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The Effect of Company Size, Investment Decisions and Funding Decisions on Company Value with Dividend Policy as a Moderation Variable

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Company Size, Investment Decisions, Funding Decisions, Dividend Policy, Company Value

ABSTRACT

This study examines the influence of company size, investment decisions, and funding decisions on firm value, with dividend policy serving as a moderating variable, in 20 companies within the consumer goods sub-sector listed on the IDX from 2018 to 2023. The research adopts an explanatory approach, utilizing data collection from financial statements of companies listed on the *Indonesia Stock Exchange* (IDX) for the 2018–2023 period. The analytical methods employed include multiple linear regression analysis and *Moderated Regression Analysis* (MRA). Sample selection was conducted using *purposive sampling*, resulting in a total sample of 20 companies. The findings from the MRA indicate that dividend policy moderates only the relationship between funding decisions and firm value. These results contribute to the literature on dividend-based funding strategies within the consumer goods sector.

INTRODUCTION

Financial statements provide information that reflects a company's performance, which in turn shapes investors' perceptions regarding the company's stock value (Mulolli, 2024). Firm value depends not only on the company's ability to generate cash flow but also on its operational and financial characteristics, particularly in the context of mergers and acquisitions. A company is considered to have high value if its performance is strong. Generally, a higher stock price indicates a higher firm value. The fluctuations in a company's stock price on the capital market serve as a key benchmark for investors when making investment decisions.

Firm value can be measured through several aspects, one of which is the company's share price. The share price represents investors' overall assessment of the company's equity. Stock market prices reflect the collective evaluation of all market

participants and serve as a barometer of management performance. If firm value is proxied by the stock price, then maximizing the market value of the stock is equivalent to maximizing the market price of the stock.

Firm value serves as a benchmark for shareholders to determine whether management has been successful in operating the company and in seizing future opportunities (Yulianti & Ramadan, 2022). To enhance firm value, management must operate the company effectively to send positive signals to shareholders (Alvian & Munandar, 2022). Ultimately, the stock price or firm value reflects the overall quality of the company.

Table 1. Stock Price Trends

	Stock Price										
Code	**2018**	**Trend**	**2019**	**Trend**	**2020**	**Trend**	**2021**	**Trend**	**2022**	**Trend**	**2023**
MIND	96	7%	103	-4%	99	81%	179	26%	226	23%	278
CAMP	346	8%	374	-19%	302	-4%	290	6%	306	31%	402
CZECH	1375	21%	1670	7%	1785	5%	1880	5%	1980	-7%	1845
DLTA	5500	24%	6800	-35%	4400	-15%	3740	2%	3830	-8%	3530
GOOD	375	-19%	302	-16%	254	107%	525	0%	525	-18%	430

Source: IDX Data (Processed Santy Wijaya) (2025)

Based on table 1 of the stock price trend above, it can be explained that the consumer goods sub-sector company is one of the leading sectors on the IDX, because it has a relatively stable demand for products all the time. Investors generally consider this sector to be a safe sector because it is more resistant to economic turmoil. Nevertheless, stock price data shows that these companies continue to experience significant fluctuations in market value during the observation period.

For example, PT Budi Starch & Sweetener Tbk (BUDI), which is engaged in food and chemicals, recorded quite high stock price fluctuations during the period. In 2018, BATI's share price was in the range of Rp250, but had touched a low point below Rp100 in 2020 due to the impact of the COVID-19 pandemic. Although the company has fundamentally made various expansions and efficiencies, the stock price has not fully recovered. This phenomenon shows that a company's investment decisions do not necessarily directly reflect an increase in the company's value in the eyes of investors.

PT Multi Bintang Indonesia Tbk (CAMP), a company with excellent financial performance and a strong brand reputation, has shown a relatively stagnant share price trend since 2021. Although the company is fundamentally recording profit growth, investors seem to question its long-term growth prospects. This is interesting because it shows that even if a company has a large size and high profits, it does not necessarily guarantee an increase in the stock price or the value of the company.

PT Wilmar Cahaya Indonesia Tbk (CEKA) also experienced stock price fluctuations that were not in line with its performance. Although the company's profit recorded good growth, CEKA's share price actually experienced pressure throughout 2022 and 2023. In fact, CEKA distributes regular dividends, with a fairly high dividend

yield. This indicates that dividend policy, while important, is not necessarily enough to maintain investors' perception of a company's value without being supported by other strategic decisions such as investment and funding.

PT Delta Djakarta Tbk (DLTA), which has a fairly established beverage product in the domestic market, had experienced a surge in share prices in 2020–2021. However, its share price weakened again in 2022–2023, in line with a decline in operational performance and a dividend distribution policy that exceeded net profit (payout ratio above 100%). This kind of policy may please investors in the short term, but it can raise concerns about the long-term sustainability of the company's operations.

Meanwhile, PT Garudafood Putra Putri Jaya Tbk (GOOD), which was relatively recently listed on the IDX (IPO in 2018), showed a fluctuating but stable stock price trend in the long term. Although the company has recorded consistent revenue and net profit growth, GOOD's share price has not seen a significant increase in the last five years. This shows that even though operational performance improves, the company's value is still influenced by investors' perception factors towards the company's managerial policies.

The above phenomena reinforce the importance of examining how compan' size, investment decisions, and funding decisions affect a company's value, particularly as reflected in stock prices. In addition, it is also interesting to look at the role of dividend policy as a moderation variable, namely whether dividends are able to strengthen or weaken the influence of these decisions on the company's value. Given that stock prices are a direct indicator of market perception of a compa'y's prospects and risks, understanding this relationship is critical for management, investors, and other stakeholders.

The size of the company can be indicated by using tota' assets. The larger the company's total assets, the larger the size of a company. Large companies have better control over market conditions, so they are able to face economic competition, which makes them less vulnerable to economic fluctuations. Company size is one of the indications to measure the performance of a company. The size of a large company can reflect that the company has a high commitment to continuously improve its performance, so investors will pay more to get their shares because they believe they will get favorable returns from the company. This will have a positive impact on the value of the company.

Capital structure is a comparison or balance of a company's long-term funding as shown by the comparison of long-term debt to its own capital. The fulfillment of the company's financial needs from its own capital sources comes from share capital, retained earnings and reserves. If the company's funding from its own capital still has a shortage, it is necessary to consider funding from outside companies. Efficient funding will occur if the company has an optimal capital structure. Companies that use debt in their operations will get tax savings, because taxes are calculated from operating profits after deducting interest on debt. So that the net profit that shareholders are entitled to will be greater than that of companies that do not use debt. This will have an impact on the company's value which will also become greater.

Previous research on factors affecting company value using company size variable entitled "The effect firm size on company value with profitability as intervening variable and dividend policy as moderating variable" (Atiningsih & Izzaty, 2021). The results of this study explain that the size of the company has a positive effect on the value of the company and the dividend policy is able to moderate the influence of the size of the company on the value of the company. These results are supported by research titled "Analysis of Factors Affecting Company Value" (Hasibuan, 2023).

Research on the influence of investment decisions on company value has been conducted under the title "The Influence of Profitability, Solvency and Investment Oppurtunity Set on Company Value with Dividend Policy as a Moderation Variable" (Anggraini & Yan Nyale, 2022). The results of this study explain that investment decisions have a negative effect on the Company's value and dividend policies are able to moderate the influence of investment decisions on the Company's value. This result is supported by another study titled "The Influence of Profitability, Investment Decisions and Funding Decisions on Company Value with Dividend Policy as a Moderation Variable" (Kusaendri & Mispiyanti, 2022).

Research on the influence of funding decisions on company value has been conducted under the title "Analysis of the Effect of Liquidity, Profitability and Debt Policy on Firm Value with Dividend Policy as Moderating Variable" Wanti, F; Sari (2022). The results of this study explain that the debt policy has no effect on the company's value and the dividend policy is not able to moderate the influence of the debt policy on the company's value. In contrast to the study entitled "The Effect of Dividend Policy as a Moderation Variable on the Effect of Debt Policy and Profitability on Company Value" Susanti et al. (2023). The results of this study explain that debt policy has a positive effect on company value and dividend policy is able to moderate the influence of debt policy on company value.

Based on the results of previous inconsistent research on factors that affect the company's value, the researcher conducted a re-test. In contrast to the previous study, this study uses moderation variables to measure the relationship between independent and dependent variables. This study identifies several problems related to the value of companies in the consumer goods sub-sector listed on the IDX for the 2018–2023 period. The factors analyzed consist of company size, investment decisions, and funding decisions. Furthermore, this study also examines the role of dividend policy as a moderation variable, especially in strengthening or weakening the influence of size, investment, and funding on company value.

This research is limited to the measurement of company value based on the size of the company with the proxy of the main board index, investment decisions from asset growth, and funding decisions from capital structures. The focus of this research is also to examine the effect of dividend policy as a moderation variable, in order to answer various questions related to its role in influencing the company's value from these various factors.

The Effect of Company Size, Investment Decisions and Funding Decisions on Company Value with Dividend Policy as a Moderation Variable

The purpose of this study is to analyze the economic and financi'l factors that affect the value and performance of companies, as well as to determine performance prediction models for policy makers. This research also intends to provide strategic recommendations for management related to size, investment, funding, and dividends to increase the company's value and competitiveness.

The results of this 'esearch are expected to provide benefits from both the theoretical and practical aspects for various parties. Academically, it can be used to enrich literature and as a reference for further research. Practically, it can be used by management, investors, and shareholders as a consideration in making policies and strategic decisions to maximize the company's value and competitiveness in the market.

RESEARCH METHODS

This research is included in explanatory research. This study was shown to explain the relationship between the research variables and the tested hypothesis formulated. The dependent variables in this study are the Company's value, independent variables include: company size, investment decisions, funding decisions and dividend policy variables as moderation variables.

This research was carried out by utilizing secondary data available online with the location of the research administratively carried out in the campus environment, digital libraries, and homes that provide access to the issuer's financial statements with a research time planned for six months starting from June 2024 to June 2025.

The type of data used in this study is secondary quantitative data with data sources obtained from the official website of the Indonesia Stock Exchange (www.idx.co.id), the official website of each sample company, annual report, and Audited Financial Statements of sample companies.

RESULTS AND DISCUSSION

Research Results

1. Overview

This study aims to find out the factors that affect the Company's value with dividend policy as moderation. The object used in this study is a manufacturing company in the consumer goods sector listed on the Indonesia Stock Exchange (IDX) during 2018 – 2023. The manufacturing industry is an economic activity that carries out activities of processing a basic material mechanically, chemically, or by hand into finished or semi-finished goods to make goods that are less visible in value into goods of higher value and closer to be used by the end user (Central Statistics Agency, 2022).

The criteria used to obtain samples include:

Table 2. Company Sample Criteria

No.	Information	Total
1	Consumer Goods Companies Listed on the IDX for the 2018-2023 Period	63
2	Consumer Goods Companies Outside the Main Board Index	(24)
3	Consumer Goods Companies Suffered Losses in the Observation Period	(10)
4	Consumer Goods Companies do not publish financial statements during the observation period	(2)
5	Consumer Goods Company IPO for the 2018-2023 period	(3)
6	The Company Does Not Distribute Dividends 2018-2023	(4)
	Total Samples/ Year	20
	Total sample period 2018-2023 (6 years)	120
Source: Processed Data Santy Wijaya (2025)		

Source: Processed Data Santy Wijaya (2025)

The selection of the sample criteria above by the author is to provide a different understanding from previous research on factors that affect the company's value.

2. Descriptive Statistical Analysis

Descriptive Statistical Analysis aims to provide an overview of the distribution of data used in the research. Descriptive statistical analysis includes mean, median, maximum and minimum values along with standard deviation. The variables used in this study include: Company Value (PBV); Company Size (SIZE); Investment Decision (PER); Funding Decision (DER) and Dividend Policy (DPR).

Table 3 Descriptive Statistical Analysis

Date: 02/10/25 Time 23:9
Sampel: 1 120

	Y_PBV	X1_SIZE	X2_PER	X3_DER	Z_DPR
Mean	4.945989	29.71099	17.52917	0.844550	0.465705
Median	2.137151	29.58283	6.870219	0.518204	0.243067
Maximum	56.79190	32.85992	720.6845	3.928398	6.666667
Minimum	0.336875	27.04380	0.688404	0.108542	4.02E-07
Std. Dev	8.786497	1.557279	72.83890	0.779408	0.892677
Observations	120	120	120	120	120

Source: Eviews Santy Wijaya (2025)

The results of the descriptive statistical analysis for the Company Value (PBV) variable showed a maximum value of 56.7919 and a minimum value of 0.3368, with a mean value of 4.9459, a median value of 2.1371 and a standard deviation value of 8.7864.

The results of descriptive statistical analysis for the Company Size variable (SIZE) showed a maximum value of 32.8599 and a minimum value of 27.0438, with a mean value of 29.710, a median value of 29.5828 and a standard deviation value of 1.5572.

The results of descriptive statistical analysis for the Investment Decision (PER) variable showed a maximum value of 72.6845 and a minimum value of 0.6884, with a mean value of 17.529, a median value of 6.8702 and a standard deviation value of 72.838.

The results of the descriptive statistical analysis for the Funding Decision (DER) variable showed a maximum value of 3.9283 and a minimum value of 0.1085 with a mean value of 0.84455, a median value of 6.8702 and a standard deviation value of 0.7794.

The results of descriptive statistical analysis for the Dividend Policy (DPR) variable showed a maximum value of 6.666 and a minimum value of 4.02, with a mean value of 0.4657, a median value of 0.2430 and a standard deviation value of 0.8926.

As a form of strengthening the research results, the author considers the use of the Partial Least Squares Structural Equation Modeling (PLS-SEM) method to evaluate the structural relationships between the research variables. This method was chosen because of its ability to handle complex models with a limited number of samples, as well as its ability to analyze the influence of moderation. The test was conducted using SmartPLS software, which showed that the influence of dividend policy moderation (DPR) on the relationship between funding decisions (DER) and company value (PBV) was statistically significant. These results corroborate the findings of the previous regression approach that the DPR strengthens the influence of DER on company value.

In addition, to test the strength and consistency of the model's estimation results, the authors also conducted robustness checks by comparing the fixed panel regression model (Fixed Effect Model) and the random regression model (Random Effect Model). Based on the results of the Chow, Hausman and Lagrange Multiplier tests, it was found that the random effect model was more suitable for use. The results of the revision estimation showed that the direction and significance of the independent variables were relatively consistent in both approaches, indicating that the results of the model were sufficiently robustness check and did not depend on a specific estimation method.

This study uses a data panel regression approach with the Moderated Regression Analysis (MRA) method to test the influence of dividend policy (DPR) as a moderation variable. Although the Partial Least Squares – Structural Equation Modeling (PLS-SEM) method is often used in moderation research, the authors did not use the approach due to the limitations of the software used (Eviews). However, the process of testing the interaction between independent variables and moderation is still carried out methodologically through the formation of interaction variables and testing their significance, as suggested by (Baron & Kenny, 1986).

a. Chow Test

Criterion:

If the value of Prob. Cross-section F < 0.05 then the selected model is the Fixed Effect Model, if > 0.05 then the chosen one is the Common Effect Model.

Result:

Table 1 Redundant Fixed Effects Test

Equation: Untitled			
Test Cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	11.152818	(19, 96)	0.0000
Cross-section Chi-square	139.852601	19	0.0000

Source: Eviews Santy Wijaya (2025)

Conclusion:

Prob value. Cross-section F < 0.05, then the model selected based on the chow test is the Fixed Effect Model

b. Hausman Test

Criterion:

If the value of Prob. Cross-section random < 0.05 then the selected model is the Fixed Effect Model, if > 0.05 then the selected model is the Random Effect Model.

Result:

Table 2 Correlate Rendom Effects – Hausaman Test

Equation: Untitled			
Test Cross-section fixed effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	2.191379	4	0.7006

Source: Eviews Santy Wijaya (2025)

Conclusion:

Prob value. Cross-section is random > 0.05, then the chosen model is the Random Effect Model.

Uji Lagrange Multiplier

Criterion:

If the value of Prob. Breusch-Pagan < 0.05 then the chosen model is the Random Effect Model, if > 0.05 then the model chosen is the Common Effect Model.

Result

Table 3 Lagrange Multiplier (LM) test for panel data

Date: 02/09/2025 Sampel: 2018 2025 Total panel Observation: 120 Probality in ()			
Alternative	Cross-section One-sided	Period One-sided	Both
Breusch-Pagan	112.3580 (0.0000)	2.481985 (0.1152)	114.8399 (0.0000)
Honda	10.59990 (0.0000)	-1.575432 (0.9424)	6.381265 (0.0000)

King-Wu	10.59990 (0.0000)	-1.575432 (0.9424)	3.436421 (0.0003)
Above sea level	11.92681 (0.0000)	-1.413226 (0.9212)	-
GHM	-	-	112.3580 (0.0000)

Source: Eviews Santy Wijaya (2025)

Conclusion:

Prob value. Breusch-Pagan < 0.05, then the chosen model is the Random Effect Model.

Classical Assumption Test Results

Normality Test

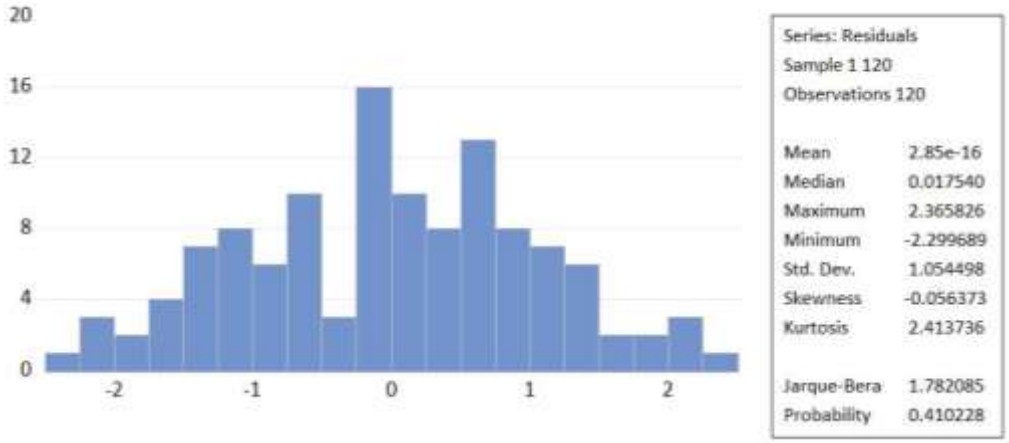

Figure 1 Normality Test

Source: Eviews Santy Wijaya (2025)

In the results of the large normality test, the Jarque-Bera value was 1.782 with a probability level of 0.410228 > 0.05, the data in this research model was declared normal.

Multicollinearity Test

Table 5 Multicollinearity Test

Variance Inflation Factors
Date: 02/09/25 Time: 23:11
Sampel: 1 120
Included observation: 120

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	161.9244	399.6300	ON
X1_SIZE	0.188336	411.4285	1.117834
X2_PER	0.000253	3.471676	3.280110
X3_DER	0.747545	2.427356	1.111421
Z_DPR	1.675867	4.165462	3.268431

Source: Eviews Santy Wijaya (2025)

In the results of the multicollinearity test, if the VIF value is < 10, then it is free of symptoms of multicollinearity. The VIF value of each independent and control variable is below 10, so this research model is free from the symptoms of multicollinearity. All VIF values < 10, which indicates that there is no multicollinearity between independent variables.

Heteroscedasticity Test

Table 6 Heterokedasticity Test

Heteroskedasticity Test: Glejser Null Hypothesis: Homoskedasticity			
F-statistic	1.019416	Prob. F (4,115)	0.4004
Obs*R-squared	4.109517	Prob. Chi-Square (4)	0.3914
Scaled explained SS	7.465184	Prob. Chi-Square (4)	0.1133

Source: Eviews Santy Wijaya (2025)

Heteroscedasticity testing using Glejser. If the value of Prob. Chi-Square of Obs*R-squared > 0.05 then the research model is free from heteroscedasticity symptoms. Prob value. The Chi-Square of Obs*R-squared is 0.3914 greater than 0.05. Therefore, this research model is free from the symptoms of heteroscedasticity.

Autocorrelation Test

Table 7 Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test *Null Hypothesis: No serial correlation at up to 2 lags*			
F-statistic	1.310029	Prob. F (2,113)	0.2746
Obs*R-squared	3.161496	Prob. Chi-Square (2)	0.2058

Source: Eviews Santy Wijaya (2025)

If the value of Prob. Chi-Square of Obs*R-squared > 0.05 then the research model is free from autocorrelation symptoms. Prob value. From the Breusch-Godfrey test of 0.2058 (> 0.05), so there are no symptoms of autocorrelation.

Hypothesis Test Results

Multiple Linear Regression & T Test

Baron & Kenny (1986) This analysis aims to provide a difference between the characteristics of moderator and mediator variables to reveal the difference in how concept variables can explain differences in people's characteristics. Specifically, we distinguish between two different functions of three variables. Adjustment function for the third variable. It divides the focus independent variables into subgroups that determine the greatest efficacy region with respect to the defined dependent variable, and represents the mediator function of the third variable. A generative mechanism in which the independent variable focuses on affecting the dependent variable. Although these two

functions of these third variables have a relatively long tradition in the social sciences, the terms moderator and mediator are often used interchangeably in social psychology.

Criterion:

1) If the value of Prob. Smaller than 0.05, there is a significant influence of the independent variable on the dependent variable, while if it is greater than 0.05, there is no effect of the independent variable on the dependent variable.
2) If the value of t-Count is greater than the t-table, then there is an influence of the independent variable on the dependent variable, while if the value of t-count is smaller than the value of t-table, then there is no influence of the independent variable on the dependent variable.
3) The t-Table value in this study is 1.980808.

Table 8 Regression Test

DependentVariable: Y_PBV
Method: Panel EGLS (Cross-section Random Effects)
Date: 02/09/25 Time: 00:08
Sample: 2018–2023
Periode Include: 6
Jumlah Cross-section: 20
Jumlah Observasi Panel (balanced): 120Swamy and Arora estimator of component variances

Variabel	Coeficin	Std. Error	t-Statistics	Probability
C	7.303670	2.974231	2.455560	0.0156
X1_SIZE	0.223535	0.100519	2.223799	0.0281
X2_PER	0.002780	0.001122	2.478897	0.0151
X3_DER	0.314909	0.146011	2.156715	0.0334
Z_DPR	0.241723	0.096917	2.494115	0.0140
Effects Specification				
Component			**S.D.**	**Rho**
Cross-section random			1.111017	0.8907
Idiosyncratic random			0.389166	0.1093
Weighted Statistics				
R-squared	0.261649	S.D. dependent var	4.737983	
Adjusted R-squared	0.238075	Sum squared resid	27.99455	
S.E. of regression	0.382762	Durbin-Watson stat	1.985165	
F-statistic	6.133321	Mean dependent var	1.334449	
Prob(F-statistic)	0.261649	S.D. dependent var	4.737983	

Source: Eviews Santy Wijaya (2025)

- Multiple Regression Equations

Y = 7,303670 + 0,223535 SIZE + 0,002780 PER + 0,314909 DER +

0.241723 DPR + e

- T test

Table 9 t-Count Test Results

Variabel	Coeficin	t-count	Probability	Signifikan	Direction of Influence
Size	0,2235	2,2238	0,0280	Ya	Positive

FOR	0,0028	2,4789	0,0146	Ya	Positive
THE	0,3149	2,1567	0,0331	Ya	Positive
DPR	0,2417	-	-	Moderation	-

Source: Processed Data Eviews Santy Wijaya (2025)

1) Prob value. Of SIZE is 0.028 (< 0.05), t-Calculated value is 2.223799 (> t-Table 1.980808). The coefficient value of the SIZE variable is positive. So, SIZE has a significant positive effect on PBV. The value of the coefficient of the SIZE variable of 0.223535 indicates that, if there is an increase in the SIZE variable, it will increase the PBV score by 0.223535.
2) Prob value. Of the PER is 0.0146 (< 0.05), the t-Calculated value is 2.478897 (> t-Table 1.980808). The value of the coefficient of the PER variable is positive. So, PER has a significant positive effect on PBV. The value of the coefficient of the PER variable of 0.002780 indicates that, if there is an increase in the PER variable, it will increase the PBV score by 0.002780.
3) Prob value. Of the DER is 0.0331 (< 0.05), the t-Count value is 2.156715 (> t-Table 1.980808). The value of the coefficient of the DER variable is positive. So, DER has a significant positive effect on PBV. The value of the coefficient of the DER variable of 0.314909 indicates that, if there is an increase in the DER variable, it will increase the PBV score by 0.314909.

- Test F

If the value of F-Calculation is greater than the F-table, then there is a significant influence of all independent variables simultaneously on the dependent variables, the value of F-Table in this study is 2.450571.

Prob value. F The statistic on the multiple linear regression equation is 0.008204 < 0.05. The F-calculated value in the multiple linear regression equation is 3.613321 > 2.450571. So SIZE, PER, DER, and DPR have a significant effect simultaneously on PBV.

In the multiple linear regression equation, the R-Squared value is 0.261649. This means that SIZE, PER, DER, and DPR can contribute to the influence on PBV by 26.16%, while the rest is influenced by other factors outside the research model.

3. MRA Test Results

To ensure that the dividend policy (DPR) functions as a moderation variable, the author establishes the interaction variables between the DPR and each independent variable, namely SIZE x DPR, PER x DPR and DER x DPR. The test was carried out using panel regression with a random effect approach, which was selected based on the Hausman and Lagrange Multiplier tests. The results of the Submission show that the results of the significant interaction between DER x DPR, which acts on dividend policies, strengthen the relationship between DER and Company Value. Thus, even

though it does not use PLS-SEM, this study still complies with the rules of moderation submission that are statistically valid.

Criterion:

1) If the value of Prob. From the interaction variable of independent variables to variables with moderation variables less than 0.05, the moderation variable succeeded in moderating the significant influence of independent variables on dependent variables.
2) If the t-Calculated value of the interaction variable of the independent variable with the moderation variable is greater than the t-table, then the moderation variable successfully moderates the significant influence of the independent variable on the dependent variable.
3) The t-Table value in this study is 1.981372.
4) If the value of the coefficient of the independent variable in MRA > from the coefficient in the multiple regression, then the moderation variable reinforces the influence of the independent variable on the dependent variable.

Table 10 MRA Test

DependentVariable: Y_PBV
Method: Panel EGLS (Cross-section Random Effects)
Date: 02/22/25 Time: 23:12
Sample: 2018–2023
Periode Include: 6
Jumlah Cross-section: 20
Jumlah Observasi Panel (balanced): 120Swamy and Arora estimator of component variances

Variabel	Coeficin	Std. Error	t-Statistics	Probability
C	27.93241	3.114519	1.979884	0.0503
X1_SIZE	0.989626	0.480635	2.058989	0.0410
X2_PER	0.032017	0.015132	2.115804	0.0363
X3_DER	7.954637	3.600386	2.209102	0.0295
Z_DPR	0.836117	0.301474	2.773243	0.0065
	-0.109062	0.121050	-0.900934	0.3701
	-0.226958	0.190226	-1.192500	0.2361
	5.444278	1.536889	3.542400	0.0006
Effects Specification				
Component			**S.D.**	**Rho**
Cross-section random			2.849647	0.3089
Idiosyncratic random			4.262453	0.6911
Weighted Statistics				
R-squared	0.381177		S.D. dependent var	2.070852
Adjusted R-squared	0.342501		Sum squared resid	5.338723
S.E. of regression	4.955510		Durbin-Watson stat	2869.632
F-statistic	9.855553		Mean dependent var	1.968837
Prob(F-statistic)	0.000000		S.D. dependent var	2.070852
Unweighted Statistics				
R-squared	0.523668		Sum squared resid	0.736431
Mean dependent var	4.945989		Durbin-Watson stat	1.950450

Source: Eviews Santy Wijaya (2025)

a. MRA equation

Y = 27.93241 + 0.989626 SIZE + 0.032017 PER + 7.954697 DER + 5.138635 DPR + 0.198782 X1*Z – 0.209552 X2*Z + 5.444278 X3*Z + e

b. T test

1) Interpretation of MRA results shows that dividend policy (DPR) only moderates the relationship between funding decisions (DER) and company value (Tobin's Q). The interaction between DER and DPR has a significance value < 0.05 is 0.0006. Prob value. Of the interaction variable of the DER variable with the DPR variable is 0.0006 (< 0.05), the t-Calculation value is 3.542400 (> t-Table 1.981372). So, the House of Representatives can moderate the influence of DER on PBV. The value of the coefficient on the DER variable in MRA > the multiple regression coefficient. Therefore, the House of Representatives can strengthen the influence of DER on PBV.
2) On the other hand, the interaction between the House of Representatives and the Size and investment decisions showed a significance of > 0.05. Prob value. Of the interaction variable of the SIZE variable with the DPR variable is 0.1034 (> 0.05), the t-Calculation value is 1.642154 (< t-Table 1.981372). Therefore, the House of Representatives cannot moderate the influence of SIZE on PBV.
3) Prob value. Of the interaction variable of the PER variable with the DPR variable is 0.1158 (> 0.05), the t-Calculation value is 1.585011 (< t-Table 1.981372). Therefore, the House of Representatives cannot moderate the influence of PER on PBV.

Table 11 MRA Interaction Summary Table

Variabel	Coeficin	t-Count	Probability	Moderation	Direction
SIZE x DPR	0,1988	1,6422	0,1034	Not	-
PER x DPR	-0,2096	1,5850	0,1158	Not	-
DER x DPR	5,4443	3,5424	0,0006	Yes	Strengthen

Source: Processed Data Santy Wijaya (2025)

The results of the Moderated Regression Analysis (MRA) test showed that the dividend policy (DPR) only moderated the relationship between funding decisions (DER) and company value (PBV). Meanwhile, the House of Representatives does not moderate the influence of company size (SIZE) or investment decisions (PER) on the value of the company. These findings indicate that dividends function more as an external control mechanism against financial risks arising from the use of debt (DER), rather than as a signal amplifier of investment size or decisions.

Theoretically, this can be explained through agency theory, which states that dividend policies can reduce conflicts between management and shareholders, especially when the company has a high level of leverage. In such a situation, the distribution of dividends becomes a signal of discipline, that managers will not abuse free cash flow for personal gain. Therefore, dividends are more effective as an external control tool in the context of capital structure than in the context of size or investment.

Conversely, on the SIZE and PER variables, investors may be more likely to judge the company's prospects from management efficiency or long-term growth potential. In this case, dividends are not always the main indicator, since large companies or those that are making aggressive investments tend to hold back profits for expansion. Therefore, dividend policies are not strong enough as a signal or moderator in that context.

Discussion

1. The Effect of Company Size on Company Value

The results of this study show that the size of the company has a positive effect on the value of the company. The results of this study are in line with the research conducted by Atiningsih & Izzaty (2021); Ahmad Romadhani; Muhammad Saifi (2022); and Hasibuan (2023). Companies with larger sizes have greater access to sources of funding from various sources, so obtaining loans from creditors will be easier because companies of larger size have a greater probability of winning the competition or surviving in the industry. On the other hand, small-scale companies are more flexible in the face of uncertainty, as small companies are quicker to react to sudden changes. The size of a rapidly growing company is a benchmark that investors see as a positive signal that can increase the value of the company.

2. The Influence of Investment Decisions on Company Value

The results of this study show that investment decisions affect the value of the company. The results of this study are in line with research conducted by Kusaendri & Mispiyanti (2022). The essence of growth for companies is the existence of investment opportunities that generate profits. If there are profitable investment opportunities, then managers try to take these opportunities to maximize the welfare of shareholders because the greater the profitable investment opportunity, the greater the investment made. This opinion can be interpreted that investment decisions are important because to achieve the company's goals will only be generated through investment activities. The ability to make investment decisions has a high growth opportunity, conditions will give hope to investors.

3. The Influence of Funding Decisions on Company Value

The results of this study show that funding decisions have a negative or insignificant effect on the company's value. The results of this study are in line with research conducted by Nuryatin et al. (2022) and Pratama & Nurhayati (2022). Debt is a financial source that contains a lot of risk because it will incur interest costs. However, if you use internal fund capital, it will arise (opportunity cost) from the funds or capital itself used. In essence, the fulfillment and allocation of funds concerns the problem of financial balance in the company, namely maintaining a financial balance between assets and liabilities as well as possible. Financial balance can be achieved if the company during the performance of its functions does not face financial disturbances caused by the

absence of an imbalance between the amount of available capital and the required capital. Higher risks tend to lower stock prices, but an increase in the expected rate of return will increase stock prices.

The theoretical implications of the results of this study are not in line with or refute the trade off theory of Abdullah (2020) which explains that companies will look for an optimal capital structure between debt and equity. If the passion is supportive, then a balanced capital structure will increase the value of the company.

4. Dividend Policy as a Moderation Variable in the Relationship Between Company Size and Company Value

The results of this study show that dividend policy is not able to moderate the influence of company size on company value. The results of this study are in line with the research conducted by Aldi et al. (2020). The larger the size of the company, the greater their need for funds to carry out the company's operational activities and develop the company. The larger the company uses debt, the more likely it is that the company will pay dividends in smaller amounts because the profits obtained will be used to pay the debt to creditors along with the interest costs, which of course this will affect investors' perception of the company's value.

The results of this study are contrary to the research results of Atiningsih & Izzaty, (2021) which stated that the DPR significantly strengthens the relationship between company size and company value. This difference can be caused by the different characteristics of the industrial sector, namely the manufacturing sector in general, while this study focuses on the goods and consumption subsectors which tend to have more stable operating cash flows and high investment needs. In this study, large companies in the goods and consumption subsectors do not always have great flexibility in dividend distribution due to the high need for capital expenditure to maintain growth and competitiveness. As a result, dividend policies do not have a significant effect on strengthening investors' perception of company size. In addition, investors in this sector may pay more attention to operational efficiency and product innovation than dividend distribution. This causes the effectiveness of the dividend policy as a moderation variable for SIZE to be insignificant.

5. Dividend Policy as a Moderation Variable in the Relationship Between Investment Decisions and Company Value

The results of this study show that dividend policy is not able to moderate the influence of investment decisions on company value. The results of this study are in line with research conducted by Juwinta et al. (2021) and Kusaendri & Mispiyanti (2022). Based on signal theory, dividend policy does not affect investors in investing because it is not the main factor of investors in decision-making but the dividend policy can be a signal for investors in providing information related to the company's financial performance.

6. Dividend Policy as a Moderation Variable in the Relationship Between Funding Decisions and Company Value

The results of this study show that the dividend policy is able to moderate the influence of funding decisions on the value of the company. The results of this study are in line with research conducted by Nurhayati et al. (2020) and Pratama & Nurhayati (2022). Companies that have a fairly high DER ratio value turn out to produce high profits as well, with high profits the company will distribute the profits in the form of dividends, this is a positive signal for investors. This will attract investors to invest so that the company's share price will increase. With the increase in stock prices, the company's value will also increase. This is in line with the agency's theory that explains the existence of a conflict of interest between management and investors. Management receives more information related to the company's condition than investors, such as regarding free cash flow, which can create agency problems because the management will prioritize this free cash flow as retained earnings for expansion or improve the company's performance rather than distributing dividends because financing with internal sources of funds is more efficient than external financing.

Theoretical Implications

The results of this study support Jensen's (2022) agency theory, the signal theory (Abdullah, 2020), namely that dividends can function as a control mechanism to reduce agency conflicts between managers and shareholders. Meanwhile, in relation to funding decisions, the use of high debt can increase the potential for agency conflicts because management tends to overinvest or take risky projects. In these circumstances, consistent dividend payments function as an external discipline, limiting the room for management to use internal funds. However, on company size and investment decisions, agency conflicts may not be as strong as funding decisions, so the DPR does not have a significant moderation effect on the relationship of these variables to the value of the company.

CONCLUSION

This study investigates the impact of company size, investment decisions, and funding decisions on firm value, with dividend policy as a moderating variable, in manufacturing companies within the consumer goods sector from 2018 to 2023. The panel data analysis and Moderated Regression Analysis (MRA) reveal that company size (SIZE), investment decisions (PER), and funding decisions (DER) each significantly influence firm value. However, dividend policy (DPR) does not moderate the effects of company size or investment decisions on firm value, but it does moderate the relationship between funding decisions and firm value. These findings provide important theoretical insights for understanding the drivers of firm value and highlight the need for future research to explore additional moderating variables or sectoral differences that could further explain the dynamics between financial decisions and firm value.

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