



The Influence of Dividend Policy and Company Size on the Company Value of PT. Gudang Garam, Tbk Period 2013 - 2023

Mila Nurmila ¹⁾ ; Jamaludin ²⁾ ; Seno Aji Firstianto ³⁾ ; Sugiyanto ⁴⁾

^{1,2} Pamulang University, Indonesia

E-mail: ^{a)}milanurmila896@gmail.com ^{b)}jamaludin.fe@unida.ac.id ^{c)}firstianto2000@gmail.com

^{d)}dosen00495@unpam.ac.id

Abstract

This study aims to determine the Effect of Dividend Policy and Company Size on the Company Value of PT. Gudang Garam, Tbk Period 2013-2023. This type of research is descriptive quantitative. The population used is the financial statements of PT. Gudang Garam, Tbk Period 2013-2023. Data analysis used includes Dividend Policy (DPR), Company Size (SIZE) and Company Value (PBV), Descriptive test, classical assumption test, hypothesis test, multiple linear regression test, determination coefficient test. This research method uses *purposive sampling* and the analysis tool used is SPSS 26. The results of the t-test (partial) show that dividend policy has no positive and insignificant effect on company value and company size has a negative and significant effect on company value. The results of the F test (simultaneous) dividend policy and company size have a positive and significant effect on company value.

Keywords: Dividend Policy, Company Size, and Company Value.

INTRODUCTION

The economic development of a country today cannot weaken the development of companies in the country itself and also causes the effect of competition between companies between countries. The increase in a country's economy is indicated by the increasing volume of companies competing with each other to show the quality and identity of their companies. The capital market is a market for various long-term financial instruments that are usually traded in the form of debt or equity. Through the capital market, investors can invest in several companies by purchasing securities traded on the capital market, while companies that need funds will use the funds to develop their projects (Astika et al., 2019). Companies need to have clear long-term goals to achieve maximum profit or maximum profit. This will have a positive impact on the company's owners and shareholders. In addition, the company's value can also be an indicator for the market in providing an overall assessment of the company. There are factors that influence the company's value, including dividend policy and company size (Prastuti & Sudiarta, 2016) . Dividend policy basically determines the portion of profit that will be given to shareholders. The establishment of a company has a clear purpose. There are several things that state the purpose of establishing a company. The first purpose of the company is to achieve maximum profit or the greatest possible profit. The second purpose of the company is to prosper the company owners or shareholders. While the third purpose of the company is to maximize the value of the company which is reflected in its stock price. The three purposes of the company are actually not substantially different. It's just that the emphasis that each company wants to achieve is different according (Sugiyanto, 2018). The dividend payment decision policy is important regarding whether cash flow will be guaranteed to

investors or will be held for reinvestment by the company (Putri & Ramadhan, 2020) . Meanwhile, company size is the average total net sales for the year in question up to several years that show the company's activities. Companies with large sizes have greater access to external funding sources, so that obtaining loans will be easier because companies with large sizes have a greater chance of winning the competition or surviving in the industry (Putri & Ramadhan, 2020) . The larger the size of the company, the greater the activity that can be used as collateral to obtain debt so that debt will increase. If the debt is utilized well and efficiently by the company, then the company will continue to grow into a large company and be able to generate higher levels of profit. Large companies that are able to generate high or large profits are usually able to pay a higher dividend ratio than small companies (Martini, 2023).

PT. Gudang Garam Tbk is one of the cigarette issuers with quite positive performance. This company has been established since 1958 in the city of Kediri, East Java. PT. Gudang Garam Tbk is also ranked fifth oldest and largest in kretek cigarette production (Batubara et al., 2023) . In 2018, the company posted sales of IDR 95.7 trillion, an increase of 15% from 2017 (Lutfi, 2022) . This campaign made Gudang Garam the issuer with the most positive sales growth of other cigarette issuers. During the 2020 pandemic, Gudang Garam faced very difficult operational challenges, but the company was able to maintain all aspects of its business activities. The company closed 2020 with a strong balance sheet and lower borrowing levels, allowing the company to operate normally when the market recovers. Dividend policy of PT. Gudang Garam Tbk in 2019 to 2020 experienced an increase of 42.22%, this was not followed by an increase in the company's value which decreased by 32.67% (Batubara et al., 2023) . This shows that high dividend distribution will reduce profits that can be reprocessed as company operations. In 2024, PT. Gudang Garam Tbk posted a profit attributable to owners of the parent entity of IDR 595.57 billion in Q1-2024, this net profit figure plunged 70% from IDR 1.97 trillion in the same period in 2023. This caused earnings per share to drop from IDR 1,020 as of March 2023 to IDR 310 in the first quarter of 2024. This study aims to analyze the effect of dividend policy and company size on company value at PT. Gudang Garam Tbk in the period 2013 - 2023.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Framework of Thinking

According to (Sugiyono, 2013) "The framework of thinking is a conceptual model of how theory relates to various factors that have been identified as important problems". The framework of thinking for this study is as shown in Figure 1.

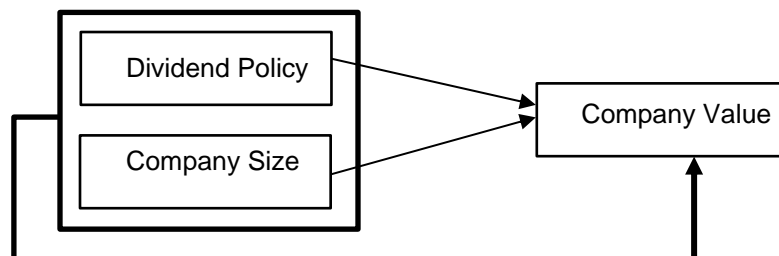


Figure 1. Thinking Framework

Hypothesis

The hypothesis that will be proven in this research:

H1 = It is suspected that there is a significant influence between Dividend Policy and Company Value partially at PT Gudang Garam, Tbk.

H2 = It is suspected that there is a significant influence between Company Size and Company Value partially at PT Gudang Garam, Tbk.

H3 = It is suspected that there is a significant influence between Dividend Policy and Company Size on the Company Value of PT Gudang Garam, Tbk.

METHODS

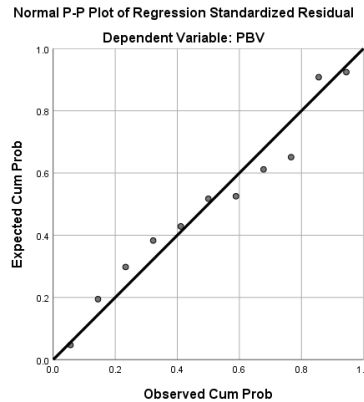
The research method used is survey research with a quantitative descriptive technique approach, which means providing an orderly picture of an event will be discussed in analyzing quantitative data of numerical data. The population of this study is the financial report of PT Gudang Garam, Tbk, while the sample used is the table data of the annual change ratio of Dividend Policy (*Dividend Payout Ratio*) ,

Company Size (*Size*) and Company Value (*Price To Book Value*) of PT. Gudang Garam, Tbk. Period 2013-2023.

RESULT AND DISCUSSION

Results

Normality Test



Source: Data processed by SPSS 26 (2024)

Figure 2. Normality Test Results

The results of the normality test in the image above show that the data is spread around the diagonal line and follows the direction of the diagonal line, meaning the data is normally distributed.

Multicollinearity Test

Table 1. Multicollinearity Test Results

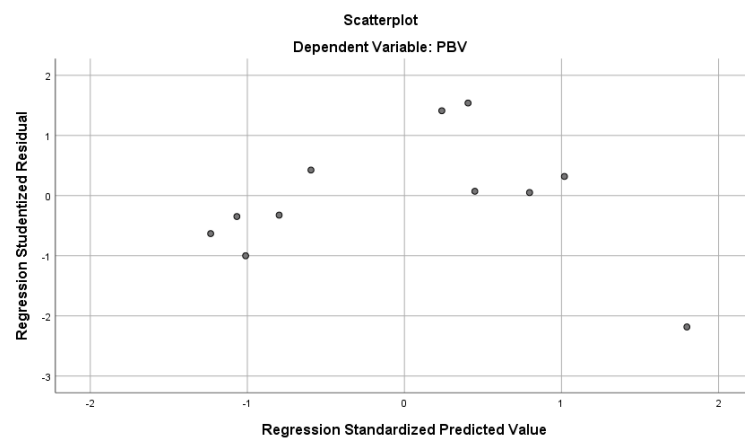
Model	Collinearity Statistics	
	Tolerance	English: VIF
1		
	(Constant)	
	DPR	.741 1,350
	SIZE	.741 1,350

a. Dependent Variable: PBV

Source: Data processed by SPSS 26 (2024)

The results of the multicollinearity test obtained a VIF value of less than 10 and a tolerance value above 10% or 0.1, which means that there is no multicollinearity in the data.

Heteroscedasticity Test



Source: Data taken from SPSS 26 (2024)

Figure 3. Heteroscedasticity Test Results

One way to detect the absence of heteroscedasticity in a regression model is by looking at the scatterplot graph, namely if the plotting points are spread randomly, do not form a certain pattern and are not stacked in

one place, then it can be concluded that there is no heteroscedasticity problem.

Autocorrelation Test

Table 2. Autocorrelation Test Results

^b Summary

Model	R	R Square	Adjusted R Squared	Standard Error of Estimate	Durbin Watson, a professor at Durbin University, .933
1	.815 ^a	.664	.580	.78980	

a. Predictors: (Constant), SIZE, DPR

b. Dependent Variable: PBV

Source: Data processed by SPSS 26 (2024)

The results of the autocorrelation test on the Durbin Watson value are 0.945 while from the DW table with a significance of 0.05 and $n = 11$ and $k = 2$. The Durbin-Watson value is in the range of $DL = 0.7580$ to $DU = 1.6044$. determined within the autocorrelation limits with the Durbin-Watson test, the $DW > DL$ value is $0.933 > 0.7580$, which means that there are no symptoms of autocorrelation in the regression model.

Multiple Linear Regression Analysis

Table 3. Results of Multiple Linear Regression Analysis

Model		Unstandardized Coefficient		Standard Coefficient	T	Signature.
		B	Standard Error	English		
1	(Constant)	101,994	26,885		3,794	.005
	DPR	.570	.970	.140	.587	.573
	SIZE	-5,531	1,502	-.877	-3.684	.006

a. Dependent Variable: PBV

Source: Data processed by SPSS 26 (2024)

Based on the test results in the table above, a multiple linear regression equation can be prepared:
 $Company\ Value = 101.994 + 0.570\ Dividend\ Policy - 5.531\ Company\ Size$

The multiple linear regression equation above has the following interpretation:

1. The constant (101.994) states that if the independent variables (Dividend Policy and Company Size) are considered constant equal to zero (0), then the value of Dividend Policy and Company Size is 101.994.
2. The regression coefficient for Dividend Policy is 0.970, meaning that if the other independent variables are equal to zero, then if the Dividend Policy increases by one unit, the Company Value will increase by 0.970 units.
3. The regression coefficient for Company Size is -5.531, meaning that if the other independent variables are equal to zero, then if Company Size increases by one unit, Company Value will decrease by 5.531 units.

t-test (partial)

This test is used to test the partial regression coefficient of dividend policy variables and company size on company value.

Table 4. t-Test Results (Partial Testing)

Model		Unstandardized Coefficient		Standard Coefficient	T	Signature.
		B	Standard Error	English		
1	(Constant)	101,994	26,885		3,794	.005
	DPR	.570	.970	.140	.587	.573
	SIZE	-5,531	1,502	-.877	-3.684	.006

a. Dependent Variable: PBV

Source: Data processed by SPSS 26 (2024)

Based on the results of the t-test above:

1. The test results of the influence of Dividend Policy (X1) on Company Value obtained a t-value of 0.587 with a significance of 0.573. The t-value of 0.587 and the significance value is greater than 0.05 ($0.573 > 0.05$) then H_0 is accepted, H_a is rejected, this indicates that there is no positive and significant partial influence of Dividend Policy on Company Value.
2. The test results of the influence of Company Size (X2) on Company Value obtained a t-value of -3.684 with a significance of 0.016. The t-value of -3.684 and the significance value is less than 0.05 ($0.006 < 0.05$) then H_0 is rejected, H_a is accepted, this indicates that there is a negative and significant partial influence of Company Size on Company Value.

F test (simultaneous)

Table 5. F Test Results (simultaneous)

		ANOVA				
Model		Sum of Squares	df	Mean Square	F	Signature.
1	Regression	9,862	2	4.931	7.905	.013 ^{big}
	Remainder	4,990	8	.624		
	Total	14,852	10			

a. Dependent Variable: PBV

b. Predictors: (Constant), SIZE, DPR

Source: Data processed by SPSS 26 (2024)

The test results of the influence of Dividend Policy (X1) and Company Size (X2) on Company Value obtained a calculated F value of 7.905 with a significance of 0.013. The calculated F value of 7.905 and the significance value is less than 0.05 ($0.013 < 0.05$) then H_0 is rejected, H_a is accepted, this indicates that there is a positive and significant influence simultaneously of Dividend Policy and Company Size on Company Value.

Coefficient of Determination

Table 6. Results of the Determination Coefficient Test

^b Summary					
Model	R	R Square	Adjusted R Squared	Standard Error of Estimate	Durbin Watson, a professor at Durbin University,
1	.815 ^a	.664	.580	.78980	.933

a. Predictors: (Constant), SIZE, DPR

b. Dependent Variable: PBV

Source: Data processed by SPSS 26 (2024)

The magnitude of the influence of the independent variables is shown by the value of $R^2 = 0.664$, so the contribution of Dividend Policy and Company Size to Company Value has an influence of 66.4% while the remaining 33.6% is influenced by other variables.

DISCUSSION

1. The Effect of Dividend Policy on Company Value . The results of the partial test of Dividend Policy do not have a positive and insignificant effect on Company Value with a t count of 0.587 with a significant value of $0.573 > 0.05$. The results of this study are in line with research (Astika et al., 2019) entitled "The Effect of Profitability, Dividend Policy and Company Size on Company Value in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) for the 2015-2018 Period".
2. The Effect of Company Size on Company Value. The partial test results of Company Size have a negative and significant effect on Company Value with a t count of -3.684, with a significant value of $0.006 < 0.05$. The results of this study are in line with the Research (Irawan and Kusuma, 2019) entitled "The Influence of Capital Structure and Company Size on Company Value"
3. The Influence of Dividend Policy and Company Size on Company Value. The results of the simultaneous test of Dividend Policy and Company Size have a positive and significant effect on Company Value with F

count 7.905 , with a significant value of $0.013 < 0.05$. The results of this study are in line with Research (Sari et al., 2023) entitled "The Influence of Profitability, Liquidity, Leverage, Dividend Policy and Company Size on Company Value in Companies Listed on the Jakarta Islamic Index (JII) for the 2019-2021 Period".

CONCLUSIONS

Based on the results and discussion of the research, it can be concluded:

1. Dividend Policy has no positive and insignificant effect on Company Value at PT. Gudang Garam, Tbk period 2013 - 2023.
2. Company Size has a negative and significant effect on Company Value at PT. Gudang Garam, Tbk period 2013 - 2023.
3. Dividend Policy and Company Size have a positive and significant effect on Company Value at PT. Gudang Garam, Tbk period 2013 - 2023.

REFERENCE

- Astika, I. G., Suryandari, N. N. A., & Putra, G. B. B. (2019, December). Pengaruh profitabilitas, kebijakan dividen dan ukuran perusahaan terhadap nilai perusahaan pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia (BEI) Periode 2015-2018. In Seminar Nasional Inovasi dalam Penelitian Sains, Teknologi dan Humaniora-InoBali (pp. 574-585).
- Batubara, M., Adyanti, O., Sitompul, B., Raz, S., Nahrishah, E., & Prima Indonesia, U. (2023). The Effect Of Profitability, Dividend Policy, and Leverage On Firm Value At PT. Gudang Garam Tbk, Which is Registered on BEI for The 2017-2021 Pengaruh Profitabilitas, Kebijakan Dividen dan Leverage Terhadap Nilai Perusahaan Pada PT. Gudang Garam Tbk yang Terdaftar di BEI Periode 2017-2021. *Management Studies and Entrepreneurship Journal*, 4(4), 3749–3761. <http://journal.yrpiiku.com/index.php/msej>
- Irawan, D., & Kusuma, N. (2019). Pengaruh struktur modal dan ukuran perusahaan terhadap nilai perusahaan. *Jurnal Aktual STIE Trisna Negara*, 17(1), 66-81.
- Lutfi, A. M. (2022). Pengaruh Ukuran Perusahaan, Kebijakan Hutang dan Profitabilitas Terhadap Nilai Perusahaan Pada PT Gudang Garam Tbk Periode 2010-2021. *Ekonomis: Journal of Economics and Business*, 6(2), 814. <https://doi.org/10.33087/ekonomis.v6i2.624>
- Martini, M. (2023). Determinan Kebijakan Dividen Dan Nilai Perusahaan. *Sebatik*, 27(2), 579-588.
- Prastuti, N. kadek R., & Sudiarta, I. G. M. (2016). Pengaruh Struktur Modal, Kebijakan Dividen, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur. *E-Jurnal Manajemen Unud*, 5(3), 1572–1598. <https://doi.org/10.54199/pjeb.v1i1.10>
- Putri, S. W., & Ramadhan, Y. (2020). Pengaruh Kebijakan Dividen, Leverage, Ukuran Perusahaan, Dan Kepemilikan Manajerial Terhadap Nilai Perusahaan. *JCA Ekonomi*, 1(1), 64–77.
- Sari, S. W. H. P., Layli, M., Marsuking, M., Wibisono, D., Wibowo, A., Maula, D. I., Harahap, R. S., Firmansyah, F., & Hasbi, M. Z. N. (2023). Pengaruh Profitabilitas, Likuiditas, Leverage, Kebijakan Dividen dan Ukuran Perusahaan terhadap nilai perusahaan pada perusahaan terdaftar di Jakarta Islamic Index (JII) periode 2019- 2021. *JESI (Jurnal Ekonomi Syariah Indonesia)*, 12(2), 123. [https://doi.org/10.21927/10.21927/jesi.2022.12\(2\).142-149](https://doi.org/10.21927/10.21927/jesi.2022.12(2).142-149)
- Sugiyanto, S. (2018). Pengaruh Tax Avoidance Terhadap Nilai Perusahaan Dengan Pemoderasi Kepemilikan Institusional. *Jurnal Ilmiah Akuntansi Universitas Pamulang*, 6(1), 268520.
- Sugiyono. (2013). *Metode Penelitian Kuantitatif Kualitatif dan R&D*. Alfabet.