The Effect of Investment Opportunity Set (IOS), Dividend and Tax Avoidance Policy on Company Value

[1]Irfani Choiriyah Sukriawan, [2]Fina Ratnasari
Program Studi Sarjana Akuntansi Universitas Pamulang
Email: [1]chryhfani12@gmail.com, [2]dosen02630@unpam.ac.id

ABSTRACT
This research aims to analyze the influence of the investment opportunity set (IOS), dividend policy and tax avoidance on the value of banking companies listed on the Indonesia Stock Exchange from 2018 to 2022. The object of this research is that the author chooses the financial reports of banking companies that report on the Indonesia Stock Exchange as the object. Using the criteria determined by the author, the data is processed to find a sample in this research which will be used as a reference in this research. The methodology used uses panel data regression and then tested using the classic assumption test where the results show that the investment opportunity set (IOS), dividend policy and tax avoidance together have an effect on company value, meaning that it shows that each independent variable in the research has a combined impact. on the dependent variable. Because companies with high value are considered to have strong performance, and investors are interested in investing in these organizations because they feel trusted.
**Keywords:** *Investment opportunity set (IOS), Dividend Policy, Tax avoidance*

1. INTRODUCTION

Current economic conditions require the business world to continue to innovate in meeting its business needs. The increasingly globalized economic life means they need to adapt in order to continue to be successful in the competitive business world. Therefore, every employee in a company must have competent employees so that the business can run successfully. However, all independent businesses have a purpose. Unfortunately, this goal cannot be separated from the company's management style. Business managers must have good analytical skills to identify and understand market trends and develop appropriate strategies to strengthen the company's business operations. This managerial analysis is closely related to the business objectives being carried out. In an online presentation of Bank Central Asia Tbk's Company Performance Semester I-2023 on Monday (24/7/2023), Jahja Setiaatmadja, President Director of PT Bank Central Asia Tbk, pointed out one phenomenon related to company value.

During the first semester of 2023, PT Bank Central Asia TBK, also known as BCA, generated a net profit of IDR 24.2 trillion. Increases in the amount of credit, quality of debt, and volume of transactions and financing support this achievement.

Figure 1. Company profit
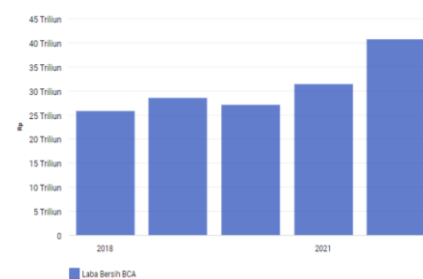
Source: Kompas

Based on the financial report of PT BCA Tbk for the period January-June 2023, the net profit growth of 34 percent annually was supported by credit distribution totaling IDR

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735.9 trillion or up 9 percent annually.

Consumer credit, which is the segment with the highest credit growth, was recorded at IDR 183.9 trillion or up 13.9 annually. In detail, consumer credit growth was supported by Home Ownership Credit (KPR) worth IDR 114.6 trillion or growing 12 percent annually and Motor Vehicle Credit (KKB) worth IDR 51.4 trillion or up 19.2 percent annually. Furthermore, the outstanding credit card balance was recorded at IDR 14.6 trillion or growing 15.4 annually.

Formulation of the problem

Based on the previous background information, the problem formulation can be formulated as follows:

1. Does the investment opportunity set (IOS) affect the company's value?
2. Does dividend policy affect company value?
3. Does tax avoidance affect company value?
4. Do investment opportunity set (IOS), dividend policy and tax avoidance have a simultaneous effect on company value?

Research purposes

1. Empirically proving the influence of investment opportunity set (IOS) on company value.
2. Empirically proving the influence of dividend policy on company value.
3. Empirically proving the influence of tax avoidance on company value.
4. Empirically proving the influence between investment opportunity set (IOS), dividend policy and tax avoidance on company value.

Benefits of research This research is expected to produce findings that can be a reference for other researchers who use the same factors in the future. The researcher hopes that this research can be a consideration for companies in increasing the value of the company by considering the company's opportunities, dividends and taxes.

2. LITERATURE REVIEW

This study consists of a description of the theory and definition of the investment opportunity set (IOS) theory, dividend policy theory, tax avoidance theory and firm value theory. This chapter also describes the development of hypotheses and developments from previous studies on the effect of investment opportunity set (IOS), dividend policy and tax avoidance on firm value. According to Khoirunnisa Azzahra and Siti Chaerunisa Prastiani "investment opportunity set (IOS) is a profitable information for its internal and external users, making every company try to increase its profits" According to Hartanto et al (2018) "the amount of dividends distributed by the company can affect stock prices because investors prefer returns from dividends compared to capital gains (expected profits from increases in capital value)". According to Fina Ratnasari et al (2023) "tax avoidance refers to the company's legitimate efforts to do so to reduce tax payments by exploiting legal loopholes". With the following research framework:

Figure 2. research framework
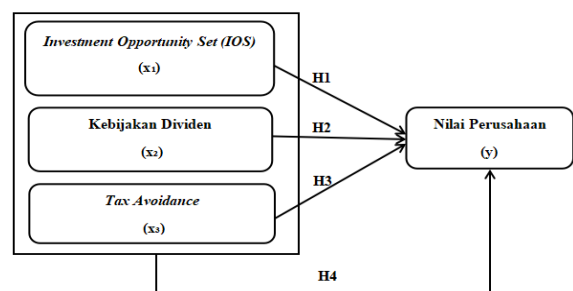
Source: Processed by Researchers (2024)

The hypothesis is called a temporary answer or a presumption because its truth still has to be proven. The results of the hypothesis

Corresponding author's e-mail: chryhfani12@gmail.com

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are said if the partial test criteria (t-test) are H0 accepted and Ha rejected if the p-value ≤ 5%. Conversely, if Ha is accepted and H0 is rejected if the p-value ≤ 5%.

3. RESEARCH METHOD

In this study, using the type of Quantitative research, quantitative research is a research method based on positivistic (concrete data), research data in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem being studied to produce one conclusion. The object of this study is the financial report and the subject is a banking company listed on the Indonesia Stock Exchange from 2018 to 2022. The researcher processes the financial report through criteria and samples so that researchers can find data that can be used for research. By using the following variables and measurements:

Table 1. Variables and Measurements

Source: Processed by Researchers (2024)

This study uses banking companies listed on the Indonesia Stock Exchange from 2018 to 2022. With the following sample criteria:

1. Banking sub-sector companies that are listed on the Indonesia Stock Exchange (IDX).

2. Banking sub-sector companies that reported financial statements and annual reports for the period 2018-2022.

3. Banking sub-sector companies that distributed dividends during the 2018-2022 period.

4. Banking sub-sector companies that reported profit reports for the period 2018-2022.

The data collection technique uses purposive sampling, wheresampling technique with certain considerations. Data analysis method usingpanel data regression analysis. While hypothesis testing is carried out simultaneously (F Test) and also partial testing (T Test).

Descriptive Statistical Test

According to Ghozali(2018) "descriptive statisticsis a techniqueanalysiswhich describes or illustrates research data through minimum, maximum, average (mean), standard deviation, sum, range, kurtosis, and distribution skewness values". Descriptive statistics describes the methods by which data is collected and presented to provide useful information.

Panel Data Regression Model Estimation

1. Chow Test

   The Chow test is conducted to determine which panel data regression model should be used, whether the Common Effect Model or the Fixed Effect Model. This test is conducted using the Eviews program. The provisions for the Chow test are as follows:

   1. If the probability value of Cross-section F and Cross-section Chi-square is > 0.05 then H0 is accepted, and the regression model chosen is the Common Effect Model (CEM).

   2. If the probability value of Cross-section F and Cross-section Chi-square < 0.05 then H0 is rejected, and the regression model selected is the Fixed Effect Model (FEM).

2. Hausman test

The Hausman test is conducted to compare the Fixed Effect Model and the Random Effect Model in order to determine which model should be used.

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Corresponding author's e-mail: chryhfani12@gmail.com

This test is conducted using the Eviews program. The provisions for the Hausman test are as follows:

1. If the probability value of the random cross-section is > 0.05 then H0 is accepted. The regression model chosen is the Random Effect Model (REM).

2. If the probability value of the random cross-section is <0.05 then H0 is rejected. The regression model chosen is the Fixed Effect Model (FEM).

3. Lagrange Multiplier (LM) Test

The Lagrange Multiplier test is conducted to determine whether the Random Effect Model is better than the Common Effect Model. This test is conducted using the Eviews program. The provisions for the Lagrange Multiplier test are as follows:

1. If the Breusch-food cross section value is > 0.05 then H0 is accepted, so the most appropriate model to use is the Common Effect Model (CEM).

2. If the Breusch-food cross section value is <0.05 then H0 is rejected, so the appropriate model to use is the Random Effect Model (REM).

Classical Assumption Test

The classical assumption test is used to obtain a good regression model and truly has accuracy in estimation, is unbiased and consistent. The classical assumption test that will be used in this study is the normality test, multicollinearity test, heteroscedasticity test and autocorrelation test.

1. Normality Test

The normality test is used to test whether the residual has a normal distribution or not. As is known, the t-test hypothesis test is carried out based on the residual value being normally distributed. Data is said to be normal if:

1. Significance level > 0.05 then Ho is accepted.

2. If the level is <0.05 then Ha is rejected.

2. Multicollinearity Test

Multicollinearity testing is a test that aims to test whether the regression model finds a correlation between independent variables. The decision-making requirements are as follows:

1. If the correlation value is < 0.80, then there is no multicollinearity problem.

2. If the correlation value > 0.80, then a multicollinearity problem occurs.

3. Heteroscedasticity Test

The heteroscedasticity test aims to test whether the regression model has unequal variances from the residuals of one observation to another, then it is called homoscedasticity and if it is different it is called heteroscedasticity". The basis for decision making to determine whether or not there is a heteroscedasticity problem is as follows:

1. If the Chi-square Probability value is less than 0.05, then Ho is accepted and Ha is rejected, meaning there is a heteroscedasticity problem.

2. If the Chi-square Probability value is greater than 0.05, then Ho is rejected and Ha is accepted, meaning there is no heteroscedasticity problem.

4. Autocorrelation Test

Autocorrelation Test is a condition where there is a correlation between this year's residual and the previous year's error rate. The autocorrelation test aims to examine whether a

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linear regression model has a correlation between the disturbing error in period t and the error in period (t-1).

The way to detect autocorrelation can be done by using the Langrange Multiplayer test or the Breusch-Godfrey test with the following decision-making basis:

1. If the Chi-square probability value is less than 0.05, then Ho is accepted and Ha is rejected, meaning there is an autocorrelation problem.

2. If the Chi-square probability value is greater than 0.05, then Ho is rejected and Ha is accepted, meaning there is no autocorrelation problem.

Panel Data Regression Analysis

Panel data combines time series and cross-section data and requires the selection of the best model. The form of the regression equation is formulated as follows:

$$Y = a + b_1X_{1it} + b_2X_{2it} + b_3X_{3it} + e$$

Information :
Y   : Enterprise Value (PBV)
a   : Regression Constant
$b_1b_2b_3$: Regression Coefficient
X1   :*Investment opportunity set (IOS)*
X2   : Dividend Payout Ratio (DPR)
X3   : Cash Effective Tax Rate (CETR)
e : Regression Error

Hypothesis Testing

A hypothesis is a temporary answer or conclusion to a research question posed by a researcher that is believed to be real.

1. R² Test or Coefficient of Determination

The value of the coefficient of determination is between zero and one. If the value approaches one, it means that the independent variables provide almost all the information needed to predict the variation of the dependent variable or in other words, if the R2 value is getting closer to one, the greater the proportion of the total variation of the

dependent variable that can be explained by the independent variables.

2. Regression Model Feasibility Test (F Test)

The F test tests the simultaneous influence between independent variables on the dependent variable. The testing criteria are as follows:

1. If the significant value of F < 0.05 then H0 is rejected and H1 is accepted. This means that all independent variables have a significant influence on the dependent variable.

2. If the significance value F > 0.05 then H0 is accepted and H1. This means that all independent/free variables do not have a significant influence on the dependent/bound variable.

3. t-test

The t-statistic test aims to see how far the influence of one independent variable individually or partially in explaining the variation of its dependent variable. The criteria are as follows:

1. Ho is accepted and Ha is rejected if p value > 5%

2. Ha is accepted and Ho is rejected if p-value ≤ 5%

4. DISCUSSION

The results of the Descriptive Statistical Test obtained the following results:

Table 2. Results of Descriptive Statistical Tests

	X1	X2	X3	Y
Mean	10513.01	12836.63	4716.891	7.300050
Median	4496.000	12.71095	2145.000	5.000000
Maximum	35677.00	495545.0	115213.0	48.00000
Minimum	0.002000	0.159600	0.184000	0.000000
Std.Dev.	12254.22	78291.11	17955.13	8.817772
Skewness	0.769050	6.082133	6.046067	2.616793
Kurtosis	2.058962	38.00389	37.72077	12.36866
Jarque-Bera	5.418844	2288.736	2252.920	191.9370
Probability	0.066575	0.000000	0.000000	0.000000
Sum	420520.5	513465.3	188675.6	292.0020
Sum Sq. Dev.	5.86E+09	2.39E+11	1.26E+10	3032.371
Observations	40	40	40	40

Source: Data Processed by Author (2024)

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1. The minimoum company value is 0.000000 from BANK companies in 2018-2022, while the maximum value is 48.00000 from BANK companies in 2018-2022, 7.300050 average (mean), 8.817772 standard deviation results. So the data varies because the standard deviation > average (mean).
2. Minimum Investment opportunity set (IOS) 0.002000 from BANK companies in 2018-2022, while the maximum value is 35677.00 from BANK companies in 2018-2022, 10513.01 average (mean), 12254.22 standard deviation results. So the data varies because the standard deviation > average (mean).
3. Minimum dividend policy 0.159600 from BANK companies 2018-2022, while the maximum value is 495545.0 from BANK companies 2018-2022, 12836.63 average (mean), 78291.11 standard deviation results, So the data varies because the standard deviation > average (mean).
4. Minimum tax avoidance 0.184000 from BANK companies in 2018-2022, while the maximum value is 115213.0 from BANK companies in 2018-2022, 4716.891 average (mean) 17955.13 standard deviation. , So the data does not vary because the standard deviation < average (mean).

Chow Test
In the Chow Test, the following results were obtained:

Table 3. Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	0.714512	(7,29)	0.6603
Cross-section Chi-square	6.364450	7	0.4979

Cross-section fixed effects test equation:
Dependent Variable: Y
Method: Panel Least Squares
Date: 05/26/24   Time: 20:07
Sample: 2018 2022
Periods included: 5
Cross-sections included: 8
Total panel (balanced) observations: 40

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.828691	1.541473	1.835057	0.0748
X1	0.000437	9.98E-05	4.381356	0.0001
X2	-6.25E-06	1.50E-05	-0.415899	0.6800
X3	-9.63E-06	6.80E-05	-0.141696	0.8881

R-squared	0.362082	Mean dependent var	7.300050
Adjusted R-squared	0.308922	S.D. dependent var	8.817772
S.E. of regression	7.330308	Akaike info criterion	6.916552
Sum squared resid	1934.403	Schwarz criterion	7.085440
Log likelihood	-134.3310	Hannan-Quinn criter.	6.977616
F-statistic	6.811202	Durbin-Watson stat	2.328379
Prob(F-statistic)	0.000940		

Source: Data Processed by Author (2024)

The chow test obtained a result of 0.4979 probability of cross section chi square. So H0 is accepted which can be interpreted as the selected common effect model.

Hausman test

Table 4. Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	2.454989	3	0.4835

** WARNING: estimated cross-section random effects variance is zero.

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
X1	-0.000129	0.000437	0.000000	0.1432
X2	-0.000002	-0.000006	0.000000	0.5455
X3	-0.000008	-0.000010	0.000000	0.9810

Cross-section random effects test equation:
Dependent Variable: Y
Method: Panel Least Squares
Date: 05/26/24   Time: 20:16
Sample: 2018 2022
Periods included: 5
Cross-sections included: 8
Total panel (balanced) observations: 40

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8.716792	4.373128	1.993262	0.0567
X1	-0.000129	0.000400	-0.321843	0.7499
X2	-1.82E-06	1.71E-05	-0.106590	0.9158
X3	-8.40E-06	7.44E-05	-0.112798	0.9110

Effects Specification			

Cross-section fixed (dummy variables)

R-squared	0.455919	Mean dependent var	7.300050
Adjusted R-squared	0.268305	S.D. dependent var	8.817772
S.E. of regression	7.542650	Akaike info criterion	7.107440
Sum squared resid	1649.855	Schwarz criterion	7.571882
Log likelihood	-131.1488	Hannan-Quinn criter.	7.275388
F-statistic	2.430089	Durbin-Watson stat	2.588343
Prob(F-statistic)	0.030323		

Source: Data Processed by Author (2024)

The Hausman test obtained a result of 0.4835 random cross section probability value. So H0 is accepted which can be interpreted that the

random effect model is better than the Fixed Effect Model.

Lagrange Multiplier (LM) Test

Table 5. LM Test Results

Lagrange Multiplier Tests for Random Effects
Null hypothesis: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided
(all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	1.572904	0.000195	1.573100
	(0.2098)	(0.9889)	(0.2098)
Honda	-1.254155	0.013974	-0.876940
	(0.8951)	(0.4944)	(0.8097)
King-Wu	-1.254155	0.013974	-0.745136
	(0.8951)	(0.4944)	(0.7719)
Standardized Honda	-0.889823	0.304396	-3.720328
	(0.8132)	(0.3804)	(0.9999)
Standardized King-Wu	-0.889823	0.304396	-3.477199
	(0.8132)	(0.3804)	(0.9997)
Gourieroux, et al.	--	--	0.000195
			(0.7444)

Source: Data Processed by the Author (2024)

Lagrange multiplier (LM) test 1.572904 Breush ch-pagan value in the cross-section column significance value 0.2098 > 0.05%. Then H0 is accepted, the common effect model is better than the random effect model. So in the Lagrange multiplier (LM) test used is the common effect model (CEM) which was selected as the best model based on the results of panel data regression testing.

Classical Assumption Test
Normality Test

Table 6. Normality Test Results
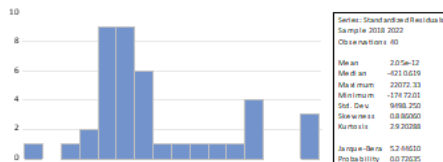
Source: Data Processed by Author (2024)

The normality test obtained a probability value of 0.072635 > 0.05, thus the data was normally distributed.

Multicollinearity Test

Table 7. Multicollinearity Test Results

	X1	X2	X3
X1	1.000000	0.061032	0.273151
X2	0.061032	1.000000	-0.015307
X3	0.273151	-0.015307	1.000000

Source: Data Processed by Author (2024)

The multicollinearity test obtained the correlation coefficient of each independent variable less than 0.85, namely 0.061032 X1, 0.061032 X2, and 0.273151 X3 on each independent variable (-0.015307 <0.85), (0.061032 <0.85), and (0.273151 <0.85). the result is no multicollinearity test.

Heteroscedasticity Test

Table 8. Heteroscedasticity Test Results

Dependent Variable: ABS(RESID)
Method: Panel Least Squares
Date: 05/26/24   Time: 20:43
Sample: 2018 2022
Periods included: 5
Cross-sections included: 8
Total panel (balanced) observations: 40

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1618.312	253.5392	6.382890	0.0000
X1	0.018091	0.016415	1.102081	0.2777
X2	-0.003611	0.002472	-1.460613	0.1528
X3	-0.018433	0.011184	-1.648222	0.1080

Source: Data Processed by Author (2024)

The heteroscedasticity test found that all probabilities of the independent variables were greater than the significance level of 0.05, so there was no heteroscedasticity.

Autocorrelation Test

Table 9. Autocorrelation Test Results

Dependent Variable: Y
Method: Panel Least Squares
Date: 06/17/24   Time: 10:37
Sample (adjusted): 2019 2022
Periods included: 4
Cross-sections included: 8
Total panel (balanced) observations: 32

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.453708	1.842750	1.331547	0.1937
X1	0.000463	0.000119	3.875938	0.0006
X2	-6.38E-06	1.62E-05	-0.393699	0.6968
D(X3)	-4.20E-07	4.90E-05	-0.008571	0.9932

R-squared	0.349479	Mean dependent var	7.000063
Adjusted R-squared	0.279780	S.D. dependent var	9.277048
S.E. of regression	7.873039	Akaike info criterion	7.081234
Sum squared resid	1735.573	Schwarz criterion	7.264451
Log likelihood	-109.2997	Hannan-Quinn criter.	7.141965
F-statistic	5.014134	Durbin-Watson stat	2.748403
Prob(F-statistic)	0.006593		

Source: Data Processed by Author (2024)

The autocorrelation test obtained 2.748403 durbin Watson. The existence of 40 research data (n = 40) and 3 independent variables (k = 3) with a significance of 0.05% obtained dl value of 1.3384 and dU 1.6589. So 1.6589 < 2.748403 > 2.3411. So there is no autocorrelation in this study.

Panel Data Regression Test

The panel data regression test obtained multiple linear regression results in this study, namely:

$$Y = 2.82869078527 + 0.000437271548709 \cdot X1 - 6.25053214795e\text{-}06 \cdot X2 - 9.63468850142e\text{-}06 \cdot X3$$

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Corresponding author's e-mail: chryhfani12@gmail.com

This research obtained the following results:

1. 2.82869078527mark*constant*(constant) there is no increase in the value of the independent variables (X1, X2, X3). So the company's value is 2.82869078527.

2. 0.000437271548709*investment opportunity set (IOS)*has a regression coefficient. The existence of these results is known every time there is an increase in one variable, the investment opportunity set (IOS) will increase. 0.000437271548709.

3. - 6.250532147950006dividend policy has a regression coefficient. The existence of these results is known every time there is an increase in one variable, the dividend policy will decrease - 6.2505321479500006.

4. - 9.634688501420006*tax avoidance*has a regression coefficient. The existence of these results is known every time there is an increase in one variable, so tax avoidance will decrease- 9.63468850142e0006.

Hypothesis Test

t-test

Table 10. t-Test Results

Dependent Variable: Y
Method: Panel Least Squares
Date: 06/17/24   Time: 10:37
Sample (adjusted): 2019 2022
Periods included: 4
Cross-sections included: 8
Total panel (balanced) observations: 32

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.453708	1.842750	1.331547	0.1937
X1	0.000463	0.000119	3.875938	0.0006
X2	-6.38E-06	1.62E-05	-0.393699	0.6968
D(X3)	-4.20E-07	4.90E-05	-0.008571	0.9932

R-squared	0.349479	Mean dependent var	7.000063
Adjusted R-squared	0.279780	S.D. dependent var	9.277048
S.E. of regression	7.873039	Akaike info criterion	7.081234
Sum squared resid	1735.573	Schwarz criterion	7.264451
Log likelihood	-109.2997	Hannan-Quinn criter.	7.141965
F-statistic	5.014134	Durbin-Watson stat	2.748403
Prob(F-statistic)	0.006593		

Source: Data Processed by Author (2024)

1. A significant influence on company value is shown if the Ha result is accepted and H0 is rejected (X1 t count 3.875938 > t table 2.024394164, sig value 0.0006 < 0.05).

2. The sig value is 0.6968 > X2 t count 0.0393699 < t table 2.024394164 0.05 if H0 is accepted and the Ha result is rejected,

it means there is no influence on the company value.

3. The sig value is 0.9932 > X3 t count 0.008571 < t table 2.024394164 H0 is approved and the Ha result is rejected at 0.05 indicating that there is no influence on the company value.

F Test

Table 11. F Test Results

R-squared	0.349479	Mean dependent var	7.000063
Adjusted R-squared	0.279780	S.D. dependent var	9.277048
S.E. of regression	7.873039	Akaike info criterion	7.081234
Sum squared resid	1735.573	Schwarz criterion	7.264451
Log likelihood	-109.2997	Hannan-Quinn criter.	7.141965
F-statistic	5.014134	Durbin-Watson stat	2.748403
Prob(F-statistic)	0.006593		

Source: Data Processed by Author (2024)

The simultaneous test (F test) obtained F count of 5.014134, significant value 0.006593.F count 5.014134 > F table2.866265551and the sig value is 0.006593 < 0.05, then Ho is rejected and Ha is accepted, meaning that there is a joint influence on the company's value.

Coefficient of Determination Test

Table 12. Results of the Determination Coefficient Test

R-squared	0.349479	Mean dependent var	7.000063
Adjusted R-squared	0.279780	S.D. dependent var	9.277048
S.E. of regression	7.873039	Akaike info criterion	7.081234
Sum squared resid	1735.573	Schwarz criterion	7.264451
Log likelihood	-109.2997	Hannan-Quinn criter.	7.141965
F-statistic	5.014134	Durbin-Watson stat	2.748403
Prob(F-statistic)	0.006593		

Source: Data Processed by Author (2024)

0.279780 Adjusted R-squared This results in the conclusion that the influence of dividend policy variables, tax avoidance, and investment opportunity set (IOS) on company value is 27.9780%, while the remaining 72.022% is influenced by other factors not included in the research model.

Discussion

1. *Investment Opportunity Set*(IOS), Dividend Policy and Tax Avoidance have a joint effect on Company Value.
   Fcount = 0.014134 > 2.866265551 It is

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*Corresponding author's e-mail: *chryhfani12@gmail.com

known that Ftable and sig 0.006593 < 0.05 then Ho is rejected and Ha is accepted. This shows that, in banking sector companies listed on the Indonesia Stock Exchange in 2018–2022, the investment opportunity set (IOS), dividend policy, and tax avoidance variables all have a significant influence on company value simultaneously and together.

2. Investment Opportunity Set (IOS) influences Company Value

The Investment opportunity set (IOS) variable (X1) produces a calculated t value of 3.875938> t table or 2.024394164 and a sig value of 0.0006 <0.05 according to the results of the t-test table 4.2. This means that Ha is accepted and H0 is rejected, which means that the results have an effect on the value of banking sector companies listed on the Indonesia Stock Exchange (IDX) in 2018–2022. In this case, the company's investment choices are very important for its ability to survive.

3. Dividend Policy has no effect on Company Value

With a calculated t value of 0.0393699 < t table or 2.024394164, and a sig value of 0.6968> 0.05, the results of the t test of the DPR variable (X2) show that Ha is rejected and H0 is accepted, which indicates that there is no effect on the value of banking sector companies listed on the Indonesia Stock Exchange (IDX) 2018–2022. This is because information about dividends is very necessary for the company's future prospects.

4. *Tax Avoidance*does not affect Company Value After calculating the t-value of 0.008571 <t table or 2.024394164, and obtaining a sig value of 0.9932> 0.05, the tax avoidance variable (X3) turns out to have no effect on the value of banking sector companies listed on the Indonesia Stock Exchange (BEI) 2018–2022. Perhaps investors are not aware of the amount of tax that companies have to pay due to their tax avoidance.

5. CONCLUSIONS

Based on the research conducted, several conclusions can be drawn as follows:

1. X1, X2 and X3 have a simultaneous influence on company value in banking companies listed on the Indonesia Stock Exchange in 2018-2022.
2. X1 has a partial influence on company value in banking companies listed on the Indonesia Stock Exchange in 2018-2022.
3. X2 has no partial influence on the company value of banking companies listed on the Indonesia Stock Exchange in 2018-2022.
4. X3 has no partial influence on the company value of banking companies listed on the Indonesia Stock Exchange in 2018-2022.

Based on the research conducted, several suggestions can be drawn as follows:

1. The author gets a lot of knowledge, experience, much more open thinking, overthinking, pressure that comes from the contents of his own head sometimes from the surrounding environment. For further researchers.
2. The next author can get more accurate results.
3. For Academics, for further reference on the variables that have been studied in the banking sector.
4. For companies, it is expected to increase their profits and distribute dividends so that they can attract investors to invest in the company.

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