Factors that Affecting Investment Decisions with Growth Opportunity as Moderated Variables

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Abstract. Company management must strive for the welfare of shareholders through the authority given in making decisions that include investment decisions. For shareholders, investment decisions are very important because investment is an indicator of the company's existence. This study aims to determine, analyze and test how the influence of investment opportunities, profitability, debt policy and dividend policy on investment decisions with growth opportunity as a moderating variable in manufacturing companies listed on the Indonesia Stock Exchange. The population in this study is manufacturing companies listed on The Indonesia Stock Exchange during the 2016-2018 period totaled 168 companies and obtained a sample of 29 companies. Where the sample is chosen by purposive sampling method. The data analysis technique used in this study is moderated regression analysis (MRA). The results showed that the investment opportunity variable has a positive effect on investment decisions. Dividend policy negatively affects investment decisions. While the profitability and debt policy variables have no effect on investment decisions. Growth opportunity is not able to moderate the effect of investment opportunity, profitability, dividend policy and debt policy on investment decisions.

1. Introduction

Increasing economic growth requires management within the company to be able to work more effectively and efficiently in order to maintain company stability and maintain the company's survival in increasingly fierce business competition. Company management must strive for the welfare of shareholders through the authority given in making decisions which include investment decisions, funding decisions and dividend policies. Investment decisions for shareholders are very important because investment is used as an indicator of the existence of a company that if the company does not have new investment, then the company does not have a positive prospect (Anjani, 2012). An investment decision is a policy or a decision taken to invest capital in one or more assets to obtain future profits. High profits with a manageable level of risk are expected to increase the value of the company, where the value of the company itself is determined by investment decisions.

Thus, management needs to consider what factors will influence investment decisions in choosing a good investment opportunity for the company. This study examines four factors that influence investment decisions, namely investment opportunities, profitability, dividend policy and debt policy.

Myers (1977) states that investment decisions are observed by using investment opportunity sets which show the value of the company will depend on future expenditures. The greater the opportunity for profitable investment, the greater the investment made, in this case the manager tries to take the opportunity to maximize the welfare of shareholders.

Investment decisions are also determined by the company's profitability. Profitability is a performance indicator for management in managing the company's wealth as indicated by the profit generated by the company. Great profitability allows companies to use it for investment purposes.

The company's large profitability also allows investors or shareholders to want dividends to improve their welfare. The decision to determine how much dividend should be distributed to shareholders is called a dividend policy. Because of the contradictory interests between the company and the investor, the company must be able to adopt a dividend policy that brings benefits, especially for increasing the prosperity of shareholders.

Companies that have large investment opportunities will make loans in large amounts as well. The use of debt is preferred over the issuance of new shares. No matter how large the company's external funding policy in the form of debt will be a strategic choice. If an external source of funds is used, the recommended order is retained earnings, then the use of debt, and finally the issuance of new shares (Myers, 1984). Debt prevents companies from investing in projects with negative net present value where debt funding can be used to overcome over-investment problems (Jensen 1986).

Studies on the effect of investment opportunities, profitability, dividen policy and debt policy on investment decisions show inconsistent results. This shows the existence of other factors that also influence the relationship of investment opportunities, profitability, dividend policies and legal policies on investment decisions. Therefore, this study includes the growth opportunity variable as a moderating variable.

Based on the background of the problem above because the results in previous studies are inconsistent, researchers feel interested in retesting the Effect of Investment Opportunities, Profitability, Dividend Policy and Debt Policy on Investment Decisions with Growth Opportunity as a moderating variable to determine its effect on investment decisions in Manufacturing companies on the Indonesia Stock Exchange. The choice of manufacturing sector is because this sector has various industrial sub-sectors so that it can reflect the reaction of the capital market as a whole..

2. Theoretical Framework and Hypotheses

2.1 Investment Opportunities And Investment Decisions

The term IOS was first introduced by Myers (1997) which describes the company as a combination of real assets (assets in place) and investment options in the future. Investment options in the future became known as IOS (investment opportunity set). According to Smith and Watts (1992) IOS is the result of choices for making investments in the future. Because IOS cannot be directly observed, a proxy is needed in the calculation. Proxies of investment opportunities in this study are the Market to Book Value of Equity Ratio (MVE / BVE) and Market to Book Value of Assets (MVA / BVA). The ratio reflects that the market assesses the return from a company's investment will be greater in the future than the expected return on its equity (Hidayat, 2010), formulated with the formula:

$$\text{MVE/BE} = \frac{\text{Outstanding shares x closing price}}{\text{Total Equity}} \quad (1)$$

$$\text{MVA/BA} = \frac{\text{Asset-Equity + (Outstanding shares xclosing price)}}{\text{Total Equity}} \quad (2)$$

Investment opportunity is the value of the company which depends on expenses determined by management in the future, in this case investment choices that are expected to produce a greater return. If there are profitable investment opportunities, then managers try to take these opportunities to maximize the welfare of shareholders. The greater the opportunity for a profitable investment, the greater the investment made by the company (Hidayat, 2010).

According to Kallapur and Trombley (2001) companies with high investment opportunities will have the same high level of investment, which is converted into assets owned. Research conducted by Hidayat (2010), Endiana (2017) and Rahmiati and Huda (2015) shows that investment opportunities have a positive effect on investment decisions.
H_1 *: Investment opportunities have a positive effect on investment decisions.*

2.2 Profitability and Investment Decisions

Profitability is the ability of a company to make a profit in relation to sales, total assets, and own capital. According to Kasmir (2014: 115) the definition of profitability ratios is a ratio to assess a company's ability to seek profits. This ratio also provides a measure of the effectiveness of a company's management. This is indicated by the profit generated from sales and investment income. The point is that the use of this ratio shows the efficiency of the company. Profitability is measured by return on assets (ROA) (Sartono, 2010: 122). return on assets (ROA) is used in order to find out the amount of net profit that can be obtained from the company's operations by using all the assets owned by the company itself.

$$\text{ROA} = \frac{\text{Profit After Tax}}{\text{Total Asset}} \quad (3)$$

The main goal to be achieved by a company is to get the maximum profit or profit. By getting the maximum profit as targeted, the company has the opportunity to invest more. In accordance with the pecking order theory developed by Myers (1984) that financial managers will utilize the profits obtained in advance for investment activities, in accordance with the priority scale. Research conducted by Wahyuningsih (2006), Ajani (2012) and Yunus (2017) shows that profitability has a positive effect on investment decisions. Based on the explanation above, the hypothesis is formulated as follows:
H_2: *Profitability has a positive effect on investment decisions*

2.3 Dividen Policy and Investment Decisions

Dividend policy according to Sartono (2010: 281) states that the dividend policy is a decision whether the profits earned by the company will be distributed to shareholders as dividends or will be retained in the form of retained earnings to finance investments in the future. Dividend policy is an integral part of a company's funding decisions. The dividend payout ratio determines the amount of profit to be retained as a source of funding. The greater the retained earnings the less the amount of profit allocated for dividend payments. Dividend payment ratio is the percentage of profit in the form of dividends paid to shareholders (Hanafi, 2010: 44). The policy in this study was confirmed in the form of Dividend Payout Ratio (DPR).

$$DPR = \frac{\text{Dividen Per Share}}{\text{Earning Per Share}} \qquad (4)$$

Dividend payments will affect the amount of funds that can be used for investment in the future. How much the decision to build a new investment owned by the company will affect the amount of dividends distributed, companies that have many opportunities for investment will encourage companies to pay dividends in small amounts, so the company has internal equity to fund investment. Conversely, companies that lack investment opportunities will encourage companies to make high dividend payments. Research conducted by Wahyuningsih (2006) and Rahmiati and Huda (2015) shows dividends have a negative effect on investment decisions. From the explanation above, the hypothesis is formulated as follows:

H$_3$: *Dividend policy negatively influences investment decisions*

2.4 Debt Policy and Invesment Decisions

Debt policy is a policy carried out by a company to mark its operations using financial debt or commonly called financial leverage. Debt policies can be an alternative when companies are faced with financial difficulties, however, the use of debt is too high can result in financial distress. Some companies consider that using debt is safer than issuing new equity. Thus the higher the debt policy, the higher the value of the company. Proxy of debt is leverage, leverage ratio is a ratio used to measure the extent to which company assets are financed by company debt (Kasmir, 2012: 113) where leverage is the proportion between total debt and total assets in meeting company needs is calculated by the following formula:

$$Leverage = \frac{\text{Amount of debt}}{\text{Total Asset}} \qquad (5)$$

Pecking order theory states that companies will use external finance if there is insufficient internal equity in the company to overcome the need for funds to finance investment. According to Myers (1984), the use of debt in a company is preferred over the issuance of new shares. No matter how big a company is, funding policies from outside the company in the form of debt will be a strategic choice. If external sources of funds are used, the recommended sequence is retained earnings, use of debt and finally the issuance of new shares. Debt prevents companies from investing in projects with negative net present value where debt funding can be used to overcome over-investment problems (Jensen, 1986). Research conducted by Saragih (2008), Anjani (2012) and Kanigara (2018) shows that debt policy has a positive effect on investment decisions. Based on the explanation above, the following hypothesis is formulated:

H$_4$: *Debt policy has a positive effect on investment decisions*

2.5 Growth Opportunity in the Relationship of Investment Opportunity, Profitability, Dividen Policy and Debt Policy to Investment Decisions

Growth Opportunity are the company's opportunities in the future (Anjani, 2012).

Companies that have fast growth often have to increase their fixed assets. Thus companies with higher growth rates require more funds in the future and also retain more profits than companies with low growth rates to reinvest in companies and at the same time companies are expected to continue to rely on greater debt (Baskin, 1989) when companies are faced with investment opportunities in projects with positive NPV which require the use of large funds. Growth opportunity is measured through a comparison of market value equity (MVE) and book value equity (BVE) (Booth, et al., 2001). This proxy can give an idea of how investors appreciate the company, so investors are willing to invest in the company. Companies that have the potential to grow will have a relatively higher market value compared to their real assets. To calculate growth opportunity, it is formulated with the following formula:

$$\textit{Growth Opportunity} = \frac{\text{Market Price per share}}{\text{Book Value per share}} \qquad (6)$$

A company will definitely try to take investment opportunities that are believed to be profitable in the future. This, will greatly affect investment decisions that will be taken by the company. High investment opportunities and supported by high company growth in the future, will increase the company's opportunities to maximize investment opportunities. Research conducted by Endiana (2017) Growth Opportunity is able to influence the relationship between investment opportunities and investment decisions. This shows that with a profitable investment opportunity owned by the company and supported by the potential to be able to grow from its investment activities, it further strengthens the company's position in making decisions to conduct investment activities. Based on the explanation above, the following hypothesis is formulated:

H$_5$: *Growth Opportunity is able to moderate the effect of investment opportunities on investment decisions*

The company's ability to generate maximum profits will affect the investment decisions taken by the company. Sari's research results (2014) show growth (company growth) affects profitability, through assets owned so that it affects the productivity and efficiency of the company which ultimately affects profitability. The faster the company's growth, the company's ability to generate higher profits, this means that the assessment of the profitability ratio is also high. The higher the company's ability to get profits and is supported by opportunities for growth in the future, it will make the company use as much as possible to make investments. Based on the explanation above, the following hypothesis is formulated:

H$_6$: *Growth Opportunity is able to moderate the effect of profitability on investment decisions*

Shareholders expect returns from their investment activities, one of which is dividends. But on one side of the company in financing its investment activities expect small dividends distributed or even do not distribute dividends. The results of a study conducted by Zulkarnain (2016), found that growth (company growth) had a non-significant negative effect on dividend policy. Where this negative influence indicates that if there is an increase in company growth in the company (business entity) then there will be a decrease in dividends to be paid to shareholders and vice versa. This shows that companies with high growth prefer to invest compared to dividend distribution so that the profits earned by the company will be allocated as retained earnings to finance investments that are useful for the company's future growth.

Dividend policy by companies will affect investment decisions made by the company. The policy of dividend distribution is small or even does not distribute dividends and is supported by the opportunity to grow the company, the company will be maximally able to be used for corporate investment activities. Based on the explanation above, the following hypotheses can be constructed:
H_7: *Growth Opportunity is able to moderate the effect of dividend policy on investment decisions.*

Companies with high growth rates require more funds in the future and also retain more profits compared to companies with low growth rates to reinvest in companies and at the same time the company is expected to continue to rely on funding through greater debt (Baskin, 1989). Companies with high growth opportunity have the potential to have a large amount of cash flow thereby reducing adverse selection in granting credit to companies. Thus the high growth opportunity reduces the barriers of companies to take on investment projects funded by debt (Aivazian, et al, 2005). Research conducted by Anjani (2012) shows that growth opportunity is able to moderate the relationship of debt to investment development. Based on the explanation above, the following hypothesis is formulated:
H_8: *Growth Opportunity is able to moderate the effect of debt policy on investment decisions*

3. Research Method

3.1 Sample

The population in this study are all manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the period 2016-2018. The sampling technique in this study was carried out using a purposive sampling method, namely the sampling technique with certain considerations (Sugiyono, 2018: 368).

The sampling criteria in this study include the following:

a. Manufacturing companies listed on the Indonesia Stock Exchange from 2016-2018.
b. Manufacturing companies that issue complete financial statements from 2016-2018.
c. Manufacturing companies that make a profit in 2016-2018, because manufacturing companies that lose can not distribute dividends.
d. Distributing cash dividends in a row as seen from the dividend payout ratio in 2016-2018.
e. Manufacturing Companies that use rupiah units in 2016-2018

The results of purposive sampling there are 29 companies that meet the criteria, multiplied by three years of the research period so that the total number of research observations is 87.

3.2 Moderated Regression Analysis

The data analysis technique used to solve the problem in this study is the moderated regression analysis. Data is processed with the help of SPSS software. While Moderated Regression Analysis (MRA) in general is a special application of multiple linear regression where the regression equation contains elements of interaction or multiplication between two or more independent variables (Ghosali, 2012: 229). Researchers use moderated regression analysis (MRA) because the independent variable contains elements of interaction or multiplication, with the independent variable investment opportunity, profitability, dividend policy, debt policy and growth opportunity, and the dependent variable is investment decisions. The MRA model in this study is stated as follows:

$KI = \alpha + \beta 1IOS + \beta 2ROA + \beta 3DPR + \beta 4LEV + \beta 5GO + \beta 6IOS * GO + \beta 7ROA * GO + \beta 8DPR * GO + \beta 9LEV * GO + e$ ....(8)

Information :
KI = Investment decision
IOS = investment opportunity
ROA = Profitability
DPR = Dividend Policy
LEV = Debt Policy
GO = Growth opportunity
IOS*GO= Interaction of investment opportunities with growth opportunities
ROA*O= Profitability interaction with growth opportunity
DPR*GO= Interaction of dividend policy with growth opportunity
LEV*GO= Interaction of debt policy with growth opportunity
e = error

4. Data Analysis and Discussion

4.1 Factor Analysis

Factor analysis is used to find a way to reduce the information contained in a number of original variables into a set of variables that are smaller than the combined and new dimensions. Where in this study the factor analysis test was conducted to reduce the investment opportunity variable (IOS) which is proxied by MVE /BE and MVA/BA.

Table 1. Factor Analysis

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	175.535
	df	1
	Sig.	.000

Anti-image Matrices

		MVE/BVE	MVA/BVA
Anti-image Covariance	MVE/BVE	.125	-.117
	MVA/BVA	-.117	.125
Anti-image Correlation	MVE/BVE	.500[a]	-.935
	MVA/BVA	-.935	.500[a]

a. Measures of Sampling Adequacy(MSA)

Communalities

	Initial	Extraction
MVE/BVE	1.000	.968
MVA/BVA	1.000	.968

Extraction Method: Principal Component Analysis.

The value of KMO and Barlett "s Test for the desired correlation between variables is ≥ 0.5. The significance of the study was 0.05. From the results of the data processing above, the KMO value is 0.500, which means that it is equal to 0.5. Meanwhile, the significance generated from the Barlett's Test of Sphericity was 0,000. With these results, it can be said that the variables and samples used allow for further analysis. Furthermore, to see the correlation between independent variables can be seen from the Anti Image Matrices table. The value to be considered is MSA (Measure of Sampling Adequacy). On the Anti Image Correlation line, where the MSA value is marked with the letter a, the following results are obtained:

1) MVE / BVE: 0.500 ≥ 0.5

2) MVA / BVA: 0.500 ≥ 0.5

Based on the results of the MSA, the two MVE / BVE and MVA / BVA proxies can be further analyzed because each value is ≥ 0.5. The IOS values of the two proxies are represented by the IOS factor index.

4.2 Descriptive Analysis

Descriptive statistics are used to show the amount of data used in this study and can show the maximum value, minimum value, average value and standard deviation of each variable. Variables in this study include investment opportunities, profitability, dividend policy, debt policy, growth opportunity and investment decisions

Table 2. Descriptive Analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
IOS	87	-.54910	5.43326	.0000000	1.00000000
ROA	87	.01	53.00	10.7954	11.70038
DPR	87	.16	350.90	55.0174	61.16702
LEV	87	.08	72.60	19.6198	24.04893
GO	87	.01	82.45	5.4223	12.74805
KI	87	-14.81	61.04	9.0932	10.84555
Valid N (listwise)	87				

Based on Table 2, descriptive statistics can be explained Investment opportunity variables (IOS) have a minimum value of -0.54910, a maximum value of 5.43326, an average value of 0.000, and a standard deviation of 1. Similarly, a variable others such as ROA, DPR, LEV, GO and KI also show moderate and reasonable value variations.

4.3 Moderation Regression Analysis

Moderated Regression Analysis (MRA) is used to determine the extent of interaction between variables.

Table 3. Moderation Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	14.794	2.911		5.082	.000		
	IOS	1.003	.197	.765	5.087	.000	.282	3.540
	ROA	-.082	.189	-.074	-.435	.665	.220	4.547
	DPR	-.069	.032	-.181	-2.150	.035	.901	1.110
	LEV	-.002	.075	-.002	-.025	.980	.678	1.475
	GO	.003	.208	.002	.012	.990	.218	4.579
	IOS*GO	.014	.056	.042	.244	.808	.211	4.731
	ROA*GO	-.005	.005	-.141	-.927	.357	.276	3.618
	DPR*GO	.002	.003	.096	.443	.659	.137	7.304
	LEV*GO	.000	.004	-.019	-.106	.916	.209	4.773

a. Dependent Variable: KI

Based on Table 3 about the results of the moderation regression analysis test, the regression equation can be obtained in this study are as follows:

IC = 14,794 + 1,003 (IOS) - 0,082 (ROA) - 0,069 (DPR) - 0,002 (LEV) + 0,03 (GO) + 0,014 (IOS * GO) - 0,005 (ROA * GO) + 0,002 (DPR * GO)) + 0,000 (LEV * GO)

Based on the regression model, the results of the moderation regression analysis test in this study can be described as follows:

Constants

1) The constant coefficient value of 14.794 means that if the four independent variables, namely investment opportunity (X1), profitability (X2), dividend policy (X3) and debt policy (X4) are equal to 0 (zero), then the value of investment decisions (Y) is equal to 14,794.
2) The value of the investment opportunity coefficient (IOS) is 1,003 meaning that if the number of investment opportunities increases by one unit, the investment decision will increase by 1.003, assuming the other variables are constant.
3) The value of the dividend policy coefficient (DPR) is -0.69 meaning that if the number of dividend policies increases by one unit, the investment decision will decrease by 0.69, assuming the other variables are constant.

4.4 Discussion

4.4.1 Effect of investment opportunities on investment decisions

The first hypothesis (H1) in this study states that investment opportunities have a positive effect on investment decisions. Based on research conducted, the results show that investment opportunities have a positive effect on investment decisions. These results support the first hypothesis. So it can be concluded that the greater investment opportunity, the company will maximize the opportunity to be able to expand its investment. If there are profitable investment opportunities, then the manager tries to take these opportunities to maximize the welfare of shareholders. The greater the opportunity for a profitable investment, the greater the investment made by the company (Hidayat, 2010). The results of this study are consistent with research conducted by Safitri (2016) and Endiana (2017) which states that investment opportunities have a positive effect on investment decisions.

4.4.2 The Effect of Profitability on Investment Decisions

The second hypothesis (H2) in this study states that profitability has a positive effect on investment decisions. Based on research conducted, the results show that profitability has no effect on investment decisions. These results contradict the second hypothesis.

It is estimated that profitability has no effect on investment decisions because the priority of the allocation of profits obtained by the company is not prioritized for making new investments. But rather to finance working capital, where profits are used in financing the company's operational activities, especially for short periods. Or the company prefers to allocate profits to distribute dividends rather than making new investments. The results of this study contradict the results of Endiana's research (2017).

4.4.3 The Effect of Dividend Policy on Investment Decisions

The third hypothesis (H3) in this study states that dividend policy has a negative effect on investment decisions. Based on research conducted, the results obtained that the dividend policy has a negative effect on investment decisions. These results support the third hypothesis. So it can be concluded that the smaller the amount of dividends distributed by the company, the company can maximize the opportunity to be able to expand its investment.

How much the decision to build a new investment owned by the company will affect the amount of dividends distributed, companies that have many opportunities for investment will encourage companies to pay dividends in small amounts, so the company has internal equity to fund investment (Anjani, 2012).

The results of this study are consistent with research conducted by Wahyuningsih (2006) and Rahmiati and Huda (2015) who state that dividend policy has a negative effect on investment decisions.

4.4.4 Effect of Debt Policy on Investment Decisions

The fourth hypothesis (H4) in this study states that debt policy has a positive effect on investment decisions. Based on the research conducted, it was found that the debt policy had no effect on investment decisions. These results contradict the fourth hypothesis.

The existence of asymmetry of information on external funding, causes external funding such as debt to be more expensive than internal funding which results in financially constrained companies and lack of access to external funding sources. So companies prefer internal funds. The use of debt requires conditions and causes restrictions on managers. The results of this study support the research of Lindananty (2004), which states that when a company has positive sales growth, then that's when the company needs new investment. However, because the current capital structure is dominated by debt, the company's investment decisions no longer consider the debt ratio, because the company does not dare to increase the risk of the company by using debt as a source of funds. Even though the debt ratio of the company is big or small, if the company has a high level of sales that makes the company have internal funds to finance investment, the debt policy will not affect the investment decisions taken.

The results of this study are in line with research by Zaki (2013) and Senjani (2014) which states that debt policy has no effect on investment decisions, but these results contradict the results of Kanigara's research (2018).

4.4.5 Effect of Growth Opportunity on the Investment Opportunity relationship with Investment Decisions

The fifth hypothesis (H5) in this study states that growth opportunity is able to moderate the influence of investment opportunities on investment decisions. Based on the research conducted, it was found that growth opportunity was not able to strengthen or weaken the relationship of investment opportunities to investment decisions. These results contradict the fifth hypothesis.

Pure corporate investment decisions are taken at the discretion of the company to take investment opportunities that are considered profitable in the future. Although there are opportunities for growth but if the company does not have an investment opportunity that is considered profitable, then of course the decision taken is not to take the investment opportunity.

The results of this study are not in line with research conducted by Endiana (2017) which states that growth opportunity is able to moderate the effect of investment opportunities on investment decisions.

4.4.6 Effect of Growth Opportunity on the relationship between Profitability and Investment Decisions

The sixth hypothesis (H6) in this study states that growth opportunity is able to moderate the effect of profitability on investment decisions. Based on the research conducted, it was found that growth opportunity was in fact unable to strengthen or weaken the relationship of profitability with investment decisions. These results contradict the sixth hypothesis.

From the results of the analysis above, profitability itself has no effect on investment decisions so that even if there is an opportunity to grow for the company it will not affect its relationship to investment decisions. Because it could be the orientation of the use of funds or company profits are used first as working capital where profits are used to finance the company's operational activities, especially for short periods. Although there are opportunities for growth, but companies that are oriented towards the use of funds are not to invest, of course the decision taken is not to invest.

The results of this study are in line with research conducted by Endiana (2017) which states that growth opportunity is not able to moderate the effect of profitability on investment decisions.

Effect of Growth Opportunity on the relationship of Dividend Policy with Investment Decisions

The seventh hypothesis (H7) in this study states that growth opportunity is able to moderate the effect of dividend policy on investment decisions. Based on the research conducted, it was found that growth opportunity was in fact unable to strengthen or weaken the relationship of dividend policy to investment decisions. These results contradict the seventh hypothesis.

This is because the company's pure investment decisions are taken at the discretion of the company to distribute dividends or allocated as retained earnings. Although there is an opportunity to grow but if the company decides to distribute dividends or allocate funds as retained earnings, then of course the decision taken is not to make the investment. The results of this study are in line with research conducted by Endiana (2017) which states that growth opportunity is not able to moderate the effect of dividend policy on investment decisions.

4.4.7 Effect of Growth Opportunity on the relationship between Debt Policy and Investment Decisions

The eighth hypothesis (H8) in this study states that growth opportunity is able to moderate the effect of debt policy on investment decisions. Based on research conducted, it was found that growth opportunity was in fact unable to strengthen or weaken the relationship of debt policy to investment decisions. These results contradict the eighth hypothesis.

From the results of the analysis above, the debt policy itself has no effect on investment decisions so that even if there is an opportunity for growth for the company it will not affect its relationship to investment decisions. Because a company that finances its investment through debt will have a higher risk than using funds from internal companies, so of course the decision taken is not to invest.

The results of this study are in line with research conducted by Bayu (2011) which states that growth opportunity is not able to moderate the effect of debt policy on investment decisions. But the results of this study contradict the results of research Anjani (2012).

5. Conclusion, Implication, Suggestion, and Limitations

5.1 Conclusion

The purpose of this study was to determine the effect of investment opportunities, profitability, dividend policy and debt policy on investment decisions with growth opportunities as a moderating variable in manufacturing companies listed on the Indonesia Stock Exchange for the period of 2016-2018 with a sample of 87. Based on the results of data analysis and discussion , then the results of the study can be concluded as follows:

1) Investment opportunity has a positive effecteffect on investment .
2) Profitability has no effect on investment decisions.
3) Dividend policy has a negative effect on investment decisions.
4) Debt policy does not affect investment.
5) Growth opportunities are not able to moderate the relationship between investment opportunities and investment decisions.
6) Growth opportunities are not able to moderate the relationship between profitability and investment decisions.
7) Growth opportunities are not able to moderate the relationship between dividend policy and investment decisions.
8) Growth opportunities are not able to moderate the relationship between debt policy and investment decisions.

5.2 Suggestion and limitations

Some suggestions that can be given for further research are as follows:

1) For companies in making investment decisions, the important thing to consider is related to investment opportunities owned by the company, as well as dividend policies conducted by the company.
2) Further research is suggested to include other variables that theoretically influence investment decisions such as using free cash flow measurements and other cash flow ratio measurements.
3) Using other types of industries so that they can do comparisons between each type of industry, for example in food and beverages or mining companies.
4) Subsequent research can also add a period of observation because the longer the

observation period the more able to provide a more concrete explanation of investment decisions.

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