

ANALYSIS OF FACTORS INFLUENCING CAPITAL STRUCTURE, DIVIDEND POLICY, TOTAL ASSETS ON FIRM VALUE IN THE BANKING SECTOR ON THE INDONESIA STOCK EXCHANGE (IDX)

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ABSTRAK

In the banking sector, company value plays an essential role in the success of company management. Therefore, efforts must be made to improve several aspects of the banking industry. Key areas for improvement include capital structure, dividend policy, and total assets. The objective of this research is to determine whether there is an influence of capital structure, dividend policy, and total assets on company value. This research adopts a quantitative method using secondary data sourced from the Indonesian Stock Exchange (BEI), with a total of 35 samples. The results of this research are shown in the R-squared value, which is 82.9%. This indicates that the variables X1 (capital structure), X2 (dividend policy), and X3 (total assets) significantly influence company value.

Keyword: *Capital Structure; Dividend Policy; Total Assets; Company Value.*

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INTRODUCTION

The role of banking in advancing a country's economy is very large. Company value is an investor's perception of a company that is often associated with stock prices. A high company value is the desire of company owners, because a high value indicates high shareholder prosperity. Company value will be used as a measure of the success of company management so that it can increase trust for shareholders and fulfill investor welfare (Yanti, et al. 2019).

Companies that have an optimal capital structure will produce an optimal rate of return, so that not only the company makes a profit, Capital structure has a positive and significant effect on company value. Capital structure can show the efficiency of company performance and the DER ratio is believed to be able to influence the size of a company's value (Salsabila & Rahmawati, 2021). The factors that are thought to influence capital structure and company value are

company growth, profitability, asset structure, operating leverage, and company size.

Dividend policy is often considered as part of spending decisions, especially internal spending. This happens because the amount of dividends paid by the company will affect the company's internal funding sources, namely retained earnings. Dividend policy is related to determining the amount of dividend payout ratio, namely the percentage of net profit after tax that is distributed as dividends to shareholders or will be retained in the form of retained earnings to be used as investment financing in the future. (Puspita Mawar Arum, 2019) Various research results were also found in studies that examined the effect of Liquidity on Company Value, such as the results of research conducted by Widya, et al. (2018), showing that the results of the liquidity variable research have a negative and insignificant effect on Company Value and various previous research results. which does not yet exist regarding Dividend Policy on Company Value, then the researcher will conduct further research on analyzing how Analysis Affects Capital Structure, Dividend Policy, Total Assets on Company Value in the Banking Sector on the IDX.

Based on the many factors that influence the company value above, the author is motivated to conduct research on the relationship between these factors and company

value, especially manufacturing companies listed on the Indonesia Stock Exchange. And this research is expected to provide benefits to investors and creditors in terms of knowledge about company value and provide references for further researchers if they take the same topic.

Table 1. Tabulation of data from Capital Structure, Dividend Policy and Company Value in 2018-2019.

Year	Code Company	Structure Capital	Policy Dividend	TotalAssets	Mark Company
2018	BMRI	5.09	0.67	3.17	1.95
2019	BMRI	4.9	0.84	3.03	1.71
2018	BBTN	11.06	1.83	1.34	1.16
2019	BBTN	11.3	2.96	0.13	0.94
2018	BBRI	5.88	0.92	3.68	2.57
2019	BBRI	5.66	1.04	3.5	2.59

The table above shows data from 3 banking company sectors in the 2018-2019 period that capital structure, dividend policy, and total assets all experienced a decline. Meanwhile, the company value from the data above, the three the banking sector experienced a decline and an increase.

LITERATURE REVIEW

Company Values

According to Yanti and Darmayanti (2019), company value is an investor's perception of the company's level of success, which is often associated with stock prices and profitability.

According to Gunardietal. (2022), Company Value is a condition where a company will gain public trust through operational activities since the company was founded.

So the conclusion that can be drawn is that the company value formed through stock market indicators is greatly influenced by investment opportunities.

The Influence of Capital Structure on Company Value

According to Sinta (2020), capital structure is long-term asset financing consisting of fixed liabilities, preferred shares, and shareholders' equity. Capital structure can also be defined as the ratio between long-term debt and equity.

The Influence of Capital Structure on Company Value According to Salsabila & Rahmawati (2021), it has a positive influence on company value. This is because the higher the DER (capital structure) value, the greater the impact on the company.

So the conclusion that can be drawn is that the capital structure is a balanced proportion in determining the company's expenditures that come from long-term and equity.

The Influence of Dividend Policy on Company Value

According to Mnune (2019:2867), dividend policy is a financial decision related to the policy of whether the company's profits will be paid to shareholders in the form of dividends or retained to strengthen the capital structure.

The Influence of Dividend Policy on Company Value According to Nelwan (2018), who said that dividend policy has an influence positive and significant on company value. The results of this research indicate that there is a research gap in dividend policy on company value.

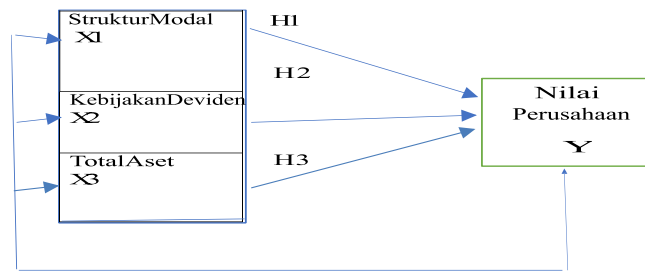
So the conclusion that can be drawn is that dividend policy is a crucial decision made by the company to maintain good relations with investors which is also related to the company's value.

The Influence of Total Assets on Company Value

According to Husnan (2019), total assets are the sum of all economic resources owned by an entity that can provide economic benefits in the future. Assets can be in the form of cash, receivables, inventory H4 , and property .

The Influence of Total Assets on Company Value Husnan (2019) stated that the company's total assets are directly related to the company's value, because the greater the total assets owned by the company, the higher the potential income that can be generated.

1.3 Conceptual Framework



Based on the conceptual framework that has been described above, the hypothesis in this study can be developed as follows:

H1=Capital structure has a partial effect on the value of banking companies listed on the Indonesia Stock Exchange.

H2=Dividend policy has a partial effect on the value of banking companies listed on the Indonesia Stock Exchange.

H3=Total Assets have a partial effect on the value of Banking Companies listed on the Indonesia Stock Exchange.

H4=Capital Structure, Dividend Policy, Total Assets have a simultaneous effect on the value of Banking Companies listed on the Indonesia Stock Exchange.

METHOD

Quantitative descriptive research is a form of research used in this study. Quantitative descriptive research systematically, honestly, and accurately describes the facts and characteristics of a particular population, or tries to describe a phenomenon in detail. This research emphasizes causal or asymmetric relationships, namely a relationship variable where one affects another variable, meaning that there is clearly something that influences and something that is influenced.

According to Sugiyono (2019:126), population is a generalization area consisting of objects or subjects that have certain quantities and characteristics determined by researchers to be studied and then conclusions drawn.

The population used in this study is companies in the manufacturing sector.

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Indonesia, namely in the form of financial reports sourced from the website www.idx.co.id.

According to Sugiyono (2019, 127), a sample is part of the number and characteristics of the population.

According to Sugiyono (2019:143) where the analysis used is multivariate with correlation or multiple regression, the number of sample members is taken 20 times the number of variables studied. There are 5 variables in this study (independent + dependent), so the number of sample members = 20×5 variables = 100. The sample criteria can be described in table 2 as follows: Sample Study.

Netresearch data (online data search/research) is the collection of data related to the problem to be discussed through the internet media, by searching for online literature, online journals, as well as data found on the homepages of employment institutions and data collection on the Indonesian Stock Exchange (BEI). In this study, the data analysis method used is a statistical analysis method using SPSS software. Before the data is analyzed, for the purposes of data analysis, a classical assumption test is first carried out before conducting a hypothesis test.

RESULTS AND DISCUSSION

The results and discussion should at least contain: (1) (what / how) whether the data presented has been processed (not raw data), stated in tables or figures (select one), and given information that is easy to understand? Write down the findings or findings; (2) (why) in the discussion section shows a link between the results obtained and the basic concepts and / or hypotheses? The discussion made must be supported by real and clear facts, and (3) (what else) is there any compatibility or conflict with the results of other people's research ?. May it also be written about the implications of the results of both theoretical and applied research?

Table.1 Descriptive Statistics

N	Minimum	Maximum	Sum	Mean	Std. Deviation
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	Statistics	Statistics	Statistics	Statistics	Statistics	Std.Error	Statistics
DER	35	.48	16.08	196.34	5.6097	.65838	3.89501
DPR	35	.00	191.97	1367.30	39.0657	6.86497	40.61372
ROA	35	-9.23	3.11	26.88	.7680	.43735	2.58739
PBV	35	.32	27.04	144.94	4.1411	1.12044	6.62862
Valid N (listwise)	35						

Descriptive statistics is a data management that aims to describe data by estimating parameters in the form of Mean, Maximum, Minimum, Standard Deviation.

Table. 2 One-Sample Kolmogorov-Smirnov Test

N		35
NormalParameters ^{a,b}	Mean	.0000000
	Std.Deviation	5.76354678
MostExtremeDifferences	Absolute	.236
	Positive	.236
	Negative	-.204
TestStatistic		.236
Asymp.Sig.(2-tailed)		.000 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

AsympSig(2-tailed) $0.00 > 0.05$ shows that the normality test meets the requirements of normal distribution.

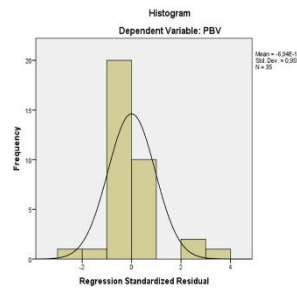


Figure . 2 Histogram Normality Test

Source: Processed Data (2021)

According to Figure 3.1, the data is normally distributed because it is not skewed to the left, creating an inverted bell shape of the histogram

Table.3 Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	DER	.932	1,073
	DPR	.856	1.169
	ROA	.811	1.234

Source: Processed data (2021)

Table.3 shows that the Tolerance value >0 and the VIF value <10 means that there is no multicollinearity for the single variables considered.

Table. 4 Results of multiple linear regression analysis

	Unstandardized Model	Coefficients		Standardized Coefficients	T	Sig.
		B	Std.Error			
		Beta				
1	(Constant)	6.276	2.135		2,940	.006
	DER	-.507	.275	-.298	-1,841	.075

DPR	.035	.028	.214	1.268	.214
ROA	-.856	.444	-.334	-1,927	.063

a. Dependent Variable: PBV

Source: Processed data (2021)

$$PBV = 6.276 - 0.507DER + 0.035DPR - 0.856ROA$$

1. The constant 6.276 means that the Capital Structure, Dividend Policy, and Total Assets are zero, so the Company Value is 6.276 units.
2. DER of -507 means that the other independent variables are zero, and a positive DER indicates an increase. PBV is less than -507 for each unit increase in DER.
3. DPR 0.035 indicates that the other independent variables are zero and DPR is positive, indicating that an increase in the interest rate per unit increases PBV by 0.035.
4. The ROA value of -856 indicates the presence of other independent variables, while negative ROA implies a decrease in ROA per unit which increases PBV by 0.856.

Table. 5 Results of F Statistical Test

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	364.483	3	121.494	3,335	.032 ^b
	Residual	1129.428	31	36.433		
	Total	1493.911	34			
a. Dependent Variable: PBV						
b. Predictors: (Constant), ROA, DER, DPR						

Source: Processed data (2021)

1. Null Hypothesis (H₀): There is no significant relationship between the independent variables (predictors) and the dependent variable (ROA).
2. Alternative Hypothesis (H₁): There is a significant relationship between the independent and dependent variables.
3. F-count = 3.335: This is the value of the F statistic calculated from the regression model.

4. p-value=0.032: Since p-value<0.05 (significance value at 5% level), then we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1). This shows that the regression model used is significant, or in other words, there is a significant influence between the independent variables (e.g., DER, DPR, etc.) on the dependent variable (ROA).

Table. 6 Statistical test results

Unstandardized Model		Coefficients		Standardized	T	Sig.
		B	Std.Error	Coefficients Beta		
1	(Constant)	6.276	2.135		2,940	.006
	DER	-.507	.275	-.298	-1,841	.075
	DPR	.035	.028	.214	1.268	.214
	ROA	-.856	.444	-.334	-1,927	.063

a. Dependent Variable: PBV

Source: Processed data (2021)

1. Constant: The coefficient value is 6.276 with t-statistic 2.940 and p-value 0.006. Since p-value < 0.05, the constant coefficient is statistically significant, indicating that when all independent variables are zero, ROA is estimated at 6.276.

2. DER: Coefficient value -0.507 with t-statistic -1.841 and p-value 0.075. Because p-value > 0.05, DER is not significant at the 5% level, although quite close (p-value 0.075).

3. DPR: Coefficient value 0.035 with t-statistic 1.268 and p-value 0.214. Because p-value > 0.05, DPR is not statistically significant in influencing ROA.

4. ROA: Coefficient value -0.856 with t-statistic -1.927 and p-value 0.063. Because p-value > 0.05, ROA is not statistically significant at the 5% level, but is close to significant (p-value 0.063).

DISCUSSION

Influence of DER on PBV

Based on the results of the multiple linear regression analysis that has been conducted, it is obtained that the Debt to Equity Ratio (DER) has a negative coefficient of -0.507. This

means that every one unit increase in DER will decrease the company value (PBV) by 0.507 units. This indicates a negative effect of DER on PBV. However, based on the statistical test, the p-value for DER is 0.075, which is greater than 0.05. Thus, this result shows that DER is not statistically significant at the 5% significance level. However, the p-value approaching 0.05 indicates that the relationship between DER and PBV is quite close, and this factor is still worth considering in further analysis.

The negative effect of DER on PBV shows that the higher the DER, which means the greater the proportion of debt compared to equity, tends to decrease the value of the company. This can be caused by the negative perception of the market towards high levels of debt, which is considered risky and can affect the financial stability of the company. Increasing debt in the capital structure can increase the company's financial obligations, such as interest payments and other debt obligations, which can ultimately affect the overall value of the company.

However, the negative effect found in this study cannot be confirmed as a significant effect at the 5% significance level, so it is recommended to conduct further analysis by considering other factors that may influence this relationship.

DPR's Influence on PBV

In the multiple linear regression analysis, the Dividend Payout Ratio (DPR) variable shows a positive coefficient of 0.035. This means that every one unit increase in DPR, which indicates an increase in the proportion of dividends distributed, will increase the firm value (PBV) by 0.035 units. However, the test results show that the p-value for DPR is 0.214, which is greater than 0.05.

Thus, the relationship between DPR and PBV is not statistically significant at the 5% level.

Although there is a positive relationship between DPR and PBV, this relationship is not strong enough to be considered significant in influencing firm value. This may be because the dividend policy implemented by the company does not always correspond to significant changes in firm value, especially if the company is in an industry that does not rely heavily on dividend policy to improve its reputation or attract investors. Therefore,

the effect of DPR on PBV needs to be analyzed more deeply by considering other factors that can influence investor decisions.

Effect of ROA on PBV

Based on the results of the regression analysis, Return on Assets (ROA) has a negative coefficient of -0.856. This shows that every one unit increase in ROA tends to decrease PBV by 0.856 units. Although this relationship shows a negative effect, the p-value for ROA is 0.063, which is greater than 0.05 but quite close to 0.05. Thus, although the effect of ROA on PBV is not significant at the 5% level, this relationship shows a tendency that needs further attention.

A negative ROA may indicate that although the company is able to generate profits from its assets, investors may perceive other factors as more important, such as long-term profitability stability or operational risk. It may also be caused by the market not assessing ROA as high enough to support an increase in PBV, even though the company is showing a positive rate of return on its assets. Therefore, although ROA shows a negative relationship with PBV, other factors that influence market perception need to be considered.

Coefficient of Determination (R^2)

The coefficient of determination (Adjusted R^2) obtained was 0.171, or around 17.1%, indicating that only a small portion (17.1%) of the PBV variability can be explained by the independent variables used in the regression model, namely DER, DPR, and ROA. The remaining 82.9% of PBV changes are likely influenced by other factors not included in this model, such as external factors or other factors not included in the analysis. Therefore, although the regression model provides useful information, there are other variables that need to be considered to obtain a more comprehensive understanding of the influence on company value.

Simultaneous Hypothesis Testing (F Statistic Test)

The F-test results show that the F-count is 3.335 with a p-value of 0.032, which means the value is less than 0.05. This shows that simultaneously, the independent variables (DER, DPR, and ROA) have a significant effect on PBV. In other words, although each

variable may not have a significant effect partially, the overall regression model can explain some of the effects on firm value.

Partial Hypothesis Testing (Statistical Test)

The partial t-test shows that although there is a relationship between the independent variables (DER, DPR, ROA) and PBV, only the constant has a significant effect. DER, DPR, and ROA do not show a significant effect at the 5% level. However, several of these variables still show an effect that is close to significant, which can be an important indicator in further analysis.

CONCLUSION

For the period 2018-2023, this study examines the effect of capital structure on the PBV of banks listed on the IDX. PBV in banking is affected by dividend policy between 2018 and 2021. PBV of banking in Indonesia will be affected by total assets between 2018 and 2021. For the period 2018-2021. There is no impact on the PBV of banks listed on the IDX for the period 2018-2021 because DER. PBV of banking is affected by DER, DPR, ROA. The important theoretical implication of this study is that the findings of this study can contribute to the development of financial accounting theory and practice in the context of banking institutions. Furthermore, this study can be a basis for the Indonesia Stock Exchange to re-evaluate the failure of capital structure, DER, DPR, and in increasing or decreasing PBV

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