The Effectof Dividend Policy, Investment Decisions,Funding Decisions, FirmSize, Managerial Ownership on FirmValue

ABSTRACT

Objective: Knowing the influence between dividend policy, investment decisions, funding decisions, firm size, and managerial ownership onfirm value.
Study Design: The population in this study are companies in the primary consumer goods and non-primary consumer goods sectors listed on the Indonesia Stock Exchange (IDX) for the 2019-2022 period. The data from this study comes from the company's annual report and the company's official website.
Place and Duration of Study: Primary consumer goods and non-primary consumer goods sector companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2022 period.
Methodology: The method used in data collection is using purposive sampling technique. For the sample used in this study, namely 30 companies for 4 years totaling 120 company data. This study uses descriptive statistics, classical assumption tests, coefficient of determination tests and hypothesis tests which are tested using the IBM SPSS statistical analysis tool version 25.
Results: The results showed that the investment decision variable and funding decisions had a significant positive effect on firm value. While the variables of dividend policy, firm size, managerial ownership have no significant effect on firm value.
Conclusion: The contribution of this study helps reveal that investment decisions and funding decisions play a role in determining the value of companies in the primary consumer goods and non-primary consumer goods sectors.

Keywords: dividend policy; investment decisions; funding decisions; firm size; managerial ownership; firm value.

1. INTRODUCTION

The current era of globalization is has tightening competition in the business world, all levels of business in its development are constantly influenced by macroeconomic, political, and technological advances. As a result, every business must have the right policies in order to compete in the business world to achieve company goals (Mutmainnah et al., 2019). In general, companies have two objectives,namely short-term and long-term. The company's short-term objectives is to maximize profits with its resources while the company's long-term objectives is to increase the company's value (Amaliyah & Herwiyanti, 2020).

The manufacturing sector industry is the most listed industry on the Indonesia Stock Exchange (IDX). The manufacturing industry made the largest contribution to Indonesia's economic growth increase, which was 7.07% in the second quarter of 2021. This sector is the highest source of growth, which is 1.35%. In this period, the manufacturing sector itself recorded a growth of 6.91% despite experiencing pressure due to the Covid-19 pandemic(Kemenperin.co.id, 2021).

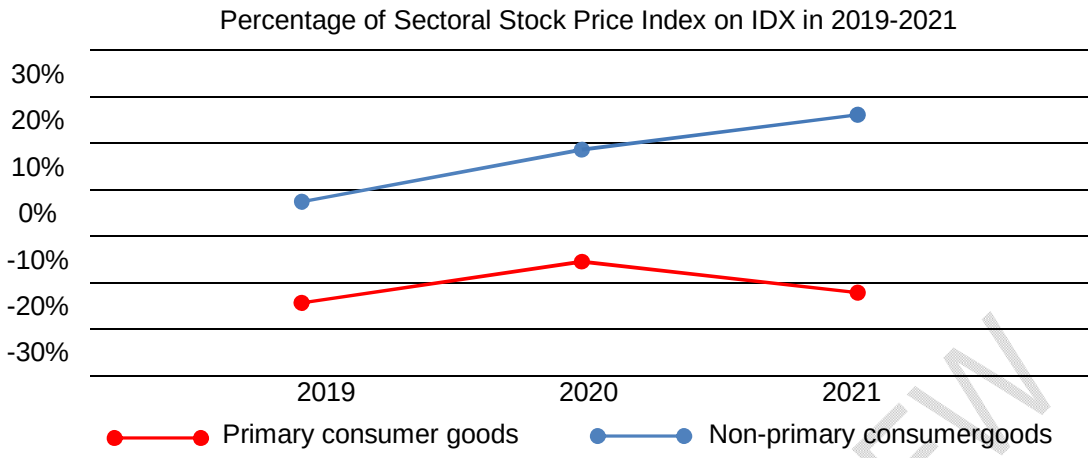

Figure.1 Percentage of Sectoral Stock Price Index on IDX

Based on the above data, the primary consumer goods sector for the 2019-2021 period has a negative percentage of stock price index, namely -16.80%, -11.90%, -16.00%. This illustrates that the market condition in the primary consumer goods sector is deteriorating. This means that the stock price in the sector is low. This shows that the value of companies in the sector is still low. The phenomenon of low stock indices in the primary consumer goods sector is one of the things that can be associated with a company's value. The company's value will be low if the company's share price is also low (Marpaung & Manalu, 2020).

This phenomenon is inversely proportional to the non-primary consumer goods sector for the 2019-2021 period, which has a positive percentage of stock price index, which is 3.80%, 16.10%, 21.20%. This shows that the market condition in the non-primary consumer sector is strengthening. This means that the stock price in the sector is quite high. A high share price will increase the wealth of shareholders. Investors will choose to invest in companies with maximum company value because maximum company value can provide maximum shareholder prosperity if the stock price increases (Bunayah & Hariani, 2023).

Company value is an indicator of a company's business ability to maximize shareholder wealth, where shareholder wealth will be a special attraction for investors to invest(Novianti, 2020). Company value is the investor's perception of the manager's success rate in managing the company's resources entrusted to him, which is often linked to the stock price (Iriyanti et al., 2022). High stock prices make the value of the company also high. A high company value will make the market believe not only in the company's current performance but also in the company's prospects. The value of the company is a fair price and must be paid by potential buyers or investors (Husna & Satria, 2019).

One of the factors that affects the value of a company is the dividend policy. Dividend policy is a decision that concerns whether the distribution of the company's profits will be paid to shareholders as dividends or will be reused within the company in the form of retained earnings (Siregar et al., 2019). Before distributing dividends, the company must measure the investment profit itself, because the measurement will make it easier for the company to determine the amount of dividend distribution to the investor and this investment profit can also be saved by the company which can later be used to reinvest profitably for the company (Romadhani et al., 2020). Research that has been conducted by (Triani & Tarmidi, 2019), (Purwanti, 2020), (Mutmainnah et al., 2019)states that dividend policies have a positive

effect on the value of companies. Meanwhile, in research (Umam & Halimah, 2021),(Juhandi et al., 2019)the dividend policy did not have a significant effect on the company's value.

The second factor is investment decisions. Investment is a long-term process so that the benefits of investment decisions made will only be felt after some time in the future. There are two basic things in investment decisions, namely the expected return and investment risk. The higher the expected return, the greater the investment risk that must be taken and vice versa, the lower the investment risk taken, the lower the return that will be obtained (Laksono & Yuliastuti, 2021). The determination of this investment decision is a very important factor, because the decision to invest decided by a company allows investors to have their own perceptions of the company. If the decision taken is in accordance with the objectives of increasing company value, it can have an impact on investor interest in deciding to invest and provide something profitable to the company, of course, to achieve high returns (Fadhilah, 2020). The results of this study are supported by (Oktiwiati & Nurhayati, 2020), (Mudma'inah et al., 2019), (Syam & Hermanto, 2020) It was found that investment decisions have a positive effect on the value of the company. This study is compared to research (Amaliyah & Herwiyanti, 2020), (Triani & Tarmidi, 2019) stating that investment decisions do not have a significant effect on the value of the company.

Funding decisions are the third factor that can affect the value of the company. Funding is a decision related to determining the source of funds to be used, determining the optimal balance of funding, and whether the company uses sources of funds from within the company or will take from outside the company. The source of funds can be obtained from internal and external. The funding decision is also related to the company's ability to repay its debts. Thus, the financial manager must be able to make decisions about the best form and composition of funds that will be used by the company to be able to optimize the company's value (Mudma'inah et al., 2019). The results of the study (Triani & Tarmidi, 2019), (Mudma'inah et al., 2019), (Syam & Hermanto, 2020) obtained the results that the funding decision had a positive effect on the company's value while the research (Amaliyah & Herwiyanti, 2020), (Sumarau, 2019) states that funding decisions have no significant effect on the firm value.

The next factor is the size of the company. Company size is a scale where the size of the company can be classified as measured by total assets, number of sales, stock value and so on. The size of the company is also a determinant for investors to invest their capital in a company. The size of a company with a large enough total assets can attract investors to invest, which will ultimately have an impact on increasing the value of the company in the eyes of the public (Syam & Hermanto, 2020).The positive influence of company size on company value is evidenced by the results of research from (Siregar et al., 2019), (Munawar, 2019), (Husna & Satria, 2019). However, there are also differences in the results of research from (Juhandi et al., 2019), (Bon & Hartoko, 2022)which states that company size has no influence on company value.

The last factor that affects the value of a company is managerial ownership. Managerial ownership is the owner or shareholder by the company's management who actively plays a role in the company's decision-making. Managerial ownership is often associated as an effort to increase the value of the company because managers in addition to management as well as owners of the company will feel the direct consequences of the decisions they make so that managers will not take actions that only benefit the manager (Umam & Halimah, 2021) Research conducted by (Mudma'inah et al., 2019), (Dewi & Abundanti, 2019) revealed that managerial ownership has a significant positive influence on the value of the company. Conversely, according to (Fadhilah, 2020), (Umam & Halimah, 2021) states that managerial ownership has no effect on the value of the company.

Based on the description above, there are inconsistencies in the results in previous studies regarding dividend policy, investment decisions, funding decisions, company size, and managerial ownership of firm value. In addition, with changes in Indonesia's economic conditions caused by the Covid-19 pandemic which requires companies to adapt in achieving company goals. Investors need to understand what a good company is like to invest through financial statement analysis.

Companies in the primary consumer goods and non-primary consumer goods sectors were chosen as research objects because in this sector there is quite intense competition for companies due to the co-19 pandemic so that the right strategy is needed to attract consumers and investors. Companies in this sector are one of the top choices for investors so that investors have more focus on the company because any problems that occur in the company, such as decreased sales, decreased product quality, inventory shortages, waste problems and others can affect changes in the company's share price.

The novelty in this research is that this research was conducted based on the phenomenon of companies in the primary consumer goods sector and the non-primary consumer goods sector during the Covid-19 pandemic until 2022. In addition, this study adds one new variable from previous research, namely funding decisions. This research uses the IBM SPSS version 25 analysis tool to get accurate results.

Signalling Theory

Signal theory is an action carried out by company management that provides instructions to investors about how the company views the company's prospects. Signal theory explains that companies have an incentive to provide information to external parties. The company's encouragement to provide information is because there is asymmetric information between the company and external parties. External parties assess the company's value as a function of different signaling mechanisms (Triani & Tarmidi, 2019).

Bird in The Hand Theory

This theory suggests that investors prefer high dividend payments from company profits. This opinion is because getting dividends, the risk taken tends to be smaller than getting capital gains that are full of uncertainty in the future. High dividend payments will cause the stock price to rise, this will certainly have an impact on the value of the company itself (Aprilyani et al., 2021).

Pecking Order Theory

Pecking order theory explains a company's preferences in determining the optimal capital structure. This theory explains that companies that have a high level of profitability have low debt, because companies with high profitability have abundant sources of internal funds. The pecking order theory shows that the first thing a company does is to choose an internal financial source, and the company will adjust its target dividend payment ratio to investment opportunities (Purwanti, 2020).

The Effect of Dividend Policy on Firm Value

Dividend policy is a policy related to decisions taken by the company regarding the profits obtained, whether distributed to shareholders as dividends or retained in the form of retained

earnings to finance the company's investment in the future (Saefurrohmat et al., 2022). The greater the dividends distributed indicate the profits of large companies and investors will be interested in making investments which are shown by buying company shares and in the end companies that have good managerial performance including planning, supervision, coordination, evaluation and investigation are considered profitable and of course the assessment of the company will be better too, this indicates a high company value in the eyes of investors (Adiputra & Hermawan, 2020).

Research conducted by (Mutmainnah et al., 2019), (Syam & Hermanto, 2020), (Margono & Gantino, 2021)stating that dividend policy has a positive effect on the firm value.

H1 : Dividend policy has a positive influence on firm value

The Effect of Investment Decisions on Firm Value

Investment decisions are decisions made by the company in spending the funds it has in the form of certain assets in the hope of getting profits in the future. The goal of investment decisions is to obtain a high level of profit with a certain level of risk. Investors will see how the company's management manages assets or assets owned by the company because the investment decisions taken will have an impact on the profits generated by the company (Sumarau, 2019).

Research conducted by (Oktiwiati & Nurhayati, 2020), (Mudma'inah et al., 2019), (Syam & Hermanto, 2020) states that investment decisions have a positive effect on the firm value.

H2: Investment decisions have a positive influence on firm value

The Effect of Funding Decisions on Firm Value

Funding decisions are financial management policies regarding how the company obtains funds (originating from the money market or capital market) to fund the company's assets and operational activities. Funding decisions are closely related to the activities of finding funds that the company needs to be used for investment and operating activities (Triani & Tarmidi, 2019). Funding decisions are actions that concern the financial structure owned by the company. The company's financial structure is a composition of the level of debt and equity owned by the company. Every company will expect the creation of an optimal capital structure, where the optimal capital structure can maximize the value of the company (Ahmad et al., 2020).

Research conducted by (Triani & Tarmidi, 2019), (Mudma'inah et al., 2019), (Syam & Hermanto, 2020) shows that funding decisions have a positive effect on the firm value.

H3 : Funding decisions have a positive influence on firm value

The Effect of Firm Size on Firm Value

The size of the company is a large-scale assessment of the size of the company which is determined by the total assets owned by the company, it is a consideration for potential investors to invest their funds into the company (Margono & Gantino, 2021). Large companies usually have large assets. Theoretically, large companies will have greater certainty than small companies so that it will reduce the level of investment uncertainty. This can help investors to predict the risks that will be obtained when deciding to invest in the company. The larger the size of the company, the more it is known by the public, which

means that it is easier to get information that will increase the value of the company (Bon & Hartoko, 2022).

Research conducted by (Siregar et al., 2019), (Munawar, 2019), (Husna & Satria, 2019) shows that the size of the company has a positive effect on the firm value.

H4: Firm size has a positive influence on firm value

The Effect of Managerial Ownership on Firm Value

Managerial ownership shows the percentage of shares of management that are actively involved in the process of managing the company (directors and commissioners) or all capital in the company. These parties are those who sit on the company's board of commissioners and board of directors (Lambey et al., 2021). Managerial ownership is where management owns a proportion of the shares of the company they manage. With a portion of the company's shares owned by management, it will make management feel the benefits of the decisions it makes. So that in the end management performance will be better and affect the increase in company value (Fujianti et al., 2020).

Research conducted by (Mudma'inah et al., 2019), (Dewi & Abundanti, 2019), stating that managerial ownership has a positive effect on the firm value.

H5: Managerial ownership has a positive influence on firm value

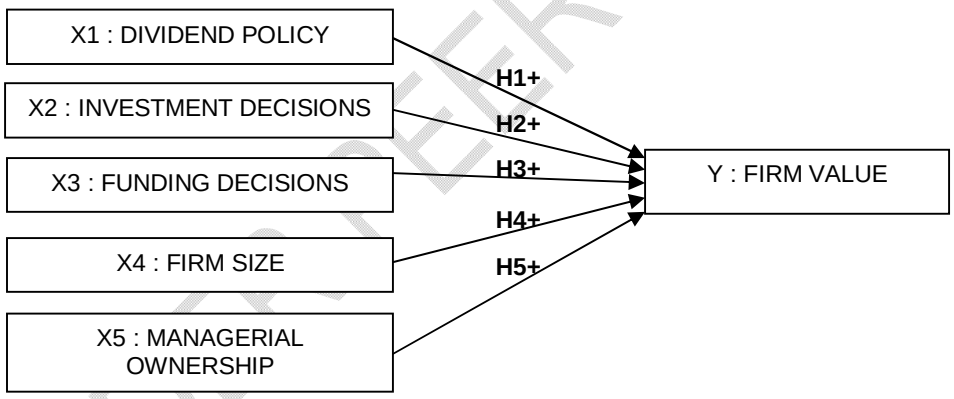

Figure 2 Framework of Thought

2. METHODOLOGY

Researchers use a quantitative approach through data in the form of numbers to prove hypotheses established with certain populations or samples. Data comes from annual financial statements obtained through various sources, including the Indonesia Stock Exchange (IDX) and the official websites companies. Companies in the consumer non-cyclicals and consumer cyclicals sector in the 2019-2022 period are divided into 282 companies that are the population in this study. Researchers use purposive sampling techniques to determine samples with the following criteria:

Table 1. Research Sample

N0.	Information	Sum

1.	Consumer non-cyclicals and consumer cyclicals sector companies for the 2019-2022 period	282
2.	Companies that didn't publish consecutive annual financial for the 2019-2022 period	(67)
3.	Companies that didn't publish complete annual reports	(4)
4.	Companies that didn'tdistribute dividends	(111)
5.	Companies that didn't publish information regarding managerial ownership	(70)
	Total	30

2.1 Variable Calculation

2.1.1 Dividend Policy

Dividends are company profits that are distributed to shareholders as a return on their relationship as supply capital. According to Mutmainnah et al. (2019) states that the measurement of dividend policy using the Dividend Payout Ratio (DPR) is measured by the formula:

$$DPR = \frac{\text{Dividen Per Share}}{\text{Earning Per Share}}$$

2.1.2 Investment Decisions

Investment decisions are defined as a combination of assets owned and investment choices in the future with *net present value* positive. According to Oktiwiati & Nurhayati (2020) measure investment decisions using the Price Earning Ratio (PER) with the formula:

$$PER = \frac{\text{Market Price Per Share}}{\text{Earning Per Share}}$$

2.1.3 Funding Decisions

Funding decisions are decisions regarding the composition of debt and own capital as a source of company funds. According to Amaliyah & Herwiyanti (2020) measured using Debt to Equity Ratio (DER) with the formula:

$$DER = \frac{\text{Total Liabilities}}{\text{Total Equity}}$$

2.1.4 Company Size

Company size is the size of the company which can be measured by the total value of assets or net sales using the formula: (Laksono & Yuliastuti 2021)

Size = Ln (Total Assets)

2.1.5 Managerial Ownership

Measure managerial ownership (KM) using the following formula: (Fujianti et al., 2020)

$$KM = \frac{\text{Managerial Share}}{\text{Total Share Outstanding}}$$

2.1.6 Company Value

According to Sham & Hermanto (2020) reveals that the value of the company can be calculated using Price Book Value (PBV). PBV is the ratio between the price per share and the book value per share, which is formulated as follows:

$$PBV = \frac{\text{Market Price per Share}}{\text{Book Value per Share}}$$

2.2 Data Analysis Methods

Researchers conducted several tests to analyze the data processed with the IBM SPSS statistical application version 25. Among them, researchers conducted descriptive statistical tests to determine the data characteristics of each variable. To prove the quality of the data so that the data is known to be valid and avoid biased estimates, the researchers conducted a classic assumption test, namely the normality, multicollinearity, heteroscedasticity, and autocorrelation. To examine the hypothesis of this research, it is necessary to test the coefficient of determination, f test and t test.

3. RESULTS AND DISCUSSION

3.1 Descriptive Statistical Test

Table 2. Descriptive Statistical Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
Dividend Policy	120	.014	1.723	.46806	.394502
Investment Decisions	120	5.087	45.652	20.63158	10.358927
Funding Decisions	120	.042	3.235	1.06687	.758091
Firm Size	120	25.281	32.826	29.23795	1.464213
Managerial Ownership	120	.0009	.5381	.058872	.0819105
Firm Value	120	.263	9.593	2.19195	1.581418
Valid N (listwise)	112				

According to the data, this study analyzed 30 companies in the primary consumer goods and non-primary consumer goods sectors in 2019-2022 with a total data of 120 for each variable, the following results were obtained:

1. The dividend policy has a minimum value of 0.014, a maximum value of 1.723, and a mean value of 0.46806. Dividend policy can be measured using the dividend payout ratio formula, which is dividends per share divided by earnings per share.
2. Investment decisions have a minimum value of 5.087, a maximum value of 45.652, and a mean value of 20.63158. Investment decisions can be measured using the price earning ratio formula, which is the market price per share divided by earnings per share.
3. The Funding Decision has a minimum value of 0.042, a maximum value of 3.235, and a mean value of 1.06687. Funding decisions can be measured using the debttoequity ratio formula, which is total debt divided by total equity.
4. Company Size has a minimum value of 25.281, a maximum value of 32.826, and a mean value of 29.23795. The size of the company can be measured using the formula Ln (total assets).
5. Managerial ownership has a minimum value of 0.0009, a maximum value of 0.5381, and a mean value of 0.058872. Managerial ownership can be measured using the formula of the number of managerial shares divided by the number of shares outstanding.
6. The company value has a minimum value of 0.263, a maximum value of 9.593, and a mean value of 2.19195. Company value can be measured using the price book value formula, which is the market price per share divided by book value per share.

3.2 Normality Test

Table 3. Normality Test Results

		Unstandardized Residuals
N		120
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.22447807
Most Extreme Differences	Absolute	.054
	Positive	.054
	Negative	-.046
Test Statistics		.054
Asymp. Sig. (2-tailed)		.200[c,d]

The normality test aims to find out whether the residual value aredistributed normally or not. Based on the SPSS output table above, it is known that the significance value of Asiymp. Sig (2 tailed) of 0.200 is greater than 0.05. So according to the above basis for making the Kolmogolov-Smirnov normality test, it can be concluded that the data are normally distributed.

3.3 Multicollinearity Test

Table 4. Multicollinearity Test Results

	Collinearity Statistic	
Type	Tolerance	VIF
Dividend Policy	.828	1.208
Investment Decisions	.816	1.225
Funding Decisions	.879	1.137
Firm Size	.945	1.058
Managerial Ownership	.900	1.111

The multicollinearity test aims to determine whether or not there is a high correlation between independent variables in a multiple linear regression model. Based on the output table "Collinearity Statistics", it is known that the tolerance values for each variable are 0.828, 0.816, 0.879, 0.945, 0.900 > 0.10. While the VIF values of each variable are 1,208, 1,225, 1,137, 1,058, 1,111 < 10, it can be concluded that there is no multicollinearity symptoms in the data.

3.4 Heteroscedasticity Test

Table 5. Heteroscedasticity Test Results

type	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.152	.629		1.830	.070
Dividend Policy	-.116	.085	-.139	-1.374	.172
Investment Decisions	.002	.003	.078	.764	.446
Funding Decisions	-.046	.043	-.107	-1.086	.280
Firm Size	-.020	.021	-.091	-.959	.339
Managerial Ownership	.045	.391	.011	.114	.910

The heteroscedasticity test aims to find out whether there is an unevenness in variance in the regression model from one residual observation to another. Based on the results of the

output above, it is known that the significance value of sig (2-tailed) for dividend policy variables (X1) is 0.172, investment decisions (X2) are 0.446, funding decisions (X3) are 0.280, company size (X4) is 0.339, managerial ownership (X5) is 0.910. Because the significance value is more than 0.05, it can be concluded that there are no symptoms of heteroscedasticity.

3.5 Autocorrelation Test

Table 6. Autocorrelation Test Results

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.633[a]	.400	.374	1.251043	.861

The autocorrelation test aims to find out whether in the linear regression model there is a correlation between the perturbrillator error in the t-period and the perturbator error in the t-1 period (previously). According on the above results, it can be concluded that there are no autocorrelation symptoms due to the durbin-watson value of 0.861. Because the Durbin Watson value between -2 and +2 there is no autocorrelation (Santoso, 2019)

3.6 Test Coefficient of Determination

Table 7. Coefficient of Determination Test Results

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.633[a]	.400	.374	1.251043

The Adjusted R-Square value of the determination coefficient is used to see how the variation in the value of a bound variable is affected by the variation in the value of an independent variable. Based on the value of the determination coefficient (Adjusted R-Square) of 0.374 or equivalent to 37.4%, it can be concluded that the independent variable simultaneously affects the dependent variable by 37.4%. Meanwhile, the remaining influence of 62.6% is influenced by other variables.

3.7 F Test

Table 8. F Test Results

Type	Sum of Squares	Df	Mean Square	F	Sig.
Regression	119.183	5	23.837	15.230	.000[b]
Residuals	178.422	114	1.565		
Total	297.605	119			

The F test is intended to look at the overall ability of independent variables, namely dividend policy, investment decisions, funding decisions, firm size, and managerial ownership, to be able to explain the behavior or diversity of the dependent variable, namely firm value. The F test is also used to determine whether all variables have a regression coefficient equal to zero. Based on the output results, it is known that the Sig. value is 0.00 < 0.05, so it can be concluded that the independent variable has a significant effect on the dependent variable.

3.8 T Test

Table 9. T Test Results

Type	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	-1.229	2.372		-.518	.605
Dividend Policy	-.581	.320	-.145	-1.819	.071
Investment Decisions	.090	.012	.587	7.309	.000
Funding Decisions	.348	.161	.167	2.156	.033
Firm Size	.051	.081	.047	.635	.527
Managerial Ownership	-.371	1.476	-.019	-.251	.802

According to thefindings of the output coefficients above, the equation can be arranged, namely:

$Y = \alpha + \beta1X1 + \beta1X2 + \beta3X3 + \beta4X4 + \beta5X5 + e$

PBV = 1.229 - 0.581DPR + 0.090PER + 0.348DER + 0.051Size – 0.371KM

Based on the data above produces the following calculations:

1. The dividend policy shows a significance value of 0.071 which is greater than the predetermined significance level of 0.05. The calculated t value shows the number 1,819 where the number is greater than the t of the table (df = n-k) which is 1,658. So it can be concluded that the dividend policy does not have a significant effect on the company's value, **hypothesis 1 is rejected.**
2. The investment decision shows a significance value of 0.000 which is less than the predetermined significance level of 0.05. The calculated t value shows a number of 7,309 where the number is greater than the t table (df = n-k) which is 1,658. So it can be concluded that investment decisions have a significant positive effect on the value of the company,**hypothesis 2 is accepted.**
3. The funding decision shows a significance value of 0.033 which is smaller than the predetermined significance level of 0.05. The calculated t value shows a number of 2,156 where the number is greater than the t table (df = n-k) which is 1,658. So it can be concluded that the funding decision has a significant positive effect on the company's value, **hypothesis 3 is accepted.**
4. The firm size shows a significance value of 0.527 which is greater than the predetermined significance level of 0.05. The calculated t value shows a number of 0.635 where the number is smaller than the table t (df = n-k) which is 1.658. So it can be concluded that the size of the company does not have a significant effect on the value of the company, **hypothesis 4 is rejected.**
5. Managerial ownership shows a significance value of 0.802 which is greater than the predetermined significance level of 0.05. The calculated t value shows a number of 0.251 where the number is smaller than the table t (df = n-k) which is 1.658. So it can be concluded that the size of the company does not have a significant effect on the value of the company, **hypothesis 5 is rejected.**

3.9 Discussion

Regarding to the analysis above, discussions can be held that provide information related to each variable that affects other variables. Here is an explanation on each variable based on theory:

3.9.1 Effect of Dividend Policy on Firm Value

This study shows the results of dividend policy have no significant effect on firm value. This means that if the dividend payout ratio (DPR) increases, it has no effect on firm value. This research contradicts the bird in the hand theory which states that investors prefer high

dividend payments from company profits. However, this research is in line with dividend irrelevance theory which states that dividend policy has no influence on either the value of the company or its cost of capital. This theory states that the value of a company is not determined by the size of the dividend payout ratio (DPR) but is determined by net income before tax and business risk. High net income tends to increase stock prices because it illustrates the company's ability to generate profits. The price of shares traded in the market is one indicator or assessment of the company's overall value. While not always an exact match, stock prices often reflect investors' expectations of a company's future performance and value.The results of this study are in line with the research conducted by(Umam & Halimah, 2021), (Juhandi et al., 2019), (Bon & Hartoko, 2022).

3.9.2 The Effect of Investment Decisions on Firm Value

The results of this study found that investment decisions have a positive and significant effect on firm value. This means that if the price earning ratio (PER) increases, the company value will also increase. This is in accordance with signaling theory which states that a company's decision to make certain investment expenditures can serve as a positive signal to the market and investors. This signal indicates that the company's management believes in the company's future growth prospects. With the investment made by the company, the company can increase the share price which results in an increase in company value.The results of this study are in line with the research conducted by (Oktiwiati & Nurhayati, 2020), (Mudma'inah et al., 2019), (Syam & Hermanto, 2020).

3.9.3 Effect of Funding Decisions on Firm Value

In this study, the results of funding decisions have a positive and significant effect on firm value. This means that if the debt to equity ratio (DER) increases, the company value will also increase. This is in line with pecking order theory which states that companies are more likely to use debt than equity due to the lower asymmetric information costs associated with debt. Creditors have an interest in monitoring and limiting company risk, so the asymmetric information costs incurred tend to be lower than the costs associated with raising new equity. Debt is a cheaper source of funding than equity because the interest paid on debt is usually deductible from pre-tax income. This effect can increase the company's net income which results in increased company value.The results of this study are in line with(Triani & Tarmidi, 2019), (Mudma'inah et al., 2019), (Syam & Hermanto, 2020).

3.9.4 The Effect of Firm Size on Firm Value

The results prove that company size has no significant effect on firm value. This means that if the company size increases, it has no effect on price book to value (PBV). This shows that the size of the company as measured by total assets is not a consideration for investors in making investments. In addition, the asset management carried out by management has not been maximized, making the company unable to achieve company goals.The results of this study are in line with(Juhandi et al., 2019), (Bon & Hartoko, 2022), (Amaliyah & Herwiyanti, 2020)which state that company size has no significant effect on firm value.

3.9.5 The Effect of Managerial Ownership on Firm Value

The results of this study indicate that managerial ownership has no significant effect on firm value. This means that if managerial ownership increases, it has no effect on firm value. This is because the number of shares owned by managers has no effect on firm value. In this case, agency theory does not work because managers who own shares in their company are considered to have a strategic role in determining the direction of company policy in

order to achieve company goals have no effect on increasing company value. The results of this study are in line with (Fadhilah, 2020), (Umam & Halimah, 2021)which reveals that managerial ownership has no significant effect on firm value.

CONCLUSION

Based on the results of this study, it can be concluded that the increase in the value of companies in the primary consumer goods and non-primary consumer goods sectors for the 2019-2022 period is more dominantly influenced by the variables of investment decisions and funding decisions. This study supports the hypothesis that investment decisions and funding decisions have a positive and significant effect on the value of companies. This is in line with the sginalling theory and pecking order theory.

However, these findings suggest that dividend policy does not have a significant influence on company value, indicating that the bird in the hand theory is not appropriate in the context of the sector, and the dividend irrelevance theory is more relevant. In addition, the size of the company also does not have a significant influence on the value of the company. And managerial ownership does not have a significant effect on the company's value. This proves that more or less shares owned by managers do not have an impact on the value of the company. So the hypothesis of dividend policy, company size, and managerial ownership is rejected.

In increasing the corporate value of the primary consumer goods and non-primary consumer goods sectors, management needs to focus on managing dividend policies, company size and managerial ownership. Thus, this research provides valuable insights for stakeholders in the sector to optimize the aspects that have an impact on the company's value.

SUGGESTION

1. Future researchis expected to find ouythe potential for increasing the period of research to get a more in-depth picture of the variables tested can affect long-term company value.
2. The author hopes that readers can increase their knowledge about what things can affect the value of the company.

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