

The Effect of Dividend Policy, Company Size and Capital Structure on Company Value (Empirical Study on Energy Sector Companies Listed on the Indonesia Stock Exchange in 2019-2023)

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Abstract

This study is aimed at determining the influence of Dividend Policy, Company Size and Capital Structure on Company Value (Empirical study on energy sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period). This research method utilizes a quantitative approach in a descriptive manner. The data sources used are secondary data, namely financial reports accessible on the Indonesian stock exchange in the energy sector from 2019 to 2023. In this study, the preliminary results found indicate that dividend policy provides value derived from $0.089210 < a \text{ table of } 1.66940$ with a significance value of $0.9292 > 0.05$ so that the Dividend Policy data does not have a partial effect on the Company Value. The Company Size has a calculated value of $2.777591 > a \text{ table of } 1.66940$ with a significance value of $0.0073 < 0.05$ so that the Company Size partially affects the Company Value. Capital Structure has a calculation value of $1.788536 > a \text{ table of } 1.66940$ with a significance value of $0.0787 > 0.05$ so that the Company Size results in a partial no affect on the Company Value. And simultaneously the Dividend Policy, Company Size and Capital Structure have a Calculation value of $3.154707 > \text{Chart } 2.75$ with a significance value of $0.31087 > 0.05$, then simultaneously the Dividen Policy, Company Size and Capital Structure have no effect on the Company Value of energy sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

INTRODUCTION

In the global context, company value has become a key indicator in assessing the sustainability and competitiveness of a business organization. In today's era of international competition, investors are increasingly selective in allocating their capital, so financial and non-financial factors that affect the company's value are a serious concern. In particular, the energy sector faces complex challenges, ranging from fluctuations in global commodity prices, geopolitical uncertainty, energy transition to renewable energy, to increasingly stringent environmental regulations. These issues put energy companies under global scrutiny, where any management policy can have a significant impact on investor confidence and long-term business viability. (Suratno, 2014)

The company was established with the aim of obtaining profits and targets that the owner and management want to achieve. For business people, of course they expect optimal profits and success for their company. In addition to these goals, the founder of the company certainly wants to get results from the capital spent to generate capital increases and progress for the company. The achievement of profit targets and company progress is highly anticipated and affects the company's image because it will affect the company's achievements and values. (Hermansyah & Fitri Aprilia, 2022; Hermawan Budiyanto, 2018; Nurjanah & Ikhsan, 2022; Safrawali & Siregar, 2022)

Company value can be interpreted as an investor's point of view on the big point of a company's success, which is often also juxtaposed with the stock price. Companies that have a fairly high share price can have a positive impact, namely a fairly high company value. Another positive impact is that it can increase the target market's confidence in the company's performance and prospects, which can guarantee the viability of the company's future value. (Lisa Linawati Utomo, 1999; Nurdina & Widiarto, 2018; Suratno, 2014; Utomo, 1999)

Dividend policy can be a means of notification for investors to inform the condition and circumstances of a company. If the company does not make a profit, the risk is that investors will not receive dividends. On the other hand, the owner will withdraw his shares or sell them, but if the dividend is high, investors will also be interested in placing shares in the company that will have an impact on the increase in the stock price, Abdurohman & Indra (2024:1183). (Winarso, 2007) (Anisa et al., 2022; Putri & Ramadhan, 2020; Setyani, 2018)

The size of the company can also be another indication that can affect the value of the company. Company size is how much capacity and ability the company has in managing an asset or wealth owned by the company. The management will certainly feel more free to use the company's assets if the assets they have tend to be large, Vitalia (2024). The more assets the company has, the greater the nominal that will be invested by the company, both in the form of current assets and fixed assets, and also the company must be able to meet the demand for products desired by customers so that it has a good image in the eyes of customers.

Capital structure can also be used as a measurement tool that can determine the value of a company. The capital structure can also be used as a comparison between capital obtained from foreign sources and its own capital. The company in principle has an attitude to pay attention to the capital structure in carrying out its various operational and non-operational activities, Jaelani (2024). Companies in general are more likely to use their own capital compared to using foreign capital for their operating activities. The foreign capital owned will be used if the company's funds are insufficient to finance its

activities. Decisions in funding have a very strategic role for the welfare and survival of a company.

Although extensive research has examined the determinants of corporate value in various industries, studies that specifically focus on the energy sector in emerging markets such as Indonesia are still limited. Previous studies have provided a wide range of results related to the relationship between dividend policy, company size, capital structure, and company value, especially in natural resource-based industries. The energy sector has unique characteristics, including high capital requirements, regulatory constraints, environmental considerations, and commodity price dependencies, which can affect the traditional relationship between these financial variables and a company's value.

Furthermore, most of the studies in the Indonesian context focus on the manufacturing or banking sectors, so there is still a significant gap in understanding how financial policy affects value creation in energy companies. The 2019-2023 period is very interesting because it covers various economic issues, including the COVID-19 pandemic, fluctuations in commodity prices, and the development of environmental regulations.

This study was conducted using an empirical approach directed at companies in the energy sector listed on the Indonesian stock market, through a comprehensive analysis over five years during significant economic fluctuations. The population analyzed in this research includes companies in the energy sector listed on the Indonesian stock market, which have not been explored much in the previous literature, the analysis period covering 2019-2023, which captures the impact of the latest global economic disruption, the use of panel data regression with random effects models to account for time series and cross-sector variations; and a comprehensive examination of three key financial determinants simultaneously in the specific context of emerging market energy companies.

This study aims to empirically analyze and determine the influence of dividend policy, company size, and capital structure on company value in energy sector companies listed on the Indonesia Stock Exchange during 2019-2023, both individually and simultaneously.

METHOD

This researcher used quantitative research and used associative data. Associative data refers to a type of data that researchers use to find relationships between two or more variables. The purpose of using associative data is to find out whether there is a relationship, influence, or interaction between the variables being studied. The population used is all energy sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period. The following are the sampling criteria using the purposive sampling method used as a sample in this study:

- a. Energy sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period.
- b. Energy sector companies that have published complete and audited financial statements for the 2019-2023 period.
- c) Companies that issue dividends for 5 consecutive years.

Operational definition

Company Values

$$PBV = \frac{\text{Harga Lembar per Saham}}{\text{Nilai Buku per Lembar Saham}}$$

Dividend Policy

$$\text{Dividend Payout Ratio} = \frac{\text{Dividend per Lembar Saham (DPS)}}{\text{Pendapatan per Lembar Saham (EPS)}} \times 100\%$$

Company Size

$$\begin{aligned} & \text{Ukuran Perusahaan} \\ & = \text{LN (Total Aset)} \end{aligned}$$

Capital Structure

$$\text{Debt To Equity Ratio} = \frac{\text{Total Hutang}}{\text{Total Ekuitas}}$$

Data Analysis Techniques

The hypothesis used in this study uses a multiple regression model. With the aim of getting a comprehensive picture of the influence of dependent variables (value company) against Independent (dividend policy, company size, and structure capital).

RESULTS AND DISCUSSION

Date: 30/05/25				
Example: 2019 2023				
	PBV Y	DPR X1	LN TOTAL	DER X3
Mean	2.358072	0,567880	29.90570	0.813642
Average	1.331067	0.351610	29.65427	0,797748
Maximum	22.30158	4.526772	32.75780	2.052422
Minimum	0.271859	0,000328	27.85525	0.209068
Development Standards.	3.860403	0.701733	1.298323	0.434226
Tilt	4.289157	3.139850	0.308795	0.625945
Kurtosis	21.72571	16.89776	2.186975	2.998547
Jarque-Bera	1148.983	629.9109	2.823241	4.244584
Kemungkinan	0,000000	0,000000	0.243748	0.119757
Sum	153.2747	36.91219	1943.870	52.88674
Total Sq. Dev.	953.7737	31.51543	107.8811	12.06735
Observation	65	65	65	65

Panel Data Regression Analysis

Based on the tests in the selection of panel data regression models that have been carried out, it can be concluded that the Random Effect Model in panel data regression is then used to estimate the influence of dividend policy, company size and capital structure on stock prices, in energy sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

Dependent Variable: PBV_Y_
Method: Panel EGLS (Cross-section random effects)
Date: 05/30/25 Time: 01:33
Sample: 2019 2023
Periods included: 5
Cross-sections included: 13
Total panel (balanced) observations: 65
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-49.91462	18.25767	-2.733898	0.0082
DPR_X1_	0.048330	0.541753	0.089210	0.9292
LN TOTAL AKT/MA	1.679134	0.604529	2.777591	0.0073
DER_X3_	2.494419	1.394671	1.788536	0.0787

Effects Specification		S.D.	Rho
Cross-section random		2.930292	0.5684
Idiosyncratic random		2.553576	0.4316

Weighted Statistics			
R-squared	0.134311	Mean dependent var	0.856261
Adjusted R-squared	0.091736	S.D. dependent var	2.758840
S.E. of regression	2.629253	Sum squared resid	421.6913
F-statistic	3.154707	Durbin-Watson stat	1.046186
Prob(F-statistic)	0.031087		

Unweighted Statistics			
R-squared	0.030975	Mean dependent var	2.358072
Sum squared resid	924.2309	Durbin-Watson stat	0.477335

Source: Eviews 12

Based on the results of the panel data regression equation listed in table 4.16 above, it can be concluded as next:

Value constant It has a negative regression coefficient of -49.91462 which shows that if all independent variables are valued at 0, then it can be interpreted that the value of the company value variable is -49.91462.

Policy variables Dividends have The value of the positive regression coefficient is 0.048330 which shows that if the value of the policy dividends increased by 1 point, the Company Value variable increased by 0.048330.

The Company Size variable has coefficient value a positive regression of 1.679134 which This means that if the value of the Company Size variable increases by 1 point, the Company Value variable will increase by 1.679134.

Variable Structure Capital have value coefficients Return positive as large 2.494419, this indicates that if the value of the Structure variable Capital has increased by 1 point, the Company Value variable will increase by 2.494419.

Coefficients Determination (R2)

Based on the table listed, it can be seen that the Adjusted R-Square value is 0.091736 which means 9.17%. This shows that contribution the independent variables of Dividend Policy, Company Size, and Capital Structure were 9.17%, while the remaining 90.83% were explained by other factors not examined in this study.

Simultaneous Test (F Test)

Based on the results of the following table, it can be seen that the F-statistical value is 3.154707. F calculated > F table, which is 3.154707 > 2.75 and the probability value or significance level is 0.31087 > 0.05, so it can be concluded that the independent variables, namely Dividend Policy, Company Size, and Capital Structure, do not have a simultaneous influence on the Company Value.

Partial Test (T Test)

From the results test partial, value t-count is 0.089210, t-table is as large 1.66940, and the probability value is 0.9292. With these results, you can concluded That There is no effect between the variables of the Dividend Policy against Company Value variable , because value t-calculate $< (0.089210 < 1.66940)$ and the value of probability is great $0.9292 > 0.05$. Thus, it can It was concluded that there is no partial influence between the Policies Dividend to Value Company, or by word Ho was accepted and H1 was rejected.

From the test results partially obtained t-count is 2.777591, with a value T-table as large 1.66940 and value probability by 0.0073. With these results, it can be concluded that there is an influence between the Company Size variable against The Company's value, due to the value of the t-table $< (2.777591 > 1.66940)$ and the resulting probability value of $0.0073 < 0.05$. This results that there is a partial influence between the Company Size variable on the Company Value.

The company or in other words H1 was accepted and Ho was rejected.

From the test results partial, t-count as large 1.788536, and the t-table is 1.66940 with a probability value of 0.0787. With these results, it can be concluded that there is no influence between the Capital Structure variable on the Company Value, because the t-value of the t-table $> (1.788536 > 1.66940)$ and the value the probability generated is as great $0.0787 > 0.05$. It means no there is a partial influence between the Structure variables Capital to Value The company, or in other words Ho was accepted and H1 was rejected.

Influence Dividend Policy, Size Company and Structure Capital to Value Company

Based on the results hypothesis test The first (H1) is a simultaneous test (F test) obtained an F value of 3.154707, the F value of the table of 2.75 and a probability value of 0.31087. Therefore, from the resulting value, it can be concluded that Policy variable Dividends, Structure Capital and Company Size simultaneously do not have a significant effect to value company. This is evidenced by the value of F calculated $> F$ table which is $3.154707 > 2.75$ and systematically obtained a significance value of $0.31087 > 0.05$ so that it can be concluded that the independent variables, namely Dividend Policy, Capital Structure and Company Size together have no effect on Company Value.

Independent variables, namely Dividend Policy, Structure Capital, and Company Size, do not together affect the Company's Value because the company's value is heavily influenced by other external factors, such as macroeconomic conditions, fluctuations in commodity prices, and investor confidence that affect the company's value. The independent variables used in this study had a high correlation with each other, thus obscuring the contribution of each independent variable to the company's value when tested simultaneously.

The Effect of Dividend Policy on Company Value

Based on the results of the second hypothesis test (H2), namely the partial test (T test) from the results of the partial test, a t-calculation value of 0.089210 was obtained, a t-table value of 1.66940 and a probability value of 0.9292. So that it can It is concluded that the Policy variable Dividends do not have a significant positive effect on the value variable company. This is evidenced by the t-calculation value of the t-table $<$ which is

$0.089210 < 1.66940$ and the probability value of $0.9292 > 0.05$. So that the Dividend Policy variable does not have a significant effect on the value company. In The research lacks investors Responding to the dividend distribution policy as one of the factors determining valuation company. In the sector energy, corporate value is predominantly influenced by commodity prices, reserve prospects, and environmental policies compared to profit-sharing practices.

Research results This is in line with research conducted by Nur Hayati (2024:33) who stated that the policy dividends do not partially affect the value company, because the holder stocks only want to take profits in the short term with obtain capital Gain. Investors consider that the current small dividend income is no more profitable than capital gain in time forthcoming. The amount of dividends paid by the company causes the Dividend Policy variable to have no significant effect on the Company's Value.

Influence Company Size to Value Company

Based on Hypothesis test results The third (H3) namely the partial test (T Test) obtained a t-calculated value of 2.777591, a t-table value of 1.66940 and the resulting probability value of 0.0073. So that the Company Size variable is declared to have a positive effect significant to Company Value. This is evidenced by The T-Calculate value of the T-table $>$ is $2.777591 > 1.66940$ and The probability value generated is $0.0073 < 0.05$. Then there is an influence between variables The size of the Company relative to the value of the company which means increasing large size The higher the value that the market gives to the company. Larger companies tend to have fairly strong bargaining power, operational efficiency and wider access to funding. Size The company is a reflection of the organization's capacity to control complexity and maintain corporate accountability.

This is in line with research conducted by Agung et al. (2023:10) which states that company size has a positive effect on company value. The larger the size of the company, the more complex the company's operations, which will cause the company's profits to be large. The greater the profit, the higher the impact of stakeholder trust in the company, the higher the value of the company's shares so that the value of the company's shares will increase, which means that the company's value will also be higher.

The Influence of Capital Structure on Company Value

Based on the results of the fourth hypothesis test (H4), namely the partial test (T test) of the results The partial test obtained a T-count of 1.788536, a T-table of 1.66940 and the resulting probability value of

0.0787. Therefore, it can be concluded that the Capital Structure variable does not have a significant influence on the company's value variable. This is evidenced by the t-value of the $>$ t table, which is $1.788536 > 1.66940$ and the probability value of $0.0787 > 0.05$. Thus, there is no influence between the variables of capital structure on the value of the company. In an efficient and tax-free market, the capital structure does not affect the value of the company. Investors can conduct financial arbitrage on their own without relying on the company's policies.

This is in line with research conducted by Dedi and Nurhadi (2019) which explains that capital structure has no effect on the value of the company. This means that if the company changes its capital structure, the company's value will not be affected. These results show that although the capital structure is theoretically considered important for the company, its relevance depends on the industry context, the company's

strategy, and investor perception. If the company is not in extreme conditions, then the market does not respond well to changes in capital structure so that the impact on the company's value becomes insignificant.

CONCLUSIONS AND RECOMMENDATIONS

Based on partial analysis (t-Test) of dividend policy variables, it is concluded that dividend policy does not have a significant effect on the value of companies in the energy industry listed on the Indonesia Stock Exchange during the period from 2019 to 2023. The results of the passive analysis (t-Test) show that company size has a significant impact on company value. Larger companies generally find it easier to obtain sources of financing, both internally and externally. Through partial analysis (t-Test), capital structure has been proven to have a significant influence on company value. This research states that capital structure significantly contributes to company value, as decisions regarding financing methods directly affect capital costs, risk, tax benefits, and investors' views of the company's future. Based on the results of simultaneous testing (F test), dividend policy, firm size, and capital structure do not have a significant impact on firm value. Dividend policy, firm size, and capital structure play a crucial role together in determining firm value. These three factors support and influence the way the market and investors assess the company as a whole.

For future researchers who will conduct research on similar topics, it is recommended to add other variables, because in this study there are still 90.83% Variables that can be used as a reference for assessing the value of a company include stock price fluctuations, management ownership, liquidity, and others. By considering the weight of these various factors, these variables are usually viewed from the investor's perspective regarding the value of the company. For investors, the results of this analysis provide important information to assess the company's performance based on financial data and give an overview of the extent to which management has succeeded in carrying out operations. From the company's side, fundamental factors that can be utilized by investors to forecast the value of the company may need to receive more serious attention. The company has opportunities to improve its performance and reduce ineffective managerial practices.

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