



The Influence of Company Growth, Funding Decisions, and Dividend Policy on Firm Value

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ARTICLE INFO

Keywords: Company Growth, Funding Decision, Dividend Policy and Company Value

Received : 6, June

Revised : 16, July

Accepted: 20, August

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ABSTRACT

There was a decline in the company's growth and value. Corporate growth and corporate value. It's a phenomenon on the financing decision that's undergoing an increase but not at the expense of the company's value. Other phenomena in the food and beverage sector companies listed in the EIB showed fluctuations in the dividend policy while the company's value fell. It's becoming a major issue in this research. The purpose of this research is to find out whether there is an influence of Corporate Growth, Financing Decisions and Dividend Policy on Corporate Value on Food and Beverage Manufacturing Companies Period 2017-2021. The analytical method used is a Time Series and Cross Section analysis by comparing the Company's Growth Rate, Financing Decisions and Dividend Policy to the Company Value with the previous year, and comparing it with the Food and Beverage Sector Manufacturing Company Values Period 2017-2021 that included the criteria in the Objective Sampling. Partially, Corporate Growth has no influence and is not significant to the Corporate Value. The Financing Decision has a significant negative impact on the Company's Value. Dividend policy has no influence or significance on the Company's Value. Simultaneously there is an influence between Corporate Growth, Financing Decisions and Dividend Policy on Corporate Value in Food and Beverage Manufacturing Companies Period 2017-2021.

INTRODUCTION

It is known that there are fluctuations in corporate value (PBV), corporate growth (GROWTH), financing decisions (DER), and dividend policy (DPR) in food and beverage sector companies listed on the Indonesian Stock Exchange. Another phenomenon that has occurred is a decrease in the company's growth and value. The growth of the company and its value indicate an inconsistency with the existing theory. It can be seen from 10 companies namely ICBP, CEKA, INDF, DLTA, ROTI, MYOR, ULTJ, BUDI, SKLT and TBLA that have experienced a decrease in the growth of the company and a decline in the value of its company. This condition proves that this is in line with the theory that shows that the greater the company's growth then the value of the company will be greater as well. It is also in line with the research conducted by Kurniawan, Bangun, Wijaya and Rahardjo (2019) which states that the growth of companies has a significant influence on the value of the company. However, it is inconsistent with research by Rosyid and Laily (2018) that states that company growth has no effect on the company's value.

Tabel 1. Tabel Presentation of Corporate Growth, Financing Decisions, Dividend Policy and Corporate Value of Food and Beverage Manufacturing Companies 2017 - 2021

Year	Corporate Growth	Financing Decisions	Dividend Policy	Corporate Value
INDOFOOD CBP SUKSES MAKHMUR Tbk. (ICBP)				
201	0.09	0.56	0.51	5.11
201	0.09	0.51	0.55	5.37
201	0.13	0.45	0.30	4.88
202	1.68	1.06	0.34	2.22
202	0.14	1.16	0.32	1.85
WILMAR CAHAYA INDONESIA Tbk (CEKA)				
201	-0.02	0.54	0.83	0.85
201	-0.16	0.20	0.29	0.84
201	0.19	0.23	0.28	0.88
202	0.12	0.24	0.33	0.84
202	0.08	0.22	0.32	0.81
DELTA DJAKARTA Tbk. (DLTA)				
201	0.12	0.17	0.52	3.21
201	0.14	0.19	0.62	3.43
201	-0.06	0.18	1.20	4.49
202	-0.14	0.20	2.53	3.45
202	0.07	0.30	1.06	2.96
INDOFOOD SUKSES MAKHMUR Tbk. (INDF)				
201	0.07	0.88	0.40	1.43
201	0.1	0.93	0.53	1.31
201	0	0.77	0.25	1.28

202	0.7	1.06	0.28	0.76
202	0.1	1.07	0.22	0.64
NIPPON INDOSARI CORPINDO Tbk. (ROTI)				
201	0.56	0.62	0.51	2.80
201	-0.04	0.51	0.28	2.55
201	0.07	0.51	0.25	2.60
202	-0.05	0.38	0.89	2.61
202	-0.06	0.47	1.06	2.95
PT MAYORA INDAH Tbk. (MYOR)				
201	0.15	1.03	0.29	6.14
201	0.18	1.06	0.34	6.86
201	0.08	0.92	0.32	4.62
202	0.04	0.75	0.32	5.38
202		0.75	0.96	4.02
PT ULTRAJAYA MILK INDUSTRY AND TRADING COMPANY Tbk				
201	0.01	0.23	0.11	3.55
201	0.22	0.16	0.16	3.27
201	0.07	0.17	0.13	3.43
202	0.19	0.83	0.11	3.87
202	0.32	0.44	0.69	3.53
PT BUDI STARCH & SWEETENER Tbk (BUDI)				
201	-0.15	1.46	0.25	35.40
201	0	1.77	0.36	35.21
201	0.15	1.33	0.35	36.05
202	-0.12	1.24	0.40	33.69
202	-0.01	1.16	0.29	60.30
PT SEKAR LAUT Tbk (SKLT)				
201	0.01	1.07	0.14	2.47
201	0.12	1.20	0.14	3.05
201	0.17	1.08	0.12	2.92
202	0.06	0.90	0.22	2.66
202	-0.02	0.64	0.11	3.09
PT TUNAS BARU LAMPUNG Tbk (TBLA)				
201	0.11	2.51	0.34	1.64
201	0.17	2.42	0.31	9.66
201	0.06	2.24	0.20	9.91
202	0.12	2.30	0.19	8.48
202	0.09	2.25	0.17	6.54

The phenomenon in the financing decisions measured through the Debt-to-Equity Ratio (DER) 10 companies namely ICBP, CEKA, INDF, DLTA, ROTI, MYOR, ULTJ, BUDI, SKLT and TBLA have increased but not in line with the value of the company (PBV). This research was supported by Effendy and Handayani (2020), who stated that the financing decisions projected with the Debt-to-Equity Ratio (DER) showed insignificant influence in a positive direction

on the company's value. But this is contrary to the results of Sari and Subardjo (2018) research which states that the financing decision has a positive impact on the value of the company. It means that the decision of financing through debt has been used effectively by the company so that the increase in debt gives a positive signal to investors about the company's ability to pay its obligations in the future.

Another phenomenon is that 10 food and beverage companies listed in the EIB showed fluctuations in their dividend policies while the company's value fell. Fluctuating movements in the dividend policy can be the cause of the fall in the company's value. This is not in line with the theory that the larger the dividend distributed to the shareholders, the better the performance of the issuer or company will be considered and eventually the value of the company will rise. According to (Wati, Dkk, 2018) an increase in dividends that is not coupled with the increase in the value of the company can be due to the existence of a high debt to the company. This is in line with Husna and Rahayu (2020), who stated that the dividend policy measured by the payout dividend ratio had no significant influence on the company's value. However, it is inconsistent with Rosyid and Laily's (2018) research that states that dividend policies and company values have a positive influence on the company's value.

Based on the background and previous research above, the study is entitled "The Impact of Corporate Growth, Financing Decisions, and Dividend Policy on the Value of the Company" (Empirical Study on Food and Beverage Companies Listed in the Indonesia Stock Exchange Period 2017-2021).

Based on the background of the problems described above, then the problems that will be answered through this research are:

1. Does Corporate Growth Influence Corporate Value?
2. Does the Financing Decision influence the Company's Value?
3. Is there an influence of the Dividend Policy on the Company's Value?
4. Do Corporate Growth, Financing Decisions and Dividend Policies simultaneously influence the Corporate Value?

LITERATURE REVIEW

Corporate Growth and the Company's Value

Company growth is what investors expect from a company because it is a good sign for investors in terms of return on investment. Companies with high growth rates are better off using equity as a source of financing, this can reduce the agency cost between shareholders and managers. Conversely, if the company's growth rate is low, it is better to use debt as a source of financing, because if using debt the company is required to pay interest regularly.

The results of the study by Kurniawan, Bangun, Wijaya and Rahardjo (2019) stated that company growth has a positive and significant influence on company value. However, according to Suwardika and Mustanda (2017), company growth partially has a significant effect but has a negative direction on company value, meaning that the faster a company grows, the worse it will be for the company's value.

Financing Decision and the Company's Value

Funding decisions are financial decisions about the source of funds to purchase assets (Sudana, 2011:3, in Rosyid and Laily, 2018). Funding decisions can be said to be decisions regarding the source of funds to be used by the company consisting of internal and external sources of funds. The results of Sari and Subardjo's (2018) research state that funding decisions have a positive effect on company value. This means that funding decisions through debt have been used effectively by the company so that additional debt provides a positive signal to investors regarding the company's ability to pay its obligations in the future. However, according to Effendy and Handayani (2020), funding decisions prorated by Debt to Equity Ratio show an insignificant effect with a positive direction on company value.

Dividend Policy and the Company's Value

Dividends are compensation received by shareholders, in addition to capital gains. The value and time of dividend payments are determined at the General Meeting of Shareholders (GMS) and the value distributed can range from 0 to the amount of net profit for the current year or last year. Dividend policy is an inseparable part of the company's financing decisions.

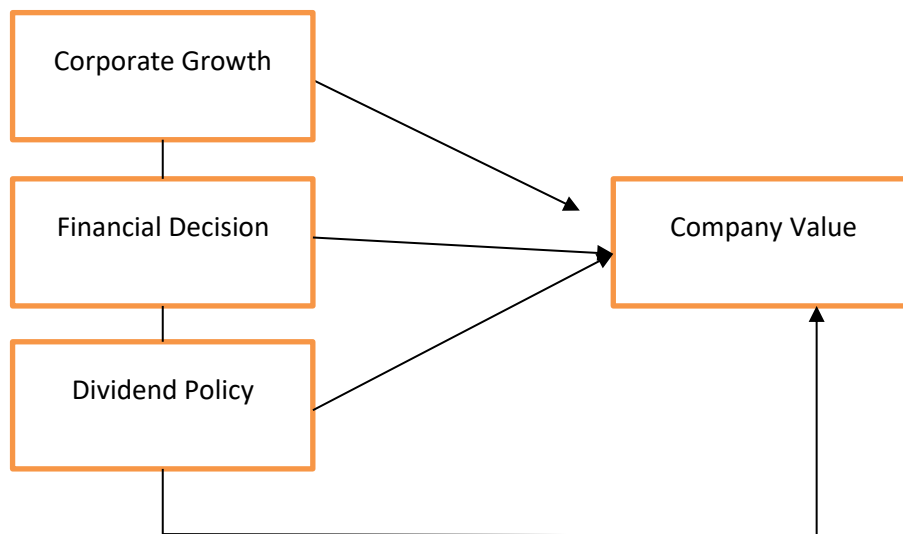
Dividend policy is a decision whether the profit earned by the company at the end of the year will be distributed to shareholders in the form of dividends or will be retained to increase capital for financing future investments. Dividend policy is a decision related to the use of profits that are the rights of shareholders and these profits can be distributed as dividends or retained earnings for reinvestment. Optimal dividend policy is a dividend policy that produces a balance between current dividends, future growth, and maximizing the company's stock price (Brigham and Houston, 2011, in Fauzi and Ardini, 2018).

The results of Rosyid and Laily's (2018) research state that the results of this study identify that dividend policy has a positive effect on company value. However, according to Husna and Rahayu (2020), dividend policy as measured by the dividend payout ratio does not have a significant effect on company value.

The Simultaneous Influence of Corporate Growth, Funding Decisions, and Dividend Policy on Corporate Value.

Company value can be said to be good when the public believes in certain conditions in which a company is carrying out the process of activities during the company's establishment until now. Sujoko and Soebiantoro, 2007 (in Warapsari, 2016) stated that company value is the perception of investors regarding the success of the company which is often associated with stock prices. High stock prices will be followed by high company value. The company has a main goal of maximizing shareholder prosperity which can be achieved if the company is able to optimize the rate of return on investments that have been invested by investors through maximizing company value. High company value will increase market confidence in the company's performance and the company's prospects in the future (Husna and Rahayu, 2020).

Theoretical Framework



Picture 1. Research Framework

METHODOLOGY

The population used in this study was all food and beverage companies listed on the Indonesian Stock Exchange (BEI) in the period 2017-2021 which amounted to 32 companies where the number of samples to be used using purposive sampling techniques that meet the criteria on the website www.idx.co.id.

As far as sampling is concerned, it's purposive samplings. According to Wulandari (2022:97) "Purposive Sampling is sampling with a certain consideration" Here are the criteria for samples using the method. Purposive sampling in this study: 1. Food and Beverage Companies listed on the Indonesian Stock Exchange (EIB) during the year 2017-2021. 2. Food and beverage companies that publish financial statements in Rupiah currency. 3. Food and Drinks companies that provide complete financial reports during 2017-2021. 4. Food and drink companies have not suffered losses during the period 2017-2021.

Based on the sample criteria carried out, the researchers used 10 samples because they had complete data on the Food and Beverage Sector Companies listed in the Indonesian Stock Exchange in 2017-2021 and which did not suffer any losses during the study period.

Data collection techniques are techniques or methods used to collect data to be studied. Data collection techniques require strategic and also systematic steps to obtain valid and also relevant data. The biased data collection is done using secondary data and primary data.

According to Bungin in Rahmadi (2018:132) "Primary data is data obtained directly from the first data source at the research site or research object". Thus, the author can conclude that primary data are data originating from the original source containing information or research data

According to Bungin in Rahmadi (2018:132) "Secondary data is data obtained from a secondary source or secondary sources of the required data".

The method of data analysis is to use a panel data regression model. This analysis is used to determine the influence of Corporate Growth, Financing Decisions and Dividend Policy as independent variables on Corporate Value as bound variables. (dependent variable). Technical data in this study uses statistical analysis whose data processing is done using e-views 12 software to obtain more accurate results.

RESEARCH RESULT

Table 2. Partial testing (T-Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.152135	0.175569	6.562279	0.0000
X1	-0.137371	0.110241	-1.246098	0.2206
X2	-0.388052	0.153897	-2.521499	0.0161
X3	0.062976	0.214323	0.293836	0.7705

The t statistical test is used to show how far the influence of an independent variable individually in explaining the variation of the dependent variable (Ghozali, 2019). For the results of the t test can be seen on prob values in the table below:

The first hypothesis (H1) proposed in this study is to test whether there is an influence of the growth of the company (X1) on the value of the enterprise (Y). The probability value of growth of a company (x1) of 0.2206 is greater than α 0.05 or $0.2206 > 0.05$ and the thitung value $<$ ttable or $-1.246098 < 2.01290$. It can be concluded that growth of an enterprise(X1) has no influence on the company's value (Y) The second hypotheses (H2) proposed on this study are to test if there are influences of the financing decision (X2) on the corporate value(Y).

The third hypothesis put forward in this study is to test whether there is an influence of the dividend policy (X3) on the value of the company (Y). The probability value of dividend policies (X3), which is 0.7705, is greater than the α 0.05 or $0.7705 > 0.05$ and the thitung value $<$ ttable or $0.293836 < 2.01290$. It can be concluded that the dividend policy (X3) has no influence on the value of the company (Y).

Table 3. Simultaneous testing (F Test)

R-squared	0.650048	Mean dependent var	0.837551
Adjusted R-squared	0.536550	S.D. dependent var	0.253882

S.E. of regression	0.172836	Akaike info criterion	-0.454054
Sum squared resid	1.105273	Schwarz criterion	0.043072
Log likelihood	24.35135	Hannan-Quinn criter.	-0.264745
F-statistic	5.727402	Durbin-Watson stat	1.622984
Prob(F-statistic)	0.000019		

The F test is used to determine how much the impact of corporate growth, financing decisions, and dividend policies on the value of the company during the period 2017 - 2021 simultaneously or jointly. The test result of F is 0.000019 smaller than 0.05 ($0,000019 < 0.05$) which means that the growth of the firm, the financing decision, and the dividend policy at the same time have an impact on the company's value in the Food and Beverage Sector Manufacturing company listed in the EIB during 2017 - 2021.

Determination Coefficient Test (Adjusted R-squared)

According to Ghozali & Ratmono (2019:98) "The determination coefficient is used to measure the ability of independent variables against dependent variables. A small R value indicates the ability of an independent variable to explain variations of dependent variables is very limited. A value close to one means that independent variables provide almost all the information needed to predict variation of dependant variables.

The magnitude of the determination coefficient value in the dual linear regression model is shown by the Adjusted R-squared value. The adjusted r-squared value is 0.536550, which means that the variability of the dependent variable can be explained is 53.65% while the remainder is of 46.35% is explained by other variables outside the research model, which can explain that combined, corporate growth variables, funding decisions, and dividend policies can only explain a variable of corporate value of 53.65%

DISCUSSION

Based on the test table of partially variable influence, the growth of the company has no influence on the company's value. The results of the t test showed that the company growth variable obtained a significant value of 0,2206 $> 0,05$ with a statistical t-value of -1,246098 and the table of 2,01290, this indicates that the corporate growth does not have a significant impact on the value of the enterprise.

The findings are in line with a study by Rosyid and Laily (2018) that stated that the growth of a company does not affect the value of the company. This means that the higher the growth rate of the company, the less funds are available to shareholders because the greater the company's growth, the higher are the costs required for the investment and operational activities of the firm.

The results of the t test showed that the variable of the financing decision obtained a significant value of $0.0161 < 0.05$ with the t-statistic value of $-2,521499$ and the table of 2.01290 , this indicates that the financing decision had a significant negative impact on the company's value, meaning that the better the funding decision held by the company, it will lower the value of the company.

The results of this study are in line with a study conducted by Gustian (2017) which suggests that funding decisions have a negative and significant impact on the value of the company. He argued that the financing decision made by the company was to use financing through more debt than using funding through equity. Excessive debt will have an impact on the lack of public confidence in the company. Assuming when a company makes a profit, the primary priority is to pay the debt rather than divide dividends for the wealth of shareholders, so the company's value will fall.

Based on the partial variable influence test table, the dividend policy has no significant influence on the company's value. The t test results showed that the dividends policy variable achieved a significant value of $0.7705 > 0.05$ with a statistical t-value of 0.293836 and a table of 2.01290 , which indicates that dividend policies have no significant impact on the value of the company.

The results of this study are in line with the research conducted by Husna and Rahayu (2020), which stated that the dividend policy measured by the Dividend Payout Ratio (DPR) has no significant influence on the value of the company.

Based on a test table of simultaneously influenced variables of corporate growth, funding decisions, and dividend policies in combination influence on the value of the company. The F test results showed that Prob Value (LR Statistics) obtained a significant value of 0.000019 lower than 0.05 (5%), which suggests that company growth, funding decisions, and dividend policies combined – equally influenced the company's value.

CONCLUSIONS AND RECOMMENDATIONS

The study aims to determine whether there is an interference between the Corporate Growth (X1) variables, the Financing Decision (X2) and the Dividend Policy (X3) on the Company's Value (Y) in the Food and Beverage Sector Manufacturing Company in the period 2017-2021.

Based on the analysis and analysis of the data, the researchers can draw conclusions that can be taken from the study of the Company's Value as follows: Partially, the influence of the Corporate Growth on the Company Value yields a significant value of $0.2206 > 0.05$ with a statistical t-value of $-1,246098$ and a table of 2.01290 . This means that the corporate growth does not have a significant influence on the company's value. The partial influence of the Dividend Policy on the Company's Value yields a significant value of $0.7705 > 0.05$ with a statistical t-value of 0.293836 and a table of 2.01290 . This means that the dividend policy has no significant influence on the company's value. Simultaneously, the impact of Corporate Growth, Financing Decisions, and Dividend Policy on Corporate Value yields a F-statistic probability value of $0,000019 < 0,05$. The result can be concluded that there is an influence between Corporate growth,

Funding Decision and dividend policy on the corporate value of Food and Beverage Manufacturing Companies in the period 2017-2021.

Based on the results of the study and the above conclusions, the following suggestions can be made: The Company Growth Variable has no influence on the Company's Value in the Food and Beverage Sector Company period 2017-2021. As the higher the growth rate of the company, the fewer funds are available to shareholders. The Financing Decision Variable has a significant negative impact on the Company's Value in the Food and Beverage Sector Company in the period 2017-2021. This means that the better the financing decision the company has, the lower the value of the company. It's due to its low Dividend Payout Ration. So it will strengthen the company's finances and it will be detrimental to investors. Corporate Growth Variables, Financing Decisions and Dividend Policy on Corporate Value in Food and Beverage Sector Companies in the period 2017-2021 on the three studies such variables have an overall influence, but not all variables. Therefore, for investors and future researchers can find other variables that have a greater influence on the Company's Value.

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