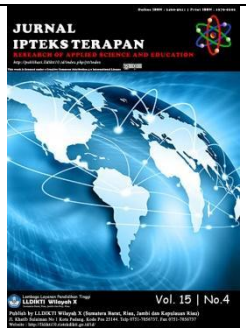

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EFFECT OF COMPANY SIZE, DEBT POLICY, PROFITABILITY, AND DIVIDEND POLICY ON COMPANY VALUE

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Abstract

Background : The company is an agency that aims to produce products that can be useful for the wider community, but various company policies can affect the value and purchasing power of the people on the products produced by the company. This research was conducted to obtain information about four factors that influence the size of the company's value, the first is the size of the company, the second is the policy taken in debt, the third is the amount of profit, and the last is the policy in distributing dividends to shareholders. In order to make it easier to review and analyze data related to the themes studied in this research. **Method :** Researchers use quantitative methods. Data displayed is related to companies engaged in the basic and chemical industrial sectors between 2018 and 2020. A total of 78 companies were designated as the population in this research, of which 40 companies were sampled. **Result :** Analysis test using the T test got different results for each variable. One variable, namely the size of the company does not have an impact on the value of the company, while the other three variables have an impact on the value of the company. **Conclusion :** Results obtained from the adjusted R Square test obtained the number 0.898, with these results providing information that all independent variables have an influence of 89.8% on firm value and 10.2% is influenced by other variables.

Keywords: Company Size,Debt Policy, Profitability,Dividend Policy,Firm Value

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INTRODUCTION

The company is an agency that aims to produce products that can be useful for the wider community, but various company policies can affect the value and purchasing power of the people on the products produced by the company. If the policies taken by the company are in accordance with the needs, it will increase the selling value of the product, but if the policies taken are not in accordance with the needs. Will result in a decrease in the value of the company. There are four factors that influence the size of the company's value, the first is the size of the company, the second is the policy taken in debt, the third is the amount of profit, and the last is the policy in the distribution of dividends to shareholders.

One phenomenon that has attracted attention among investors is the decline in stock prices that occurred in PT. Bakrieland Development, the price of the shares in the PT experienced a fall. The company which is engaged in the property sector experienced a decline of 18.87% so that the share price per share became Rp.129 rupiah. The share price is far from the right issue value which is set at Rp. 160 per share. This downward trend continues from year to year, as evidenced by data in 2010 this company has experienced a price decline of 33.16%. The decline in share prices continued until 2012, where in that year the share price of PT. Bakrieland fell 54.62% to Rp. 54 per share. The fall in share prices in 2012 resulted in a loss in the first semester of 2012 amounting to 34.59 billion which was jointly borne by the main owners of the company. Whereas one year earlier, in 2011 PT. Bakrieland still earns profits that can be given to the owners of the parent company, which amounts to 126.13 billion, so that if the accumulated losses during the first semester of 2012 reach 81.16 billion. Meanwhile, in the first semester of 2011 it still recorded a net profit of 180.90 billion. Referring to research that has been done in the past, it was found that various

factors that can have an impact on firm value. The first factor is the size of the company, the second is the policy in obtaining debt, and the last is the profit earned by the company. One of the benchmarks that can determine the number of assets owned by a company is the company's capacity to produce products on the market. The company's capacity can also be used as a guide in knowing the amount of assets or wealth owned by managers in the company. So with the amount of assets owned by the company can make it easier to take a policy. Companies that have good value will have easy access to the capital market in obtaining funds, besides that investors will easily entrust funds to companies that have a better capacity to produce their products on the market. The value of the company is the main measure that is used as a benchmark by investors in entrusting a number of funds to the company, because a good value simultaneously gives an idea to investors that the company will continue to run well in the future.

The value of the company can be determined by the value of the assets owned by the company. The assets that have the most significant influence on firm value are stock securities and other fixed assets (Investment et al., 2020). The company described by Palupi and

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Hendiarto (2018), the value of the company will be considered important because the higher the value of the company obtained, it will also have an impact on the prosperity of those who hold shares. The increasing value of the company is something that is not in accordance with the wishes of the owners, because if the value of the company increases, the welfare of its owners will also increase.

From the opinion of Nurminda et al., (2017) it is concluded that company size is a measure that can determine the size of the numbers obtained by the company in several ways including looking at the total sales proceeds, total assets, and market capitalization. In the research conducted, the size of the company is measured by the total assets obtained by the company, as stated by Agustia and Suryana et al. (2018) results from the total number of sales will be obtained which are stable results than the number of sales and are stated to be more relevant than the market capitalization value. This means that the size of the company can determined from the amount of sales generated by the company, the higher the level of sales, it will simultaneously increase the company's wealth, and will automatically increase the value of the company.

Sukrini (2012) argues that debt policy is a policy that can determine how much funds are needed from the company and in using debt. In other words, the company's policy in seeking debt is related to the company's unmet needs from the capital owned. This means that the higher the company's needs if there is not sufficient capital, it simultaneously affects the higher the amount of debt owned by the company. Dwiastuti & Dillak, (2019) every company has a high debt equity ratio policy to reduce how much dividends are paid to shareholders. This is because if a company is more concerned with carrying out obligations than dividing dividends.

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company is more concerned with carrying out obligations than dividing dividends.

The dividend policy described by Setiawan et al., (2013) is a decision in determining the profits earned will be distributed to shareholders as dividends or only dismissed on profits in financing investment programs in the future. If the dividend is divided among the shareholders, the higher the dividend, the lower the profit that is laid off. However, if the company prioritizes the development and growth of the company, the profits obtained will be stopped so that the profit figure is higher, the dividend distribution will be lower, in other words, dividends are part of the profits generated by the company, the amount of dividends is determined by the board of directors which is approved by all shareholder investors, the amount that has been agreed upon at the end of the year at the end of the administrative book closing will be distributed to all investors who have shares in the company. (Palupi & Hendiarto, 2018).

RESEARCH METHODS

The research method proposed by Sugiyono (2018:2) is a method carried out by researchers on a scientific basis in order to obtain data in order to achieve what was intended from the start. The researcher chose this research by using quantitative research methods, in which the content of the data used includes numbers, then the statistical analysis stage is carried out, so the nature of carrying out this research is descriptive. In carrying out the research, the researchers carried out directly in the areas of basic and chemical industrial companies.

Anshori (2019:92) expresses his argument about the population as a whole object used in a research study. The total population used in this research is 78 companies that focus on producing raw materials and sub-sectors in the basic and chemical industry and their distance from 2018 to 2020. According to Anshori (2019:84), the sample is representative of the population that has been determined. in a study with certain criteria according to what will be the research sample.

RESULTS AND DISCUSSION

Classic assumption test

The purpose of this test is to be able to carry out tests on the dependent variable or test two things that are included in the normal distribution or vice versa. The testing is carried out in the following way,

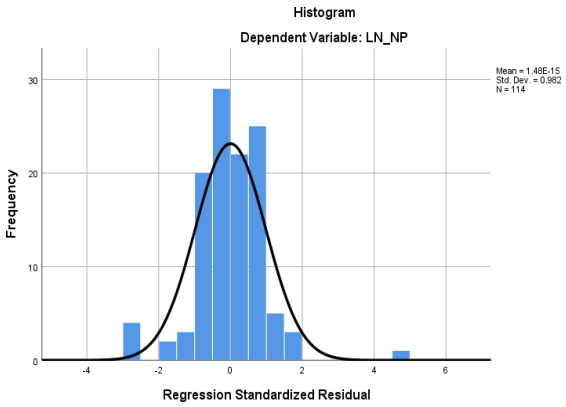

Figure 1. Normality Test Histogram

The picture above shows that the line does not deviate to the right or left and is in the form of an inverted bell. This shows

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that the research data is normally distributed.

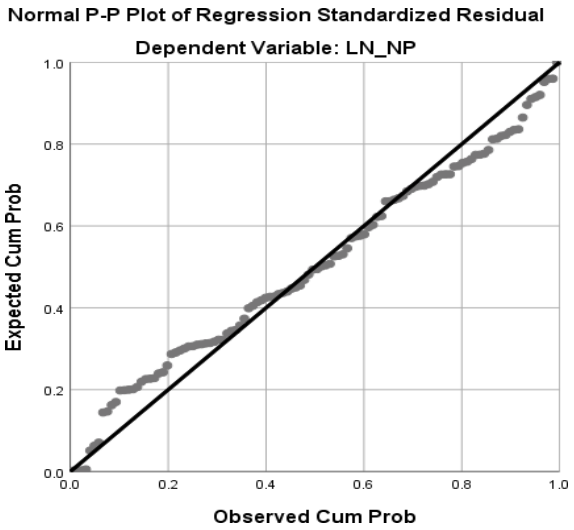

Figure 2. P-P-Plot

From the figure, it can be seen that related to the graph, it can be seen that the results show that the points are spread out and the direction is racing in the direction of the diagonal line, which means that the data is declared normally distributed because it is in accordance with the prevailing normality assumption.

		Unstandardized Residual
N		114
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.27189706
Most Extreme Differences	Absolute	.097
	Positive	.081
	Negative	-.097
Test Statistic		.097
Asymp. Sig. (2-tailed)		.215[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Table 1. One-Sample Kolmogorov-Smirnov Test

The test that has been described above describes the results of the calculation of significance with a number of 0.215 which is greater than 0.05 between the independent variables and the dependent variable, meaning that the data is said to be normally distributed.

Multicollinearity Test

Model		Collinearity Statistics Tolerance	VIF
1	(Constant)		
	LN_UP	.710	1.408
	LN_DER	.707	1.414
	LN_ROA	.436	2.292
	LN_PER	.455	2.196

Table 2. Multicollinearity Test

This test has the aim that researchers can find out from this regression model whether there is a relationship or correlation generated by the two variables, the first is the independent variable, and the second is the dependent variable.

From the results that have been explained, it is stated that there is no multicollinearity symptom because the value of tolerance in the independent variable is 0.10 and the VIF value shows that the number is below 10.

Heteroscedasticity Test

This test is carried out as an effort to find out whether there are differences produced by multiple linear regression. One way that is considered the most appropriate way to determine the level of heteroscedasticity produced by each variable is by measuring the value of a multiple linear graph, a scatterflot graph or from the predicted value of the related variable.

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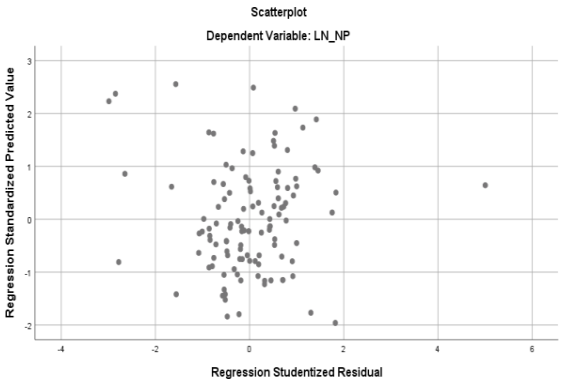

Figure 3. Scatterplot

The graphic image above shows the Y axis producing a fairly large number of points that are widely spread and the number is below 0. From this it means that this research carried out with no symptoms of heteroscedasticity.

Glejser Test

Model		Sig.
1	(Constant)	.734
	LN_UP	.567
	LN_DER	.315
	LN_ROA	.286
	LN_PER	.113

Table 3. Glejser Test

According to the table above, the significance value is above 5% for all independent variables according to the predetermined and it means that there are no symptoms of heteroscedasticity in this research data.

Autocorrelation Test

This test is carried out to determine whether the correlation of the tested variables is present or not with the predictive model on changes in time. The number used in the research is the Durbin Watson number or DW.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.949[a]	.901	.898	.27684	1.377

a. Predictors: (Constant), LN_UP, LN_DER, LN_ROA , LN_PER

b. Dependent Variable: LN_NP

Table 4. Test Runs Test

0.110 less than 0.05 is a significant number in the run-test table. So the conclusions obtained do not experience any symptoms of autocorrelation in these results.

Multiple Linear Regression Analysis

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	2.285	.568		4.022	.734
	LN_UP	-.053	.019	-.101	-2.819	.567
	LN_DER	.382	.034	.397	11.100	.315
	LN_ROA	.929	.035	1.196	26.261	.286
	LN_PER	.904	.032	1.272	28.549	.113

a. Dependent Variable: LN_NP

Table 5. Multiple Linear Regression Analysis

From the table above, Ln_Company Value = 2.285 - 0.053 Ln_Company Size + 0.382 Ln_Debt Policy + 0.929 Ln_Profitability + 0.904 Ln_ Dividend Policy. The following is the interpretation of the results of multiple linear regression testing as follows:

The value of 2.285 is a constant value, meaning that if UP, DER, ROA and PER are 0, then it is stated by the value of the price obtained as much as 2.285.

The coefficient value of UP - 0.053 means that for every one-time increase in

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UP, the NP is said to have decreased by 0.053 times.

The coefficient value of DER 0.382 means that for every one-time increase in DER, the UP is declared to have increased by 0.382 times.

The coefficient value of ROA of 0.929 means that for every one-time increase in ROA, the UP will increase by 0.929 times.

0.904 is the numerical value of the PER coefficient, which means that for every one-time increase in PER, UP is declared to have increased by 0.904.

Adjusted Coefficient of Determination (R2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.949[a]	.901	.898	.27684	1.377

a. Predictors: (Constant), LN_UP, LN_DER, LN_ROA , LN_PER

b. Dependent Variable: LN_NP

Table 6. Coefficient of Determination (R2)

These results define the adjusted R Square value of 0.898 which means that there is an influence between the independent variable and the firm value with a total of 89.8 and the remaining 10.2% which has an influence on other variables.

Simultaneous F Test or Hypothesis Testing

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	76.400	4	19.100	24.215	.075[b]
	Residual	8.354	109	.077		
	Total	84.754	113			

a. Dependent Variable: LN_NP

b. Predictors: (Constant), LN_UP, LN_DER , LN_ROA , LN_PER

Table 7. F-Test

By looking at the results of the table using the F test, it is said that the significance of the Fcount value is above 24.215 and Ftable (f(k ; n-k) = f(4;114-4) = f (4;110) which has a value of 2.45. that is, the value of Fcount is greater than Ftable, which is 24,215 more than and the significance value of 0.075 is greater than 0.05. The researcher concludes that Ha is accepted and the result Ho is said to be rejected, the end result is that all independent variables have a significant effect on firm value.

T-Test or partial hypothesis test

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	2.285	.568		4.022	.734
	LN_UP	-.053	.019	-.101	-2.819	.567
	LN_DER	.382	.034	.397	11.100	.315
	LN_ROA	.929	.035	1.196	26.261	.286
	LN_PER	.904	.032	1.272	28.549	.113

a. Dependent Variable: LN_NP

Table 8. T-Test

The following are the results of the t-test from the table, namely:

The obtained T count at the UP value is -2.819 less than the T table which is 1.98197 and the significant value is 0.567 more than 0.05. Then the statement is that Ha is accepted and UP has an influence on firm value.

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The Tcount value in the partial DER value is 11.100 more than the T table value is 1.98197 and the value 0.315 more than 0.05 is the significant amount. The conclusion drawn is that Ha is accepted and KH affects firm value. In calculating T arithmetic in the ROA value section which partially gets a value of 26.261, the result is greater than T table 1.98197 and many significant figures are 0.286 greater than 0.05. With the results of calculations using the T value test scale above, information is obtained that Ho is rejected while Ha is accepted. So the end result is that profitability has an influence on firm value. The result of T arithmetic is 28,549 which is greater than T table is 1,98197 in the PER value section, the significant value is 0.113 which is greater than 0.05. The researcher concludes that Ha is said to be accepted and KD affects the firm value.

CONCLUSION

In terms of simultaneous and concurrent variables consisting of four things, the first is the size of the company, the second is the policy in taking debt, the third is the amount of profit earned by a company, and the policy is decided in dividing dividends according to the procedure. The four of the variables can have a significant and positive impact on the value of a company that deals with basic industrial and chemical aspects and has been listed on the IDX.

Partially, the tests carried out on each variable provide information about the size of the company that does not affect the value of the company according to the basic and chemical industry aspects that are listed on the IDX.

Simultaneously, the tests carried out separately on each variable provide information that the policies taken in obtaining debt have a significant influence on the value of the company with the direction of movement in the basic and chemical industries according to the list on the IDX.

In terms of the overall test, which is carried out separately on each variable, it provides information that the variable of the amount of profit owned by the company can have a significant and positive effect on the value of the company which is directed at the basic and chemical industries and is listed on the IDX.

By looking at it as a whole, the tests carried out separately show that the policy variable in distributing dividends to shareholders can affect with positive and significant results on a company value that is in accordance with the basic and chemical industries and is included in the IDX list.

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