenced other factors outside the model. A model of simultaneous significant occurs with probability F notice of 0000 < 0.05. after simultaneous model proved to be significant, then do a partial influence line search.

The company's ownership structure directly affects the value of the company. Magnitudes directly influences the company's ownership structure of the company is of 0444 or 44.4%. That is, the high to the low value of the company was only able to be influenced by the company's ownership structure of 44.4% 55.6% while the rest are influenced other factors outside the model.

Directly affects the value of the company's dividend. Direct influence of the magnitude of the company's dividend of 52.5% or 0525. That is, the high to the low value of the company was only able to be influenced by a dividend of 52.5% while the remaining 47.5% influenced other factors outside the model.

Debt policy does not directly affect the value of the company. Direct influence of magnitude of debt against the value of the company's policy is 0046 or 4.6%. That is, the high to the low value of the company was only able to be influenced by the policies of debt amounting to 4.6% 95.4% while the rest are influenced other factors outside the model.

Earnings quality directly affects the value of the company. Magnitude of direct influence the quality of the earnings of the company are of 0193 or 19.3%. That is, the high to the low value of the company was only able to be influenced by the quality of the profit of 19.3% 80.7% while the rest are influenced other factors outside the model.

From table 6 and Figure 4 illustrates a summary of the results of the estimation of the parameters of model empirical study path diagram, the value of the company's Indirect effect can be described and the total Effect. The influence is not direct/indirect effect through to Y, x 1 Z1 and Z2 = (P1 x P7) + (P3xP8) = (x-0046 0652) + (0686 x 0193) = 0.1624 thus total influence (X 1 to Y) = P5 + IE = 0.1624 + 0444 = 0.6064. As for the influence of indirect/indirect effect X 2 keY via the Z1 and Z2 = (P2xP7) + (P4xP8) = (0620 x 0046) + (0545 x 0193) = 0.133705 thus influence the total = P6 + IE = 0525 + 0.133705 = 0.658705

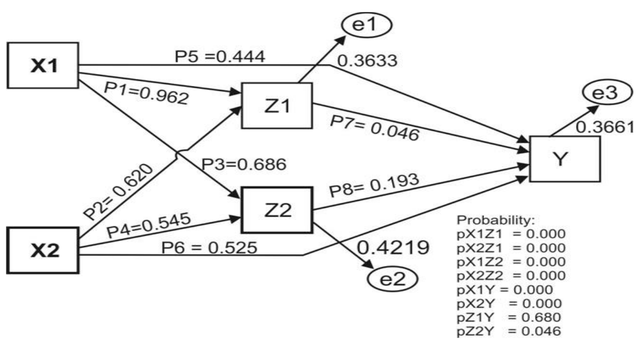

Fig 3:- The relationship between the structure of the variables x 1, x 2, Z1 and Z2 against Y

Model	Path coefficient	t	p	R^2
Equation 1 (X1,X2 ke Z1)				
X1(P1)	0.652	18.698	0.000	0.868
X2(P2)	0.620	17.795	0.000	
Equation 2 (X1,X2 ke Z2)				
X1(P3)	0.686	16.948	0.000	0.822
X2(P4)	0.545	13.466	0.000	
Equation 3 (X1,X2,Z1,Z2 ke Y)				
X1(P5)	0.444	3.593	0.000	0.866
X2(P6)	0.525	4.771	0.000	
Z1 (P7)	0.046	0.413	0.680	
Z2(P8)	0.193	2.021	0.046	

Table 5:- Summary of the results of the Model Parameter estimation (Source: Data processed by 2018)

Overall, the influences that formed out of the equation 3 is described through the equation: Y = P5 x 1 + P6x2 + P7Z1 + P8Z2 + e3 or Y = 0.525 0444 x 1 + x 2 + z2 + Z1 0.193 0.046 + e3.

After the analysis of the Path can then be drawn some conclusions test Ha1: influence of X 1 (ownership of the company) against the Z2 (the quality of earnings), Ha2: influence of X 2 (dividend) for Z2 (the quality of earnings), Ha3: influence of X 1 (ownership of the company) against the Y (the value of the company), Ha4: influence of X 2 (Dividends) of Y (corporate values), Ha5: influence of X 1 (ownership of the company) against the Z1 (debt policy), Ha6: influence of X 2 (dividends) of the Z1 (debt policy), Ha7: influence of Z1 against Y and Ha8: influence of Z2 against Y, can be explained as follows.

Ha1 stated that the company's Ownership Structure (X 1) effect on the quality of earnings (Z2). The results of statistical tests as described in the above table 4 coefficient obtained line P3 of 0686 and probability of 0000 is much smaller than the alpha values (0.05). The results of statistical tests described that company's proprietary variable is positive and significant effect on quality.

Ha2 explained the dividend (X 2) effect on the quality of earnings (Z2). After the performed statistical tests as described in the above table 6 retrieved the value of the coefficient of the P4 line 0545 and probability of 0000 is much smaller than the alpha values (0.05). Based on the results of the statistical tests this means dividends a positive and significant effect on quality.

The company's ownership structure explain Ha3 (X 1) effect on the value of the company (Y). After the test statistics as described in table 6 and Figure 4 retrieved the value of the coefficient of the P5 line 0444 and probability of 0000. The results of statistical tests the company's ownership structure means a positive and significant effect on the value of the company.

Ha4 explained that the dividend (X 2) effect on the value of the company (Y). After you are done testing statistics as table 6 and Figure 4 obtained coefficients of P6 0525 line and the value of the probability of 0000. The results of the statistical tests show that the dividend is positive and significant effect against the value of the company.

Ha5 possession corporate (X 1) influential policy debt (Z1). Testing statistics in table 6 and Figure 4 obtained coefficient line P1 of probability and value of 0652 0000. The statistical results show that the company's ownership structure is a positive and significant effect against debt policy.

Ha6 explained that the dividend (X 2) effect on debt policy (Z1). Testing statistics shown in table 6 and Figure 4 obtained coefficients line P2 of 0620 and probability of 0000. The results of the statistical tests show that the dividend is positive and significant effect against debt policy.

Ha7 explained that the policy of debt (Z1) effect on the value of the company (Y). After you are done testing statistics as shown in table 6 and Figure 4 obtained coefficients line P7 of 0046 and the probability of 0680. The results of statistical tests show that the policy has no effect significant debt against the value of the company.

Ha8 explained that the quality of earnings (Z2) effect on the value of the company (Y). After you are done testing statistics as shown in table 6 and Figure 4 obtained coefficients of P8 line 0193 and the probability of 0046. The results of the statistical tests show that the quality of earnings positive and significant effect against the value of the company.

VI. DISCUSSION OF RESEARCH RESULTS

It is stating that X 1 (Corporate Ownership Structure) to Z2 (the quality of profit). The results of statistical tests as described in the above table 5 obtained coefficients line P3 of 0686 and probability of 0000 is much smaller than the alpha values (0.05). The results of statistical tests described that company's proprietary variable is positive and significant effect on quality.

There is some empirical research found that the relationship between the level of concentration of ownership and the quality of the earnings was positive because when the concentration of ownership increased from a very low level then the agency costs will be reduced due to the increased surveillance done share owner and management company's profits will be reduced (Xu et al., Ding,2012 et al., 2007, Alves, 2012, Ayadi et al., 2012). According to Hubert and Langhe (2002), the concentration of ownership can be an internal disciplinary mechanisms of management, as one of the mechanisms that can be used to increase the effectiveness of monitoring, because with a large ownership shareholders have made access to information significant enough to offset the advantages of information-owned management. If this materializes then the Act of moral hazard management in the form of earnings management can be reduced.

Ha2 explained the dividend (X 2) effect on the quality of earnings (Z2). After the performed statistical tests as described in the above table 6 retrieved the value of the coefficient of the P4 line 0545 and probability of 0000 is much smaller than the alpha values (0.05). Based on the results of the statistical tests this means dividends a positive and significant effect on quality.

The research is in line with the research that discovered by Miao and Tong (2011) that companies that distribute dividends in large numbers have a better profit than companies that distribute dividends in small numbers or not distribute dividends at all. The conclusions of his research is that dividends in large sizes tend to be better at indicating the quality of the earnings versus dividend is small in size. Views, companies that distribute dividends in large numbers certainly supported by a larger cash, so that the less likely to profit from the contrived (manipulated), which does not have a strong cash base.

The company's ownership structure explain Ha3 (X 1) effect on the value of the company (Y). After the test statistics as described in table 6 and Figure 4 retrieved the value of the coefficient of the P5 line 0444 and probability of 0000. The results of statistical tests the company's ownership structure means a positive and significant effect on the value of the company.

The research is in line with the findings of the Fuerst and Kang (2000) found a positive relationship between insider ownership with a market value after control of the company's performance. The value of the company may be increased if the institution is capable of being an effective monitoring tool (Slovin and Sushka, 1993). The relationship between analysts coverage which is external monitoring function and Tobins'Q as a proxy value of the company are positive and significant (Chen and Steiner, 2000).

Ha4 explained that the dividend (X 2) effect on the value of the company (Y). After you are done testing statistics as table 6 and Figure 4 obtained coefficients of P6 0525 line and the value of the probability of 0000. The results of the statistical tests show that the dividend is positive and significant effect against the value of the company. The results of this study support the hypothesis of dividend policy relevant to the effect that a high dividend can increase the value of the company, and these results are inconsistent with Gordon (1962) in Brigham and Gapenski, 1996:438) about the bird in the hand theory, that shareholders prefer the high dividends because it has a high certainty than a capital gain. The results of this study are in line with the theory of dividend policy expressed by Modigliani and Miller (1961) argued that the dividend policy irrelevant means that dividend policy is not optimal, because no dividend policy affect the value of the company as well as the cost of capital.

Ha5 possession corporate (X 1) effect on debt policy (Z1). Testing statistics in table 6 and Figure 4 obtained coefficient line P1 of probability and value of 0652 0000. The statistical results show that the company's ownership structure is a positive and significant effect against debt policy.

The direction of influence between the structure of ownership and policy debt is negative. The positive influence of direction indicates that the higher share ownership by management will result in increasing the company's debt policy level as well. This is in accordance with the results of the research of Jensen and Mecklin (1976) that States if the stock ownership by the higher management in the company, then the manager would reduce debt levels are optimal, so that will reduce the cost of supplies. The direction of the relationship is positive and a significant test results above also pointed out that the results of this study are consistent with the results of the research Moh'd et all (1998), Jensen et all (1992) and Bhatala et all (1994).

Ha6 explained that the dividend (X 2) effect on debt policy (Z1). Testing statistics shown in table 6 and Figure 4 obtained coefficients line P2 of 0620 and probability of 0000. The results of the statistical tests show that the dividend is positive and significant effect against debt policy. The results of this research in line with the research of Steven and Lina (2011) that the dividend policy of positive and significant effect against the policy of debt. It is also in line with the research conducted by Masdupi (2005) stating that the dividend policy of positive and significant effect against the policy of the company's debt.

Ha7 explained that the policy of debt (Z1) effect on the value of the company (Y). After you are done testing statistics as shown in table 6 and Figure 4 obtained coefficients line P7 of 0046 and the probability of 0680. The results of statistical tests show that the policy has no effect significant debt against the value of the company.

Funding decisions is an important part in the study of finance. Miller and Modigliani (1961) argues for the proposition assuming without taxes and perfect market, the market value of the company are not dependent on funding decisions or capital structure but rather determined by the capitalization of profits expected at some level. Jensen (1986) States that the existence of the debt can be used to control the usage of free cash flow is excessive by management, therefore, will increase the company's value. The value associated with the increase in stock prices and a decline in debt lowers the price of the stock (Masulis, 1988).

This study contradicts (NurvitaSari: 2015) that partially debt policy more influenced against the value of the company in the textile and garment sector listed in the Indonesia stock exchange. Debt policy based on the data on the sectors of textiles and garments were listed on the Indonesia stock exchange was rated in conditions less healthy or less effective because its value is above average industry standards. for it on the textile and garment sector listed on the Indonesia stock exchange should need to reduce the use of corporate debt that would later have an impact on the risk of the company in running its business.

Ha8 explained that the quality of earnings (Z2) effect on the value of the company (Y). After you are done testing statistics as shown in table 6 and Figure 4 obtained coefficients of P8 line 0193 and the probability of 0046. Theresults of the statistical tests show that the quality of earnings positive and significant effect against the value of the company.

Dividend policy the positive and significant effect against the value of the company. This means the higher dividend distribution then the value of the company will be higher, or vice versa. Thus the third hypothesis which States that the influential positive dividend policy of the company. These results support research conducted by Sujoko and Soebiantoro (2007), but does not support research conducted by Taswan (2003). This supports a bird in the hand theory which States that investors prefer companies that distribute dividends because of the certainty about the return of his investment and can anticipate the risk of uncertainty about the company's bankruptcy. In addition, smaller dividend distribution risk versus capital gains so that a high dividend payments will minimize capital costs which in turn will increase the value of the company. It can be concluded that the dividend policy is capable of becoming a mechanism for increasing the value of the company.

Thus Ha8 stating that influential positive dividend policy of the company. This result is contrary to the research conducted by SujokoSoebiantoro and (2007). Dividend payment can increase the use of debt as a source of external funding in the operations of the company. With the use of debt tax savings will occur, which in turn increase the value of the company

VII. CONCLUSIONS

- The structure of the ownership of the positive and significant effect of the quality of the company's profit result was obtained coefficients line P3 of 0686 and probability of 0000 is smaller than the alpha values (0.05).

- Dividend is positive and significant effect of the quality of the company's profit result was obtained from the values of the coefficient of the P4 line 0545 and probability of 0000 is much smaller than the alpha values (0.05).
- Ownership structure of positive and significant effect against the value of the company's results was obtained from the statistical results of the P5 line 0444 coefficient and probability is smaller than the value 0000 alfa (0.05).
- Dividend is positive and significant effect against the value of the company, these results are obtained from the values of the test statistic value line coefficient of P6 0525 and value smaller than the 0000 probability alfa (0.05).
- Ownership structure of positive and significant effect against the policy of debt, this result is obtained from the testing statistics obtained coefficient line P1 of probability and value of 0652 0000 which is smaller than the alpha values (0.05).
- Dividend policy of positive and significant effect against the debt policies of these results obtained from testing large coefficients statistical line P2 of 0620 and probability of 0000 is smaller than the alpha values (0.05).
- Debt Policies do not affect significantly to the value of the company's results was obtained from the results of the statistical tests the value of the coefficient of the Q7 line 0046 and the probability of larger 0680 from alpha values (0.05).
- The quality of earnings positive and significant effect against the value of the company, these results are obtained from the values of the coefficient of P8 line 0193 and the probability of 0000 that are smaller than the alpha values (0.05).

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