# Impact of Ownership Structure, Capital Structure, Investment Opportunities on Dividend and Value Policy Company

Mustafa[1], Masdar Mas'ud[2], Asriani Junaid[3], Andi Nirwana Nur[4], Munawir Nasir[1]

*[1]Indonesian Muslim university graduate program*
*[2,3,4,5] Indonesian Muslim University*

**Abstract:** *The purpose of this study is to analyze and explain the influence of capital structure ownership structure and investment opportunity directly or indirectly on the value of the company mediated by dividend policy. This study uses an explanatory approach. The population in this study are companies listed as the Indonesian Sharia Stock Index (ISSI) for the period of 2013 to 2017, amounting to 361 companies, and a sample of 42 companies. Analysis of the data used for hypothesis testing is structure equation modelling (SEM) technique through the AMOS program. The results of this study indicate that: (1) Ownership structure and investment opportunity directly have no significant positive effect on dividend policy, while the effect on firm value shows that ownership structure has a negative effect and investment opportunity has a positive effect. (2) capital structure has a positive and significant effect on dividend policy and company value. (3) Dividend policy directly has a positive and significant effect on company value. (4) The indirect effect through dividend policy as a mediating variable shows the ownership structure and investment opportunity have a positive but not significant effect on company value through dividend policy, while the capital structure has a positive and significant effect on company value through dividend policy. The findings of this study are that the higher the ratio of ownership of capital structure, and investment opportunity will tend to increase the ratio of dividend policy and firm value. However, there needs to be an increase in dividend policy because the role of dividend policy in Indonesian Sharia Shares is still not strong in mediating the structure of institutional ownership and investment opportunity towards increasing company value*

*Keywords:* *Ownership Structure, Capital Structure, Investment Opportunity, Dividend Policy, Company Value*

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## I. Introduction

        Capital markets are one of the important milestones in today's world economy, companies use capital market institutions as a medium to absorb investment and strengthen their financial position, factually capital markets have become *the financial nerve-centre of* the modern economic world. The modern economy would not have existed without a well-stocked capital market, people every day transacting to invest their funds. Seeing the importance of the role of capital markets for the economic life of a country, capital markets are required to operate efficiently in raising public funds and allocating those funds in the form of invesatsi that has good future prospects.

        Sharia capital market is a capital market activity that has special characteristics both in creating products, conducting trade transactions and conducting activities. Transaction activities follow sharia provisions, i.e. no coercion, no fraud and uncertainness in transactions. The development of sharia capital markets in Indonesia began with the issuance of sharia mutual funds in 1997. Furthermore, followed by the *emergence of Jakarta Islamic Index* (JII) in 2000 and on May 12, 2011 the Government through the Indonesia Stock Exchange (IDX) launched sharia service products in the form of The Indonesian Sharia Stock Index *(ISSI).* As a follow-up to the establishment of the Sharia Securities Register (DES) by Bapepam-LK in November 2007. With the aim of increasing the confidence of muslim investors in investing in sharia-based stocks.

        Sharia shares are in principle included in the consensus agreement *or sharia, and*in concept the stock is aneffect that does not conflict with sharia principles, as is the Fatwa of the National Sharia Council No: 80/DSN-MUI/III/2011. However, not all shares issued by issuers and public companies can be referred to as Sharia shares but through the selection process conducted by the Financial Services Authority (OJK) together with the National Sharia Council - Majelis Ulama Indonesia (DSN-MUI). The data source used as a search in sharia securities comes from financial statements as well as other supporting data in the form of written data obtained from issuers or public companies..

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The Company as an organization involves many interests both directly and indirectly, Management (manager) as a party who plays a direct role in managing the company will be responsible for the development and progress of the company. Shareholders *want prosperity through dividends* and increased company value. In an effort to increase the number of dividends and the value of the company, it is not uncommon for the management of the company to have other objectives and interests that are contrary to the company's objectives as well as ignoring the interests of shareholders.

The value of the company is an issue that is an interesting material to continue to be researched because the company strives to always grow and develop in the midst of highly competitive competition. The value of the company becomes *a goal of shareholders,* because with high corporate value will reflect the prosperity and alignment of shareholders. It will also increase market confidence not only at the moment but also on the company's future prospects. Brigham and Daves (2014) noted that various policies taken by manajeman in an effort to increase the value of the company through increasing the prosperity of owners and shareholders .The company's value will increase further if influenced by this dividend policy pointing to *lintner's bird in the hand theory* (1956) that there is a relationship between the dividend policy and the value of the company. It is clear that investors prefer high dividend payments from corporate profits compared to capital *gains, as the* risk of dividends is smaller than capital gains where *rising* share prices create uncertainty.

Dividends in islamic sharia perspective are part of the business profits distributed to the parties who are in *cooperation* or cooperation between two or more people or legal entities working together. Dividend distribution is something that can be done and allowed by *Sharia.*For man will have what he has done. Profit and loss or being able to pay dividends or not get dividendsis an economic consequence obtained by*the parties who are* The dividend distribution pattern can adopt the fomula used in the dividend distribution that applies in conventional companies (Mohamadi and Amiri, 2016)..

The usual constraints faced by companies in dividend distribution due to the contract of debt. Debt agreements often hint that no dividend can be distributed unless the current ratio, ability to pay interest, and other safety ratios exceed the set minimum limit. Another obstacle is preferential stock restrictions. Usually ordinary share dividends cannot be paid if the company has not paid its preferred share dividend.

Research on dividend policy has been widely conducted such as Budagaga (2017) on the Istanbul Stock Exchange (ISE), as well as Nwamaka and Ezeabasili (2017) which conducted research in Nigeria, where the results of his research have successfully proven that the value of the company is influenced by the dividend policy. For research by Nasrum and Burhami(2014);  Sartini and Purbawangsa (2014); Rehman (2016); Suryani (2016); Sudiani and Wiksuana (2018) whose findings show a positive and significant relationship between the dividend policy and the value of the company. However, this is in contrast to research by Yulia (2017) which saw that the dividend policy did not significantly affect the value of the company, even in research conducted by Deviana and Fitria (2017) Deviana & Fitria (2017) on the Indonesia Stock Exchange (IDX) by taking 20 samples of manufacturing companies found that the dividend policy had a negative effect on the value of the company.

In order to improve the company's dividend and value policy, the concern is the structure of the company's distribution. Ullah, et al (2012) stated that the company's dividend structure plays an important role in the company's dividend policy.Thanatawee (2013) stated that one of the reasons why companies pay dividends is the hypothesis of free cash *flow.*that there is an *agency problem between* the manager and the shareholder. Managers can allocate company resources for their own benefit and ignore the interests of shareholders.

The effect of ownership structure on dividend policy and the value of the company has been widely done by researchers including Jayanti and Puspitasari (2017), the result of his research leading to that institutional and foreign ownership (public) has no significant effect on dividend policy, managerial ownership has a positive effect and the signifiakan is subject to dividend policy.Nasrum and Burhami (2014), found that the ownership structure had a positive effect on the dividend policy, another finding that the ownership structure had a positive influence on the value of the company.Mahfudnurnajamuddin, et al (2018), found the ownership structure had a positive and significant effect on thedividend policy, but the ownership structure had a negative and insignificant effect on the value of the company.

Abukosim, et al (2014); Sualehkhattak and Hussain (2017) the results showed that the influence of ownership structures (Managerial, Institutional and public ownership ownership) had a significant effect on the value of the company. In contrast to research conducted by Adnantara (2014) found that the influence of institutional, managerial, and public ownership shareholdings has no significant effect on the value of the company.  Ghalandari Research (2013); Setiyawati, *et al.*(2017) found the ownership structure had no significant effect on the value of the company.

In other ways, the company's dividend and value policies may also be influenced by the composition of the capital structure. This relationship can be seen when the use of interest-based debt can be a tax payment, so that the net profit earned by the company after deducting income tax charges will be the right of shareholders in

the form of dividends. It will also be a signal for other investors to buy shares of the company so as to increase the value of the company. *The theory trade-off assumes* that the company's capital structure is the result of a *trade-off* of tax advantages using debt with tax expenses that will arise as a result of such debts (Myers and Majluf, 1984).

The optimal capital structure is a capital structure that maximises the value of the company or minimizes capital costs. Miller and Modigliani (1961) argued that the company needs to work on the target *debt ratio, which* is the capital structure considered best or optimal. In theory the optimal capital structure where the marginal real cost *of* each source of spending is the same. The real *cost in question* is the explicit and implicit amount of the cost. Explicit costs are all costs used to pay for production factors, such as the cost of raw materials whereas implicit costs are the one that should be economically taken into account as production costs even though we do not spend money directly..

Some companies that go into bankruptcy due to the composition of their capital structure rely on outside the company (debt). MF Global Holding in 2008, The Havoc of derivatives brokerage firm that occurred due to a very risky fight on European bonds, Worldcom Inc, is the largest provider of long-distance telephone and internet services and made several acquisitions against other telecommunications companies in hopes of increasing revenue from usa 157 million in 1990 and to USA 392 Million in 2001. However, in 1998 it experienced an economic recession in America. this greatly influenced the demand for internet infrastructure to be drastically reduced, affecting WorldCom's revenues which then declined drastically than expected and created confusion due to the source of funds used in infrastructure investment using outside funding sources.

Empirical research on the relationship of capital structure to dividend policy and company value has been conducted by researchers including Javed and Akhtar (2012), Hung, et *al.,* (2013) proving that there is a significant positive influence between the capital structure *(leverage) on* dividend payment policy. The same was found by Yasin and Wepukhulu (2019);ET al (2017),proving that a significant relationship between the capital structure and the dividend policy.

Research conducted by Aggarwal and Padhan (2017); Bhatt and Garg (2016) found thatthe capital structure has a positive and significant influence on the value of the company.

Jubaedah, et al (2016) found the capital structure is one of the factors that affects the value of the company. This indicates that in the event of additional debt, it will lead to an increase in the value of the company. The addition of debt made by the company certainly has a well-planned purpose, generally the company adds debt for long-term investment funding purposes.

Investment opportunities also play an important role because investing will affect dividend policy as well as the value ofthe company.. In the short term, the investment expenditure will reduce the dividend payment if the funds used in the investment are sourced from the internal (retained profit) of the company. But in the long run it will certainly provide *maximum return* so that it will maximize the value of the company.*Agency cost theory* states that companies without organization or investment opportunities have less risk to agency costs. So to reduce agency costs, the company will pay higher dividends to shareholders compared to companies with high growth and greater investment opportunities.

According to Fenandar and Raharja (2012) in *Signaling Teory explained* about the relationship between investment expenditure and the value of the company, where investment expenditures give a positive signal about the company's future growth. So that some companies investment activity is an important element of the company's operations in terms of increasing the value of the company. According to Muhamad (2016) Investment is important and necessary because: 1) Physical is not as long as healthy and strong to work, 2) Prices continue to rise, 3) Reserve funds are needed to anticipate emergencies, and 4) Future generations have the right to inheritance.

Some cases of Futures Exchange Investment companies in Indonesia are said to be problematic. Like PT. Monex Investindo Futures (MIF) is a case of alleged misinvesting of customer funds, starting from one of the customers who invested his funds on November 13, 2014. However, within 16 days the customer's transaction suffered a loss of Rp. 34 billion. In 2013 PT. Dana Graha Futures (DGF) funds customers for eleven billion rupiah and at that time the customer sued BAPPEBTI to the Central Jakarta Court. Forms of investment involving foreign capital fall out one by one. Ford Motor Indonesia (FMI) made the announcement to cease all its business activities in the second half of 2016, Toshiba in the same year, April 2016 the plant is no longer operating in Indonesia. The closure of the Toshiba Plant was due to the weakening purchasing power of the community. Sharp's company suffered losses due to falling flat prices of TV panels as a result of deteriorating financial performance, cutting its annual dividend forecast to 21 yen per share, the latest technology company to fall victim to a global recession.

Several studies on the relationship between investment opportunities to dividend policy and the value of the company include Siboni and Pourali (2015) who conducted research on the Tokyo Stock Exchange (TSE) in the period 2009-2013 proving that increased investment opportunities will improve the company's dividend policy and ultimately the value of the company will also increase. Then in research conducted in India by Gangil

and Nathani (2018) on two sectors of companies namely the Automotive sector and pharmaceutical sector listed in the Auto index and Pharma Index, found that gap research *in* the automotive sector was found that investment opportunities are one of the significant important factors in increasing dividend payments, while in the pharmaceutical sector it is a small (insignificant) influence in influencing dividend policy. In addition, there is a lot of empirical literature showing that investment opportunities significantly influence dividend policy (Aivazian, et al, 2003; Kisman, 2013; Mui and Mustapha, 2016; Saifi, et al, 2016; Yusof and Ismail, 2016;Nadeem, et al, 2018).).However, in research by Amidu & Abor (2006) and Al-Kuwari (2010) that investment opportunities have a significant negative impact on dividend *payouts.*

Furthermore in research by Sudiani and Wiksuana (2018);Saifi et al.(2016) that if the Investment *Opportunity increases* then the value of the company will increase because the higher the opportunity of the company to invest and is expected to get a higher *return.* yang lebih tinggi. *Investment Opportunity shows* the company's growth potential, making it an attraction for investors because it will benefit future investors. But other research conducted by Kallapur and Trombley (1999); Bernadi (2007) found that the investment had no effect on the value of the company. The researchers' findings on investment opportunities still make a difference, in addition to the investment opportunities of dividend policy is also one of the factors that increase the value of the company.

## II. Rivew Literature

**Agency *Theory)***

Agency theory basically explains how the relationship between one employer *group (principal)* and *the agent to* set up the company in order to get added value (Jensen and Meckling, 1976).. Shareholders as *principals* are assumed to be only interested in the measured financial results and the amount of dividends distributed eachs. Meanwhile, managers *as agents* are assumed to receive large financial compensation from the company's management activities. Jensen and Meckling described theagency's relationship as a contract of employment under one or more principals involving agents to perform multiple services for them by delegating decision-making authority to the agency. The employment contract referred to here is a contract of employment between the manager and the shareholder. *Principals* or *agents* are two or more people who work together for the management of the company, both of whom have their own motivation to carry out their respective duties. The *principal or shareholder* gives instructions to the agent to *manage* the company according to what is desired to achieve the value of the makasimal company. On the other hand, often management as an agent will take actions that do not comply with the instructions ordered by *the principal. The* agent will be more concerned with achieving better results than always obeying the principal's *orders.*

**Ownership Structure**

The ownership structure can be explained through an agency approach and assimestris information. According to the agency's approach, the ownership structure is a corporate governance mechanism to reduce conflicts of interest between *principal* and *agent.*The asymmetric approach of information is that there is an imbalance of information between the *agent* and *the principal* so that through the collection of information in the capital market can be more open and transparent. According to Rozeff (1982) the ownership structure is a percentage or proposi of the number of shares held by insider *shareholders* and *outsite shareholders* against the total shares issued by the company.Measurement of ownership structure has been widely developed by experts, Cole and Mehran (1998) suggested that to evaluate the ownership structure can be measured by taking into account the percentage of ownership namely: 1) The largest percentage of ownership by a director; 2) The largest percentage of ownership by a particular institution or company; 3) The largest percentage of ownership by non-specific institutions or companies; 4) Percentage of ownership by company employees.

**Capital Structure**

The capital structure is defined asa decision concerning the composition of the funding chosen by the company. According to Ross, et al.(2010) The capital structure is a specific combination of long-term debt and equity that the company uses in financing the company. The combination will affect the risk and value of the company.Weston and Copeland(1997) said that the capital structure is a permanent financing consisting of long-term debt, preferential shares, and shareholder capital.

Generally, research on capital structure is focused on the *proportion/ratio* between debt *and equity.* The ratio of capital structures that are often used according to Sjahrial and Purba (2013) consists of:

**Total *debt to total assets ratio (DAR).*** This ratio is used to measure how much the company's assets are financed with debt.

$$DAR = \frac{\text{Total Utang}}{\text{Total Aktiva}}$$

***Total debt to total equity ratio (DER).*** This ratio is used to measure the balance between the liabilities held by the company and its own capital. This ratio can also mean as a company's ability to meet debt repayment obligations with its own capital guarantee.

$$DER = \frac{\text{Total Utang}}{\text{Total Ekuitas}}$$

***Longterm Debt to Asset Ratio.*** (LDAR). LDAR is used to measure how much long-term debt is used for investment in the asset sector. This indicates a link between the amount of long-term loans provided by creditors and the amount of assets financed with long-term debt. Or a ratio that blends long-term debt with all assets held by the company. So it gives an idea of how much of the company's assetsare being held by long-term debt.Here's the formula *for measuring longterm debt to asset ratio (LDAR)*

$$LDAR = \frac{\text{Longterm Debt}}{\text{Tota Assets}}$$

**Long term debt** *to equity ratio (LDER).* This ratio is used to show the relationship between the amount of long-term loans given by creditors and the amount of own capital provided by the owner of the company. This ratio is also used to measure how much of a difference between long-term debt and self-capital or how long-term debt is guaranteed by its own capital.Here's the formula for *measuring the Longterm debt to equity ratio (LDER)*

$$LDER = \frac{\text{Total Utang Jangka Panjang}}{\text{Total Ekuitas}}$$

**Investment Opportunities**

Investment is an action to invest the current funds into the form of current assets as well as fixed assets in the hope of making a profit in the future (Salim, 2001). According to Myers (1977) investment opportunities as an option to invest in the future can be shown with the company's higher ability in taking the opportunity to profit. Investment opportunities greatly influence dividend policy because it will determine the availability of funds, this leads to residual policies (Brigharm & Joel F, 2006) or *residual theory of dividends, i.e. dividends are* paid if there is residual income after making a new investment. The basis of residual policy is the fact that investors prefer companies to hold back profits and reinvest rather than hand out dividends in the hope that the invested profit will result in a higher yield than the average return that can be generated from a return at the same risk.

Investment Opportunities are about decisions about how investors invest their funds for both short-term and long-term purposes. Investment can be interpreted as a capital commitment to one or more assets that are expected to deliver future results. This research was measured by using proxies as follows: (Kallapur and Trombley, 1999)

***Market value to book value of assetratio.*** *(MVA/BVA)* MVA/BVA ratio describes the mix of *assets in place* of the company and the peluang-peluamg investment

$$MVA/BVA = \frac{(Total\ aset - Total\ ekuitas) + (Lbr\ saham\ beredar\ x\ Closing\ Price}{Total\ Aset}$$

***Market to Book Value of Equity Ratio.*** (MVE/BVE). The MVE/BVE ratio reflects that the market assesses the return of the company's future investments and the expected return of its equity

$$MVE/BVE = \frac{(Jumla\ h\ lembar\ saham\ beredar\ X\ Closing\ Price)}{Total\ Ekuitas}$$

***Capital Addition to assets book value ratio.*** (CAP/BVA). CAP/BVA shows an additional flow of productive assets, which at the same time indicates the company's growth proxies

$$CAP/BVA = \frac{(Nilai\ buku\ altiva\ tetap - t - Nilai\ buku\ aktiva\ tetap\ t - 1)}{Total\ Aset}$$

***Capital Addition to Asset Market Value Ratio.*** (CAP/MVA). CAP/MVA mirrorsgrowing companies with higher levels of investment activity

$$CAP/MVA = \frac{(Nilai\ buku\ altiva\ tetap - t - Nilai\ buku\ aktiva\ tetap\ t - 1)}{(Total\ Aset - Total\ ekuitas) + (Jumla\ h\ saham\ beredar\ X\ Closing\ Price)}$$

**Dividend Policy**

The *dividend policy in the company is* a decision on whether the profit earned will be distributed to shareholders as dividends or will be held in the form of retained earnings for use as investment financing in the future.Riyanto (2010) proposes that dividendsare the policyconcerned with *determining the distribution of income (earning)* between the users of income to be paid to shareholders as dividends or for use in the company, which means that the income must be withheld within the company.Brigharm and Joel F, (2006) Dividend policy is a decision on how much current profit will be paid as dividends in exchange for being

retained to be reinvested in the company.(

According to Riyanto (2010) The dividend policy is a policy that will determine how much share of profit or dividend the company will share with shareholders and how much share of profit will be held by the company as the profit is withheld. The dividend policy in this study is measured by using the following proxies:

*Dividend Payout Ratio* (**DPR**).. DPR is the ratio used to measure the proportion of dividends distributed to shareholders. This ratio is often used to estimate the dividends that the company will share the following year. Beritut formula for measuring (DPR) :

$$\mathbf{DPR} = \frac{Dividend\ Per\ Share}{Earning\ per\ Share}$$

*Dividend Yeild* (**DY**).DY is a ratio to measure the comparison between dividends received by investorsat the share price. Investors will invest their funds in stocks that generate dividend value. Here's the formula for measuring (DY).

$$\mathbf{DY} = \frac{Dividen\ Per\ Lembar}{Harga\ Pasar\ Per\ Lembar}$$

*Dividend Per Share* (**DPS**).DPS is a ratio to measure the ratio between the total dividends distributed to investors against the total outstanding shares. Here's the formula for measuring (DPS)

$$\mathrm{DPS} = \frac{Total\ dividend}{Total\ Saham\ Beredar}$$

*Value of The Firm*)

Gaver and Gaver (1993) stated that the value of the company can be interpreted as the selling value of the company as well as added value for shareholders.Myers (1977) suggested that the concept of the value of the company as a combination of assets owned and investment options in the future. The value of the company will take into account the time value of the money. The funds held today are worth more than the funds received in the future and also take into account the risk to the cash flow of the company's value income. According to Rohman and Afzal (2012) the value of the company or also referred to by the market value of the company is the price that the prospective buyer is willing to pay if the company is sold. Nilai high company becomes the wish of the owners of the company, because with high value shows the prosperity of shareholders who are also high (Husnan, *et al.,* 2012). Each company certainly hasahigh value of the company because it alsoindirectlydesignateskan high shareholder prosperity, so that investors will invest modalnya into the company (Haruman, 2008).

Weston and Copeland (1997) stated that the measurement of the value of the company that can be used is the *valuation ratio,* where the ratio reflects the risk ratio and the return ratio.The valuation ratio is a market value ratio *consisting* of three kinds of ratios, namely:

*Price Earning Ratio(PER).*The United States shows how much money investorsspend topay every dollar of profit reported in the company's financial statements (Brigharm dan and Joel F, 2006). This PER serves tomeasure the changes in profit capabilities expected inthe future. The larger the PER, the more likely the company is to grow so that it can increase the value of the company. Here is the formula to measure the price earning ratio *(PER) :*

$$\mathbf{PER} = \frac{Market\ Price\ per\ Share}{Eaarning\ per\ Share}$$

*Price to Book Value(PBV).*The PBV indicates whether the share price traded *is overvalued*dan (above) *or undervalued* (below)bybrigharm and Joel F(2006). Pbv also shows how far a company is able to create value for the company against the amount of capital invested. Here's the formula for *measuring price to book value (PBV)*

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

**Tobin's Q.**Tobin'sQ compares the ratio of the company's stock market value to the equity book value of the company (Weston and Copeland (1997). Tobin's Q also focuses on how much the company currently values against how much it will cost to replace it at this time. Here's the formula for measuring Tobin's Q:

$$\mathrm{Tobin's\ Q} = \frac{(\,EMV\ +\ D\,)}{(EBV\ +\ D)}$$

*Description:*

*Tobin's Q: Company value*
*EMV: Equity market value*
*EBV: Book value of total assets*
*D: Book value of total debt*

## III. Research Method

The approach used in eksplanatori this study is *an explanatory research* approach that describes the influence (1)*of independent variables*onvariables between, (2) independent el variabsel on dependent bell variants,aand (3) the influence of *variables between dependent variables.*. The type of data used in this study is secondary dataobtained from the documentation and financial statements of each company that is the object of the research, which is collected directly *through the website of IDX (www.idx.co.id)*or other written reports from the results of the study literature, references, documentation and other printed materials as well as regulations relevant to this research. Other data used are the composition of share holdings, asset value, debt value, nilia equitas, number of shares outstanding, and share holding price. The data collection techniques used in this study were carried out by studying the data obtained from secondary data sources, followed by recording and calculation. The data is from the company *"Indonesia Sharia Stock Index (ISSI)"* at PT. Indonesia Stock Exchange from 2013 - 2017.

The population in this study is a company registered as Indonesia Sharia Stock Index (ISSI) for the period 2013 to 2017 which numbered 361 companies. The sampling technique in this study is *a purposive sampling method with* the following provisions: (1) Companies that have always been consistently listed in the Indonesian Sharia Stock Index *(ISSI)* during 2013 to 2017; (2) Companies that regularlypresent andprovideconsecutive financial statementsduring 2013 to 2017; (3) Companies that earned consistently during the observation period from 2013 to 2017; (4) Companies whose shareholdings are divided into institutional ownership, managerial ownership and public ownership.(5) Companies that consistently distribute dividends during the observation period from 2013 to 2017.. The criteria used as a sample are as follows:

**Table 1.**Sample Determination Createria

| № | Sample Research Criteria | Amount |
|---|---|---|
| 1 | The Company was listed on the Indonesia Sharia Stock Index (ISSI) during the period from 2013 to 2017 | **361** |
| | *Companies are inconsistently listed as Sharia Stock indices* | (143) |
| 2 | The Company is consistently listed as a Sharia Stock Index index during the observation period of 2013 to 2017 | **218** |
| | *The Company inconsistently earns profit during the observation period* | (68) |
| 3 | Companies that consistently earned profit during the observation period of 2013 to 2017 | **150** |
| | *The Company does not have a managerial ownership structure during the observation period* | (88) |
| 4 | Companies that have institutional, managerial and public ownership structures during the observation period | **62** |
| | *Companies that do not distribute dividends consecutively during the 2013 to 2017 observation period* | (20) |
| 5 | Total Indonesian Sharia Stock Index (ISSI) companies used as research samples during the observation period of 2013 to 2017 | **42** |

*Source : Data processed in 2019*

After selected against the population of companies listed as Syariah Indnesia Stock Index (ISSI) on the Indonesia Stock Exchange (IDX) then those that meet the criteria to be sampled are as many as 42 companies with the following details:

**Table 2.**List of Indonesian Syarian Stock Index (ISSI) companies used as samples

| № | Company | Code | № | Company | Code |
|---|---|---|---|---|---|
| 1 | Acer Hardware Indonesia Tbk. | Aces | 22 | Lionmesh Prima Tbk. | LMSH |
| 2 | Acset Inonseia Tbk. | Acst | 23 | Lautan Luar Tbk. | LTLS |
| 3 | Adora Energy Tbk | Adro | 24 | Multi Indocitra Tbk. | MICE |
| 4 | AKR Corporindo Tbk | Akra | 25 | Metrodata Electronics Tbk. | MTDL |
| 5 | Agung Podomoro Land Tbk. | APLN | 26 | Nusa Raya Cipta Tbk. | NRCA |
| 6 | Bekasi Fajar Industrial Estate | ASII | 27 | State Gas Company (Persero) Tbk. | PGAS |
| 7 | Tbk. | BEST | 28 | Construction of Graha Lestari Indah Tbk. | PGLI |
| 8 | Indo Kordsa Tbk. | Bram | 29 | Bukit Asam Coal Mine (Persero) Tbk. | Ptba |
| 9 | Colorpak Indonesia Tbk. | CLPI | 30 | Pakuwon Jati Tbk. | PWOM |
| 10 | Intiland Develoment Tbk. | Dild | 31 | Hotel Sahid Jaya International Tbk. | Shid |

| 11 | Duta Pertiwi Nusantara Tbk. | DPNS | 32 | Sekar Laut Tbk. | SKLT |
| 12 | Erajaya Swasembada Tbk. | ERAA | 33 | Samudra Indonesia Tbk. | SMDR |
| 13 | .11 miles away | Echo | 34 | Summarecon Agung Tbk. | SMRA |
| 14 | Indofood Sukses Makmur Tbk. | Indf | 35 | Congratulations Sempurna Tbk. | SMSM |
| 15 | Indospring Tbk. | INDS | 36 | Surya Semesta Internusa Tbk. | SSIA |
| 16 | Indo Tambangraya Megah Tbk. | ITMG | 37 | Mandom Indonesia Tbk. | TCID |
| 17 | Jaya Konstruksi Manggala | JKON | 38 | Telecommunications Indonesia (Persero) Tbk. | TLKM |
| 18 | Pratama Tbk | JTPE | 39 | Total Build Persada Tbk. | TOTL |
| 19 | Jasuindo Tiga Perkasa Tbk | KBLM | 40 | Chandra Asri Petrochemical Tbk. | TPIA |
| 20 | Kabelindo Murni Tbk. | KKGI | 41 | United Tractors Tbk. | Untr |
| 21 | Resource Alam Indonesia Tbk. Resource Alam Indonesia Tbk. Lion Metal Work Tbk. | Lion | 42 | Wijaya Karya (Persero) Tbk. | Wika |

*Source : Data processed 2019*

The analysis method in this study used *structure equation modelling* (SEM) analysis to determine the causal relationship between latent variables contained in structural equations. The model equation based on conceptual framework and bangunan theoretical model, is as follows:

$Y1 = f ( X1, X2, X3)$ (1)
$Y2 = f (X1, X2, X3, Y1)$ (2)

Where:
Y= Dividend Policy1
Y2= Company Value
X1= Ownership Structure
X2= Capital Structure
X3= Investment Opportunities

The above equations are dysfunction functions (simultaneous equation system), then the models developed are:

**Effect of Ownership Structure ($X_1$),Capital Structure ($X_2$),Investment Opportunity ($X_3$)on Dividend Policy ($Y_1$))** :

$$Y_1 = \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + z_1 \text{ (3)}$$

Where $\alpha_1$, $\alpha_2$, $\alpha_3$ is the parameter to be estimated, while $z_1$ is the error term *of* the dividend policy.

**Effect of Ownership Structure ($X_1$),Capital Structure ($X_2$),Investment Opportunity ($X_3$),Dividend Policy($Y_1$)on Company Value ($Y_2$)):**

$$Y_2 = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 Y_1 + z_2 \text{ (4)}$$

Where $\beta_1$, $\beta_2$, $\beta_3$ and $\beta_4$ are parameters to be estimated, while $z_2$ is the error term of the company value

# IV. Results And Analysis

**Variable Description Analysis**
**Ownership Structure Variables**

**Table 3.**Description of Institutional Ownership Structure Proxy

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | $\leq 8.00pm$ | 1 | 0.5 |
| 2 | 20,01 – 40,00 | 18 | 8.6 |
| 3 | 40,01 – 60,00 | 91 | 43.3 |
| 4 | 60,01 – 80,00 | 78 | 37.1 |
| 5 | $\geq 80.01$ | 22 | 10.5 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 3 shows that most of the companies listed on the Indonesian Sharia Stock Index (ISSI) have a proportion of institutional ownership between 40.01 - 60%. This institutional ownership represents the proportion of shares owned by the institution, where the more concentrated the ownership of shares in a company, themore effective and efficient the supervision carried out by the owner will be more effective and efficient because the more cautiousjemen will be.

**Table 4.**Description of Managerial Ownership Structure Proxy

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 10.00 | 181 | 86.2 |
| 2 | 10,01 – 20,00 | 14 | 6.7 |
| 3 | 20,01 – 30,00 | 14 | 6.7 |
| 4 | ≥ 29.99 | 1 | 0.5 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 4 shows that most of the companies listed on the Indonesian Sharia Stock Index (ISSI) have a managerial ownership proportion of 10% or less. This managerial ownership represents a proportion or percentage of the total shares of the company owned by the company's management against the total shares yang issued dikeluarkan by the company.

**Table 5.**Description of Public Ownership Structure Proxy

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 10.00 | 23 | 11,0 |
| 2 | 10,01 – 20,00 | 16 | 7,6 |
| 3 | 20,01 – 30,00 | 45 | 21,4 |
| 4 | 30,01 – 40,00 | 61 | 29,0 |
| 5 | ≥ 29.99 | 65 | 31,0 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 5 shows that most of the companies listed on the Indonesian Sharia Stock Index (ISSI) have a public ownership proportion above 30%.Public ownership represents a percentage of the number of shares held by the public comparedtomlah all outstandingshares..

**Variable Capital Structure**

**Table 6.**Description of Debt *to Asset Ratio* (DAR) Proxy

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 10.00 | 15 | 7,1 |
| 2 | 10,01 – 20,00 | 69 | 32,9 |
| 3 | 20,01 – 30,00 | 90 | 42,9 |
| 4 | 30,01 – 40,00 | 25 | 11,9 |
| 5 | ≥ 29.99 | 11 | 5,2 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 6 shows that most of the companies listed on the Indonesia Sharia Stock Index (ISSI) have a proportion of debt to asset *ratio* (DAR) between 20.01% - 30%. Dar is used to measure how much of the company's assets are financed with debt. The higher this ratio means the greater the amount of loan capital used to invest in assets to generate profits for the company.

**Table 7.**Description of Debt *to Equity Ratio* (DER) Proxy

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 10.00 | 11 | 5,2 |
| 2 | 10,01 – 20,00 | 32 | 15,2 |
| 3 | 20,01 – 30,00 | 33 | 15,7 |
| 4 | 30,01 – 40,00 | 27 | 12,9 |
| 5 | ≥ 29.99 | 107 | 51,0 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 7 shows that the majority of companies listed on the Indonesian Sharia Stock Index (ISSI) have a debt to equity *ratio* (DER) of more than 40.01%.*This Debt to Equity Ratio* (DER) is used to measure the balance between the liabilities held by the company and its own capital. The higher the DER means the lower the capital used is compared to the use of debt.

**Table 8.**Description of Longterm *Debt to Asset Ratio* (LDAR) Proxy

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 10.00 | 116 | 55,2 |
| 2 | 10,01 – 20,00 | 51 | 24,3 |
| 3 | 20,01 – 30,00 | 38 | 18,1 |
| 4 | ≥ 29.99 | 5 | 2,4 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 8 shows that most of the companies listed on the Indonesian Sharia Stock Index (ISSI) have a proportion of the *Longterm Debt to Asset Ratio* (LDAR) of less than 10%. LDAR is used to measure how much long-term debt is used for investment in the asset sector. This shows the relationship between the amount of long-term loans provided by creditors and the amount of assets financed with long-term debt.

**Table 9.**Description of Proxy *Longterm Debt to Equity Ratio* (LDER)

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 10.00 | 19 | 9,0 |
| 2 | 10,01 – 20,00 | 70 | 33,3 |
| 3 | 20,01 – 30,00 | 25 | 11,9 |
| 4 | 30,01 – 40,00 | 31 | 14,8 |
| 5 | ≥ 29.99 | 65 | 31,0 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 9 shows that most of the companies listed on the Indonesian Sharia Stock Index (ISSI) have a proportion of having a *Longterm Debt to Equity Ratio* (LDER) of less than 10.01% - 20.00%. LDER is used to measure a large amount of long-term debt secured by its own capital.

**Variable Investment Opportunities**

**Table 10.**Description of Market Value *to Book Value of Asset Ratio* (MVA/BVA) Proxy

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 8.00pm | 4 | 1,9 |
| 2 | 20,01 – 40,00 | 3 | 1,4 |
| 3 | 40,01 – 60,00 | 6 | 2,9 |
| 4 | 60,01 – 80,00 | 17 | 8,1 |
| 5 | ≥ 80.01 | 180 | 85,7 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 10 shows that most of the companies listed on the Indonesia Sharia Stock Index (ISSI) have a proportion of Market Value to Book Value of Asset *Ratio* (MVA/BVA) of more than 80%. This MVA/BVA ratio represents a mix of *assets in place*ofthe company and investment opportunities..

**Table 11.**Description of The *Market to Book Value of Equity Ratio (MVE/BVE) Proxy*

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 8.00pm | 10 | 4,8 |
| 2 | 20,01 – 40,00 | 26 | 12,4 |
| 3 | 40,01 – 60,00 | 29 | 13,8 |
| 4 | 60,01 – 80,00 | 25 | 11,9 |
| 5 | ≥ 80.01 | 120 | 57,1 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 11 shows that the majority of companies listed on the Indonesian Sharia Stock Index (ISSI) have a market to Book Value of Equity *Ratio* (MVE/BVE) proportion of more than 80%.The MVE/BVE ratio reflects that the market assesses the return of the company's future investments and returnsare expected from its equity..

**Table 12.**Description of Proxy Capital *Addition to Assets Book Value Ratio (CAP/BVA)*

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 8.00pm | 163 | 77,6 |
| 2 | 20,01 – 40,00 | 34 | 16,2 |
| 3 | 40,01 – 60,00 | 5 | 2,4 |
| 4 | 60,01 – 80,00 | 2 | 1,0 |
| 5 | ≥ 80.01 | 6 | 2,9 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 12 shows that most of the companies listed on the Indonesian Sharia Stock Index (ISSI) have a proportion of capital addition to *Assets Book Value Ratio* (CAP/BVA) of less than 20%. CAP/BVA shows additional flows of productive assets, which at the same time shows the company's growth projections.

**Table 13.**Description of Proxy Capital *Addition to Asset Market Value Ratio (CAP/MVA)*

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 8.00pm | 178 | 84,8 |
| 2 | 20,01 – 40,00 | 23 | 11,0 |
| 3 | 40,01 – 60,00 | 5 | 2,4 |
| 4 | 60,01 – 80,00 | 3 | 1,4 |
| 5 | ≥ 80.01 | 1 | 0,5 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Tabel 13 shows that most of the companies listed on the Indonesian Sharia Stock Index (ISSI) have a *proportion of Capital Addition to Asset Market Value Ratio* (CAP/MVA) of less than 20%. CAP/MVA reflects a growing company with atas higher level of.investment.

**Variable Dividend Policy**

**Table 14.**Description of *Dividend Yeild* Proxy (DY)

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 1.00 | 106 | 50,5 |
| 2 | 1,01 – 2,00 | 56 | 26,7 |
| 3 | 2,01 – 3,00 | 18 | 8,6 |
| 4 | 3,01 – 4,00 | 10 | 4,8 |
| 5 | ≥ 4.01 | 20 | 9,5 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 14 shows that the majority of companies listed on the Indonesian Sharia Stock Index (ISSI) have a dividend *yeild* (DY) proportion of less than 1%. DY is a ratio to measure the comparison between dividends received by investors against the shareprice.

**Table 15.**Description of *Proxy Dividend Payout Ratio* (DPR)

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 8.00pm | 66 | 31,4 |
| 2 | 20,01 – 40,00 | 68 | 32,4 |
| 3 | 40,01 – 60,00 | 37 | 17,6 |
| 4 | 60,01 – 80,00 | 25 | 11,9 |
| 5 | ≥ 80.01 | 14 | 6,7 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 15 shows that the majority of companies listed on the Indonesian Sharia Stock Index (ISSI) have a proportion of dividend payout *ratio* (DPR) of less than 40%.*Dividend Payout Ratio* (DPR) is the ratio used to measure the proportion of dividends distributed to shareholders..ang

**Table 16.**Description of *Dividend Per Share Proxy* (DPS)

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 8.00pm | 100 | 47,6 |
| 2 | 20,01 – 40,00 | 36 | 17,1 |
| 3 | 40,01 – 60,00 | 18 | 8,6 |
| 4 | 60,01 – 80,00 | 5 | 2,4 |
| 5 | ≥ 80.01 | 51 | 24,3 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 16 shows that most of the companies listed on the Indonesian Sharia Stock Index (ISSI) have a dividend per *share* (DPS) proportion of less than 20%.*Dividend Per Share* (DPS) ratio to measure the comparison between the total dividends distributed to investors against the total outstanding shares.

**Company Value Variables**

**Table 17.**Description to Proxy *Price Earning Ratio (PER)*

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 10.00 | 116 | 55,2 |
| 2 | 10,01 – 20,00 | 66 | 31,4 |
| 3 | 20,01 – 30,00 | 20 | 9,5 |
| 4 | 30,01 – 40,00 | 6 | 2,9 |
| 5 | ≥ 29.99 | 2 | 1,0 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 17 shows that most of the companies listed on the Indonesian Sharia Stock Index (ISSI) have a proportion of the Price Earning Ratio *(PER)* of less than 10%. The United World Bank shows how much money investors have spent to pay every dollar of profit reportedin thecompany's financial statements.. This PER serves to measure changes in profit capabilities expected in the future. The larger the PER, the more likely the company is to grow so that it can increase the value of the company.

**Table 18.**Description of Price *to Book Value Proxy (PBV)*

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 8.00pm | 21 | 10,0 |
| 2 | 20,01 – 40,00 | 48 | 22,9 |
| 3 | 40,01 – 60,00 | 37 | 17,6 |
| 4 | 60,01 – 80,00 | 24 | 11,4 |
| 5 | ≥ 80.01 | 80 | 38,1 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 18 shows that the majority of companies listed on the Indonesian Sharia Stock Index (ISSI) have a proportion of Price to Book Value *(PBV)* of more than 60%.*The Price to Book Value (PBV)* indicates whether the share price traded is *overvalued* (above) or *undervalued* (below) the share book.Pbv also shows how far a company is able to create value for the company against the amount of capital invested.

**Table 19.**Description of Tobin's *Q Proxy*

| № | Value (%) | Sample Count (n) | Percentage (%) |
|---|---|---|---|
| 1 | ≤ 8.00pm | 12 | 5,7 |
| 2 | 20,01 – 40,00 | 51 | 24,3 |
| 3 | 40,01 – 60,00 | 40 | 19,0 |
| 4 | 60,01 – 80,00 | 32 | 15,2 |
| 5 | ≥ 80.01 | 75 | 35,7 |
| | **Amount** | **210** | **100,00** |

Source : Secondary Data Processed, 2020

Table 19 shows that most of the companies listed on the Indonesian Sharia Stock Index (ISSI) have a proportion of *Tobin's Q* of more than 60%.*Tobin's Q serves* to compare the ratio of the stock market value of perusahaan to the equity book value of the company.

**SEM Analysis Prerequisite Test**
**Normality Test**

**Table 20.**Normality Test Results

| One-Sample Kolmogorov-Smirnov Test | | |
|---|---|---|
| | | Unstandardized Residual |
| N | | 210 |
| Normal Parameters[a] | Mean | .0000000 |
| | Std. Deviation | 8.80943644 |
| Most Extreme Differences | Absolute | .128 |
| | Positive | .128 |
| | Negative | -.106 |
| Kolmogorov-Smirnov Z | | 1.857 |
| Asymp. Sig. (2-tailed) | | .002 |

A. Test distribution is Normal.

Source : Secondary Data Processed, 2020

From the normality test results in this study using *kolmogorov smirnov test,* where the data issaid to be distributed normally if it has a value of significance > 0.05. The results of thetunjukkantabelstudy showedin the table 20 has not been distributed normally due to the *asymp sig (2-tailed) value* of 0.002 < 0.05. As stated earlier, that a good model is to have a normal or near-normal distribution of data. Therefore, in order to obtain normal distributed data, a data transformation is carried out. After the data transformation, the normality test was again performed using the Kolmogrov-smirnov test as follows:

**Table 21.**Normality Test Results after Data Transformation

| One-Sample Kolmogorov-Smirnov Test | | |
|---|---|---|
| | | Unstandardized Residual |
| N | | 210 |
| Normal Parameters[a] | Mean | .0000000 |
| | Std. Deviation | 2.56255650 |
| Most Extreme Differences | Absolute | .081 |
| | Positive | .081 |
| | Negative | -.032 |
| Kolmogorov-Smirnov Z | | 1.177 |
| Asymp. Sig. (2-tailed) | | .125 |

A. Test distribution is Normal.

Source : Secondary Data Processed, 2020

After transformasi data, based on berdasarkan Table 21 shows the value *asym.sig.*(2 tailed) i.e. 0.125 > 0.05. So the data in this study has fulfilled the assumption of normality.

**Test *Outlier***

**Table 22.**Outlier Detection
Observations farthest from the centroid (Mahalanobis distance) (Group number 1)

| Observation number | Mahalanobis d-squared | p1 | p2 |
|---|---|---|---|
| 95 | 39.685 | .001 | .000 |
| 45 | 39.573 | .001 | .000 |
| 38 | 37.949 | .002 | .000 |
| 43 | 37.821 | .003 | .000 |
| 155 | 35.879 | .005 | .000 |
| | ..... | ..... | ..... |
| | ..... | ..... | ..... |
| | ..... | ..... | ..... |
| 102 | 14.456 | .635 | 1.000 |
| 100 | 14.429 | .637 | 1.000 |
| 182 | 14.376 | .640 | 1.000 |
| 198 | 14.304 | .645 | 1.000 |
| 185 | 13.990 | .668 | 1.000 |

Source : Secondary Data Processed, 2020

Based on Table 22,itappears that no data has an mahalonobis distance above 40,790, this indicates that there is no outlier in the analyzed data. All data can be analyzed using SEM analysis.

**Multicollinerity Test**

**Table 23.**Hasil Uji MUlticolinerity M Test Results
Correlations: (Group number 1 - Default model)

|  |  |  | Estimate |
|---|---|---|---|
| X1 | <--> | X2 | .143 |
| X2 | <--> | X3 | -.136 |
| X1 | <--> | X3 | .087 |

Source : Secondary Data Processed, 2020

Based on table 23 it can be seen that the correlation coefficient between these exogenous variables is nothing beyond 0.9, this indicates the absence of multicholinearity between the three exogenous variables so that the assumption of absence of multicholinearity has been met or there are no symptoms of multicholinearity between exogenous variables.

**Data Analysis Results**
**CONFUCIAN TESTING**
**Ownership Structure Variables**
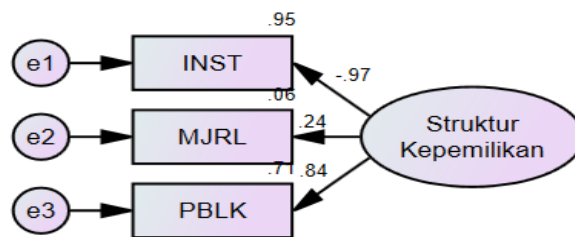


**Figure 1.** Variable Property Structure Confirmatory Test

Empirically the results of the confucian test of the proxies of ownership structures measured by Institutional Ownership (INST), Managerial Ownership (MJRL), and Public Fish Companyikan (PBLK) in figure 1,show that public ownership proxy (PBLK) contributes the most to the company's ownership structure with *an estimated loading factor* value *at standardized regression weights* of 0.845. Compared to other proxies, the *estimated value of managerial* ownership proxy loading factor (MJRL) is only 0.243 and institutional ownership proxy (INST) is (-0.975).
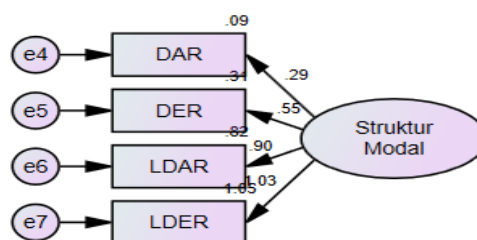
**Variable Capital Structure**



**Figure 2.** Capital Structure Variable Confirmatory Test

Empirically the results of the confory test of the proxy capital structure as *measured by debt to asset ratio* (DAR)*, Debt to Equity Ratio* (DER)*, Longterm Debt to Asset Ratio* (LDAR)*, and Longterm debt to Equity Ratio* (LDER) infigure 2,, menunjukkan bahwa proksi show that the *proxy Longterm debt to Equity Ratio* (LDER) contributes the most to the company's capital structure with an estimated loading *factor* value *at standardized regression weights* of 1,025. Compared to other proxies, the *estimated value of loading factor* proksi *proxy Longterm Debt to Asset Ratio* (LDAR) is only 0.903, the debt to equity *ratio* (DER) is 0.553, and

the Debt to Asset *Ratio* (DAR) proxy is 0.293.
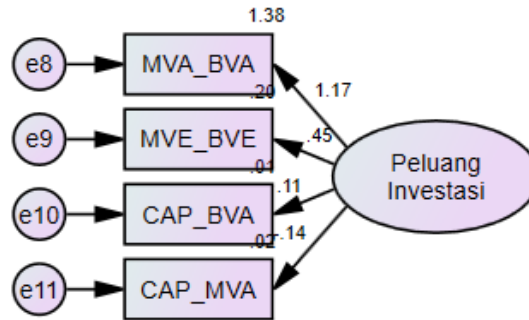
**Variable Investment Opportunities**



**Figure 3.** Variable Confor Test Investment opportunities

Empirically from the results of the confucian test against the proxy of investment opportunities *measured by Market value to book value of asset ratio (MVA/BVA),Market to Book Value of Equity Ratio (MVE/BVE),* Capital Addition to *assets book value ratio (CAP/BVA), and Capital Addition to Asset Market Value Ratio (CAP/MVA)* in figure 3,shows thatthe *market value to book value of asset ratio (MVA/BVA)* proxy contributes the most to investment opportunities in Indonesian Sharia Stock Index (ISSI) companies with an estimated loading *factor* value at *standardized regression weights* of 1,173. Compared to other proxies, the *estimated loading factor* indikator *value of the Market to Book Value of Equity Ratio (MVE/BVE)* indicator is only 0.447, the *Capital Addition to Assets Book Value ratio (CAP/BVA)* is 0.107, *and the Capital Addition to Asset Market Value Ratio (CAP/MVA)* proxy is 0.135).
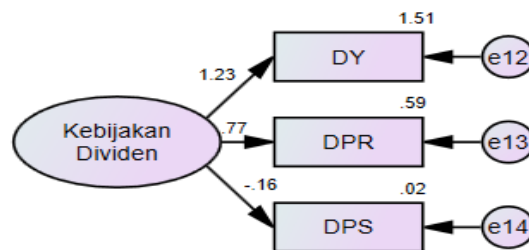
**Variable Dividend Policy**



**Figure 4.** Dividend Policy Variable Confirmatory Test

Empirically the results of the confirmatori test against dividend policy proxies measured by *Dividend Yeild* (DY), *Dividend Payout Ratio* (DPR), and *Dividend Per Share* (DPS)in figure 4,show that *dividend yeild* (DY) proxy contributes the most to the company's dividend policy with an estimated loading *factor* value *at standardized regression weights* of 1,229. Compared to other proxies, the *estimated value of* proksi dividend *payout ratio* (DPR) loading factor is only 0.768 and dividend per *share* proxy (DPS) is (-0.157).
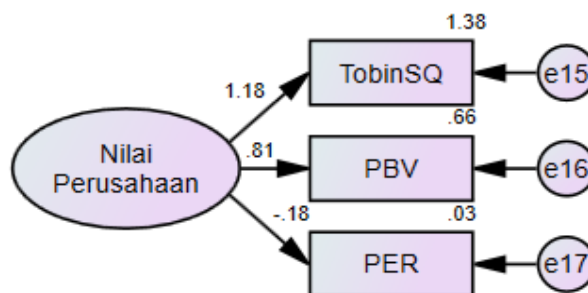
**Company Value Variables**



**Figure 5.** Corporate Value Variable Confor Test

Empirically the results of the confucian test against the company's value proxy as measured by Tobin's Q, *Price to Book Value (PBV), and* Price Earning *Ratio (PER)*in figure 5,indicate that Tobin's Q proxy contributed the most to the company's value with an *estimated loading factor value at standardized regression weights* of 1,176. Compared to other proxies, the *estimated loading factor* of *the Price to Book Value (PBV)* is only 0.812 and the Price Earning Ratio *(PER) indicator* is (-0.181).

**Model Suitability Test with *Goodnees of Fit Model***



GOODNESS OF FIT MODEL
Prob=.000; Chisquare=669.607; CMIN/DF=6.143
RMR=.071; NFI=.781; CFI=.808; TLI=.760
IFI=.809; RFI=.726; GFI=.793
AGFI=.710; RMSEA=.157
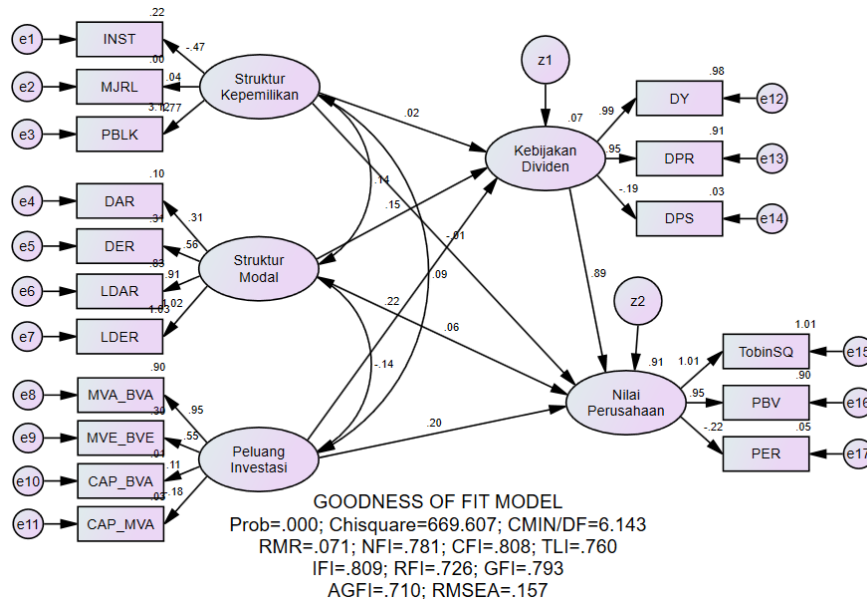
**Figure 6.** Early Model Test Results

The resultsof the full model assessment in Figure 6, showthat thereare *still goodness criteria of fit model that have* not been met,se howit looks from table 24 namely:

**Tabel 24.**Goodness *of Fit Test* on Early Models

| Goodness of fit index | Cut-off Value | Computing Results | Description |
|---|---|---|---|
| *Chi-square* | *Expected to be small* | 669,607 | Not Good Yet |
| *Probability* | $\geq.05$ | 0,000 | Not Good Yet |
| *.06 MILES AWAY* | $\leq 0.08$ | 0,157 | Not Good Yet |
| *Gfi* | $\geq.99$ | 0,793 | Not Good Yet |
| *AGFI* | $\geq.99$ | 0,710 | Not Good Yet |
| *Cfi* | $\geq.95$ | 0,808 | Not Good Yet |
| *NFI* | $\geq.99$ | 0,781 | Not Good Yet |
| *TLI* | $\geq.95$ | 0,760 | Not Good Yet |

Source: Amos Data Processing Results, 2020

From Tabel 24,that in the initial model there are still somecriteria that berlum *qualified goodness of fit* model, so it is necessary to modify the model by referring to the output of AMOS *in the modification indices table* (**Appendix 2**). Based on the *modification indices table,* there is an increase in the path between errors. The model modifications in this study can be seen in the following image:
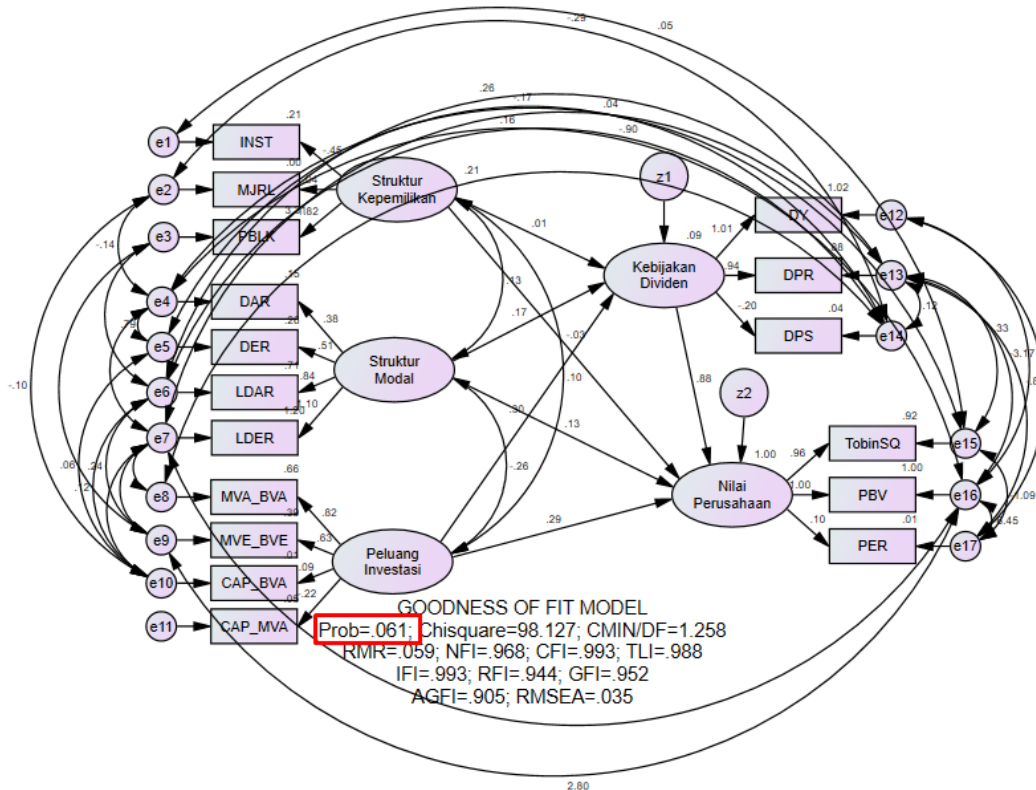
**Figure 7.** Final Model Test Results

The test results on the final full model after modification in figure 8 can be seen in the following table:

**Table 25.**Goodness *of Fit Test* on Final Model

| Goodness of fit index | Cut-off Value | Computing Results | Description |
|---|---|---|---|
| Chi-square | Expected to be small | 98,127 | Good |
| Probability | ≥.05 | 0,061 | Good |
| .06 MILES AWAY | ≤ 0.08 | 0,035 | Good |
| Gfi | ≥.99 | 0,952 | Good |
| AGFI | ≥.99 | 0,905 | Good |
| Cfi | ≥.95 | 0,993 | Good |
| NFI | ≥.99 | 0,968 | Good |
| TLI | ≥.95 | 0,988 | Good |

Source: Amos Data Processing Results, 2020

Referring to Figure 7 and Table Tabel 25,which are the test results of the *goodness of fit model,* *indicates* that the model is acceptable because it already has or meets the *goodness of fit* criteria. Thus, testing of the causality hypothesis can be done for this final model (Ferdinand, 2014).

**Hypothetical Test Results**

**Table 26.**Research Hypothesis Test results

| № | Variable | | | Direct Effects | Indirect Effects | Total Effects | P-Value | Description |
|---|---|---|---|---|---|---|---|---|
| | Free Variables | Intervening Variables | Bound Variables | | | | | |
| 1 | Ownership structure (X1) | Dividend Policy (Y1) | - | 0,007 | 0,000 | 0,007 | **0,767** | Positive No. Significant |
| 2 | Capital Structure (X2) | Dividend Policy (Y1) | - | 0,173 | 0,000 | 0,173 | **0,004** | Positive and Significant |
| 3 | Investment opportunities (X3) | Dividend Policy (Y1) | - | 0,300 | 0,000 | 0,300 | **0,260** | Insignificant Positives |
| 4 | Ownership structure (X1) | - | Company Value (Y2) | -0,031 | 0,000 | -0,031 | **0,171** | Insignificant Negatives |
| 5 | Capital Structure (X2) | - | Company Value (Y2) | 0,130 | 0,000 | 0,130 | **0,000** | Positive and Significant |
| 6 | Investment opportunities | - | Company Value (Y2) | 0,288 | 0,000 | 0,288 | **0,243** | Insignificant Positives |

| № | Variable | | | Direct Effects | Indirect Effects | Total Effects | P-Value | Description |
|---|---|---|---|---|---|---|---|---|
| | Free Variables | Intervening Variables | Bound Variables | | | | | |
| | (X3) | | | | | | | |
| 7 | - | Dividend Policy (Y1) | Company Value (Y2) | 0,878 | 0,000 | 0,878 | **0,000** | Positive and Significant |
| 8 | Ownership structure (X1) | Dividend Policy (Y1) | Company Value (Y2) | -0,031 | 0,006 | -0,025 | **0,766** | Insignificant Positives |
| 9 | Capital Structure (X2) | Dividend Policy (Y1) | Company Value (Y2) | 0,130 | 0,152 | 0,282 | **0,005** | Positive and Significant |
| 10 | Investment opportunities (X3) | Dividend Policy (Y1) | Company Value (Y2) | 0,288 | 0,263 | 0,551 | **0,262** | Insignificant Positives |

Source: Amos Data Processing Results, 2020

Hypothetical test results based on Table 29 can be interpreted as follows:

**Hypothesis 1 : Ownership Structure has a significant positive effect on dividend policy**

Hypothesis testing of ownership structure influence (X1) on dividend policy (Y1) can be proven by probability of 0.767 > 0.05. And the *standardized regression weights estimate of* 0.007 is a positive value that indicates a positive direction, meaning that the higher the ownership structure ratio it will tend to increase the dividend policy ratio. It can be concluded that the change in ownership structure is positive but not significant to the increase in dividend policy. As such, these results suggest that there is insufficient empirical evidence to reject the hypothesis **(H1) that** the ownership structure has a positive but insignificant effect on dividend policy.

**Hypothesis 2 : The capital structure has a significant positive effect on dividend policy**

Hypothesis testing of the influence of capital structure (X2) on dividend policy (Y1) can be proven by a probability of 0.004 ≤0.05. And the *standardized regression weights estimate of* 0.173 is a positive value that indicates a positive direction, meaning that the higher the capital structure ratio will likely further increase the dividend policy ratio. It can be concluded that the change in capital structure is positive and significant towards the increase in dividend policy. Thus, these results suggest that there is insufficient empirical evidence to accept the hypothesis **(H2) that** the capital structure has a positive and significant effect on dividend policy.

**Hypothesis 3 : Investment opportunities have a significant positive effect on dividend policy**

Hypothesis testing of the influence of investment opportunities (X3) on dividend policy (Y1) can be proven by probability of 0,260 > 0.05. And the *standardized regression weights estimate of* 0.300 is a positive value that indicates a positive direction, meaning that the higher the ratio of investment opportunities it will tend to further increase the dividend policy ratio. It can be concluded that the change in investment opportunities is positive but not insignificant to the increase in dividend policy. As such, these results suggest that there is insufficient empirical evidence to reject the hypothesis **(H3) that** investment opportunities have a positive but insignificant effect on dividend policy.

**Hypothesis 4 : Ownership Structure has a significant positive effect on the value of the company**

Hypothesis testing of ownership structure influence (X1) on company value (Y2) can be proven by probability of 0.171 > 0.05. And the *standardized regression weights estimate* of (-0.031) is negative which indicates a negative direction, meaning that the higher the ownership structure ratio it will tend to lower the company's value ratio. It can be concluded that changes in the ownership structure have a negative but insignificant effect on the increase in the value of the company. Thus, these results suggest that there is insufficient empirical evidence to reject the hypothesis **(H4)** that the ownership structure negatively affects and is insignificant to value.

**Hypothesis 5 : The capital structure has a significant positive effect on the value of the company**

Hypothesis testing of the influence of capital structure (X2) on the value of the company (Y2) can be proven by a probability of 0.000 ≤0.05. And the *standardized regression weights estimate of* 0.130 is positive which indicates a positive direction, meaning that the higher the capital structure ratio will tend to increase the company's value ratio. It can be concluded, the change in the capital structure is positive and significant towards the increase in the value of the company. Thus, these results show that there is insufficient empirical evidence to accept the hypothesis **(H5)** that the capital structure has a positive and significant effect on the value of the company.

**Hypothesis 6 : Investment opportunities have a significant positive effect on the value of the company**

Hypothesis testing of the influence of investment opportunities (X3) on the value of the company (Y2) can be proven by a probability of 0,243 > 0.05. And the *standardized regression weights estimate of* 0.288 is positive which indicates a positive direction, meaning that the higher the ratio of investment opportunities it will tend to further increase the company's value ratio. It can be concluded, the change in investment opportunities in the direction of investment is positive but not insignificant to the increase in the value of the company. Thus, these

results show that there is insufficient empirical evidence to reject the hypothesis **(H6)** that investment opportunities have a positive but insignificant effect on the value of the company.

**Hipotesis 7 : The dividend policy has a significant positive effect on the value of the company**

Hypothesis testing of the effect of dividend policy (Y1) on the value of the company (Y2) can be proven by a probability of 0.000 ≤0.05. And the *standardized regression weights estimate of* 0.878 is a positive value that indicates a positive direction, meaning that the higher the dividend policy ratio it will tend to increase the company's value ratio. It can be concluded that the increase in dividend policy is positive and significant to the increase in the value of the company. Thus, these results suggest that there is insufficient empirical evidence to accept the hypothesis **(H7)** that dividend policies have a positive and significant effect on the value of the company.

**Hypothesis 8: There is a significant indirect influence between ownership structures on the value of companies mediated by dividend policies.**

Hypothesis testing of the influence of ownership structure (X1) on the value of the company (Y2) mediated by dividend policy (Y1) is carried out with sobel*test*. Based on the results of the sobel test (Appendix 3), it is obtained the probability value of the indirect influence of the ownership structure (X1) on the company value (Y2) mediated by the dividend policy (Y1) of 0.766 > 0.05. And the indirect*effect coefficient value of*0.006 is positive which indicates a positive direction, meaning that the higher the ratio of the ownership structure will tend to further increase the dividend policy ratio and will further increase the value of the company. It can be concluded that the change in ownership structure in the direction of ownership is positive but not insignificant to the increase in the value of the company mediated by the dividend policy. Thus, these results suggest that there is insufficient empirical evidence to reject the hypothesis **(H8)** that the ownership structure has a positive but insignificant effect on the value of the company through its dividend policy.

**Hypothesis 9 : There is a significant indirect influence between the capital structure on the value of the company mediated by the dividend policy.**

Hypothesis testing of the influence of capital structure (X2) on the value of the company (Y2) mediated by dividend policy (Y1) is carried out with sobel*test*. Based on the results of the sobel test (Appendix 3), the probability value of the indirect influence of the capital structure (X2) on the company value (Y2) mediated by the dividend policy of 0.005 ≤ 0.05. And the value of*the indirect effect coefficient*of0.152 is positive which indicates a positive direction, meaning that the higher the ratio of the capital structure will likely further increase the dividend policy ratio and will further increase the value of the company. It can be concluded, the change in the capital structure is positive and significant towards the increase in the value of the company mediated by the dividend*policy*. Thus, these results show that there is insufficient empirical evidence to accept the hypothesis **(H15)** that the capital structure has a positive and significant effect on the value of the company through its dividend policy.

**Hypothesis 10 : There is a significant indirect influence between investment opportunities on the value of companies mediated by dividend policies.**

Hypothesis testing of the influence of investment opportunities (X3) on the value of the company (Y2) mediated by dividend policy (Y1) is carried out with sobel*test*. Based on the results of the sobel test (Appendix 3), it is obtained the probability value of the indirect influence of investment opportunities (X3) on the value of the company (Y2) mediated by the dividend policy of 0.261 > 0.05. And the value of*the indirect effect coefficient*of0.263 is positive which indicates a positive direction, meaning that the higher the ratio of investment opportunities will tend to further increase the dividend policy ratio and will further increase the value of the company. It can be concluded, the change in investment opportunities in a positive direction but not insignificant to the increase in the value of the company mediated by the dividend policy. As such, these results suggest that there is insufficient empirical evidence to reject the hypothesis **(H10)** that investment opportunities have a positive but insignificant effect on the value of the company through dividend policies.

## V. Discussion

**Effect of Ownership Structure on Dividend Policy**

The results showed that the ownership structure had a positive but insignificant effect on the dividend policy. This is evidenced by a *positive estimate* of 0.007 and a significant value of 0.767 > 0.05. This means that an increase in the ratio of the company's shareholding structure, whether owned by institutions or institutions, managerial, and public will be followed by an increase in dividend policy.The structure of kepemilikan in this case is believed to have the ability to influence the course of companies listed in the Indonesian Sharia Stock Index *(ISSI)*, so that it affects theamount of dividends to bepaid,although the effect does not appear to be significantor has little real impact.. The positive influence between the ownership structure and the dividend policy shows that with the spread of the proportion of ownership shares owned by both institutions, managerial and public it will have an impact on dividend policy. This proves that the cooperation and cooperation provided by the owner of the institution's shares to the management in this case the managerial

ownership can be carried out properly, as is the trust of the community represented by public ownership.

This finding contradicts some of the research conducted (Al-Gharaibeh, Zurigat, & Al-Harahsheh, 2013; Nasrum & Burhami, 2014; Rasyid, 2015; Reyna, 2017; Setiawan, Bandi, Phua, & Trinugroho, 2016; Ullah et al., 2012) states that the ownership structure of both institutional, managerial and public ownership plays an important role in the company's dividend policy. Where the higher the shareholding, the higher the ratio in dividend payments. Similarly, the research by Shah, *et al.,* (2010);Jayanti and Puspitasari (2017);Al-Qahtani and Ajina (2017) that the presence of managerial ownership in particular will be able to increase the distribution of dividends which is atool of the rollermanagement of a company.. From the above study, that the ownership structure, whether viewed from institutional ownership, managerial ownership, and public ownership, will have an impact on dividend policy. However, unlike what happens to companies listed in the Indonesian Sharia Stock Index *(ISSI),* where the ownership structure has less of a real impact on the company's policy of making dividend payments..

**Effect of Capital Structure on Dividend Policy**

The results showed that the capital structure had a positive and significant effect on dividend policy. This is evidenced by a *positive estimate* of 0.173 and a significant value of $0.004 \leq 0.05$. This means that an increase in the capital structure ratio will be followed by an increase in dividend policy.The combination of the selection of optimal capital structure is something that should get attention from management because it will influence the level of cost of capital that must be borne by the company *as* well as to the dividend policy to maintain the source of funds from equity. The capital structure in this case is believed to have the ability to influence the course ofthe company sampled in research in the Indonesian Sharia Stock *Index (ISSI)*, so that it will be affectedin the amount of dividends to be paidto shareholders.

The findings of this study are in line with research conducted in Pakaskitan by Rahman et al., (2017) found a significant relationship between capital structure and dividend policy.. Sang*et al's research (*2015) found a significant relationship between capital structure and dividend policy in industrial companies listing on the NSE. Similarly, in other research that proves the capital structure will have a significant impact on the increase inpolicyn dividends (Javed & Akhtar, 2012; Rehman, 2016; Yasin & Wepukhulu, 2019). However, in contrast to research by Al-Najjar and Kilincarslan (2016) that proves that the capital structure as measured *by family involvement, domestic financial institutions and minority shareholders* has a significant negative effect on dividend payments perbusiness in Turkey.

**Effect of Investment Opportunities on Dividend Policy**

The results showed that investment opportunities had a positive but insignificant effect on dividend policy. This is evidenced by a *positive estimate* of 0.300 and a significant value of $0.260 > 0.05$. This means that the increase in investment opportunity ratio seen by Market Value to Book Value of *Asset Ratio* (MVA/BVA), *Market to Book Value of Equity Ratio* (MVE/BVE), *Capital Addition to Assets Book Value Ratio* (CAP/BVA), *and Capital Addition to Asset Market Value Ratio* (CAP/MVA), will be followed by an increase in dividend policy.Investment opportunities in this case are believed to have the ability to influence the course of companies listed in the Indonesian Sharia Stock Index *(ISSI),* so that it will have animpact on the amountof dividends to be paid, although the effect does not appear to have a significant or less tangible impact. The findings of this study are in line with Margadjie (2010) in its research which proves that investment opportunities do not have a significant influence on dividend policy. But in contrast to the research conducted nadeem et al., (2018) leads that investment opportunities have a significant positive influence on dividend payments in banking sector companies in Pakistan. This means that by investing in a project that is insanity it will lead to an increase in dividend payments.

**The Effect of Ownership Structure on Company Values**

The results showed that the ownership structure had a negative but insignificant effect on the value of the company. This is evidenced by the *negative estimate* value of (-0.031) and the significant value of $0.171 > 0.05$. That is, an increase in the number of corporate shareholding structures owned by institutions or institutions, ownership of company shares owned by managers, or public shareholdings, will be followed by a decrease in the value of the company.The structure of kepemilikan in this case has an influence but is not significant in affecting the course of the company that is sampled in the investigation in the Indonesian Sharia Stock Index *(ISSI).* This finding is due to the continued asmetric information held by managers with institutional shareholders.

This research is in line with research conducted by Demsetz and Villalonga (2001) in the United States whose ownership structure spreads, finding results that there is no relationship between the ownership structure and the profit of the company as a proxy of the company's value. Similarly, the research by Leech and Leahy(1991);  Slovin and Sushka (1993) bawha ownership concentration negatively affects the value of the company. further in rasyid research (2015) in its findings proves that the ownership structure negatively and insignificant to the value of the company.

**Effect of Capital Structure on Company Value**

The results showed that the capital structure had a positive and significant effect on the value of the company. This is evidenced by a *positive estimate* of 0.130 and a significant value of 0.000 ≤0.05. That is, the increase in the capital structure ratio will be followed by an increase in the value of the company.The capital structure in this case has the ability to influence the course of the company as a research sample in the Indonesian Sharia Stock Index *(ISSI).* This can happen because companies that can be classified as sharia stock indices must meet financial ratios in accordance with sharia principles set out through the Fatwa of the National Sharia Council (DSN- MUI) together with the Financial Services Authority (OJK).

The findings of this study are in line with research conducted by Rehman (2016) which suggests that variable capital structure and dividend policy have a significant impact on the variable dependent value of the company projected with Tobin's Q.Jubaedah et al.(2016); Sudiani and Wiksuana (2018), showed that financial performance, capital structure and economic factors affect thevalue of the company, other findings there is a positive and significant relationship to the value of the company. The same finding of Rasyid(2015) isthat the capital structure in this case the debt ratio has a significant influence on the value of the company. But the findings differed by Mahdaleta, et al (2016) which found that the capital structure (debt ratio) had a negative and significant effect on the value of the company.

**The Effect of Investment Opportunities on The Value of the Company**

The results showed that investment opportunities had a positive but insignificant effect on the value of the company. This is evidenced by a *positive estimate* of 0.288 and a significant value of 0.243 > 0.05. This means that an increase in the investment opportunity ratio will be followed by an increase in the value of the company.Investment opportunities in this case are believed to have the ability to influence the course of the company that was sampled in the research in *the Indonesian Sharia Stock Index (ISSI)*, so that it has an influence in theincrease in the value of the company, although changes in the value of the company provide lesstangible (insignificant) effect.

This research is in line with the findings from Esana & Darmawan (2017)and Piristina & Khairunnisa (2018) that investment opportunities have no significant effect on the value of consumer goods industry sector companies listed on the Indonesia Stock Exchange for the period 2006 to 2016. Other research conducted by Bernadi (2007) and Kallapur & Trombley (1999) found that the investment had no effect on the value of the company.In contrast to the results of research conducted by Saifi et al.(2016) and Sudiani & Wiksuana (2018) that if the Investment Opportunity *increases then* the value of the company will increase because the higher the opportunity of the company to invest and expected to get a higher *return.Investment Opportunity shows* the company's growth potential, making it an attraction for investors because it will benefit future investors.

**Effect of Dividend Policy on Company Value**

The results showed that the dividend policy had a positive and significant effect on the value of the company. This is evidenced by the coefficient of a positive path of 0.878 and a significant value of 0.000 ≤0.05.This means that an increase in dividend policy will be followed by an increase in the value of the company.The dividend policy in this case is believed to have the ability to influence the course of the company sampled in research in *the Indonesian Sharia Stock Index,*so that it will be influencedin the increase in the value of thecompany.

The findings of this study are in line with research conducted by Anton (2016) on companies listing in Romanian found that *dividend payouts have* a positive effect on the value of the company. These findings suggest that managers can create value for the company by increasing dividends to an oftimal level. Research by (Budagaga, 2017; Herawati & Mahfudnurnajamuddin, 2018; Nasrum & Burhami, 2014; Nwamaka & Ezeabasili, 2017; Rehman, 2016; Sartini & Purbawangsa, 2014; Sudiani & Wiksuana, 2018) found that dividends as a rating model prove that the value of the company is heavily influenced by the dividend policy.

**Effect of Ownership Structure on Company Value through Dividend Policy**

The results showed that the ownership structure had a positive but insignificant effect on the value of the company through its dividend policy. This is evidenced by a *positive estimate* of 0.006. This value is derived from the multiplication between the coefficient of the direct influence path of the ownership structure (0.007) and the coefficient of the direct influence path of the dividend policy (0.878). The significance is 0.766 > 0.05. This means that an increase in the shareholding ratio of both shares of companies owned by institutions, managerial, and public, will be followed by an increase in the value of the company if mediated by the dividend policy although it does not have a significant mediation effect on the value of the company.

Referring to the calculation of indirect influence that leads to the amount of indirect influence between ownership structures on the value of companies mediated by the dividend policy on sharia stock index companies is (0.006). As for the direct influence between the corporate structure of the company is (-0.031), this value indicates that the value of indirect influence is greater than the value of direct influence. That is, the dividend policy gives the positive mediation effect of the ownership structure to the value of the company. Therefore the dividend policy becomes one of the arternatifs that can be used to increase the value of the company, if the company's value structure cannot have a better effect on the value of the company.

**Effect of Capital Structure on Company Value through Dividend Policy**

The results showed that the capital structure had a positive and significant effect on the value of the company through the Dividend Policy. This is evidenced by a *positive estimate* of 0.152 and a significant value of $0.005 \leq 0.05$. This means that an increase in the capital structure ratio will be followed by an increase in dividend policy.The capital structure in this case is believed to have the ability to influence the course of the companysampledin the research in the Indonesian Sharia Stock Index *(ISSI)*, thus having an effect in increasingdividend payments and its implications on the value of the company as it increases.

Referring to the calculation results that show the amount of indirect influence between the capital structure on the value of the company mediated dividend policy on sharia stock index companies namely (0.152) which is greater than the direct influence value (0.130). That is, the dividend policy gives the effect of mediation of the capital structure to the value of the company. Therefore, management in managing sharia stock index companies should be able to maintain the optimal composition of its capital structure and maintain a dividend policy every year will increase the capacity of shareholders and other investors so that by itself will increase the value of the company.

**Effect of Investment Opportunities on Company Value through Dividend Policy**

The results showed that investment opportunities had a very insignificant effect on the value of the company through the Dividend Policy. This is evidenced by a *positive estimate* of 0.263 and a significant value of 0.262 > 0.05. This means that the increase in the investment opportunity ratio will be followed by an increase in the value of the company mediated by the dividend policy, although the effect is relatively small.The dividend policy in this case is less robust in mediating the effect of investment opportunities on the value of the company.

Referring to the results of research that shows the indirect influence of investment opportunities on the value of the company through the dividend policy on sharia stock index companies namely (0.263) and the direct influence value of investment opportunities is greater (0.288). That is, poksi open dividend policy is a mediation that is able to provide more value between investment opportunities against the value of the company. This is because if the company decides to take a large investment opportunity it will require a large additional fund anyway. Therefore in an effort to increase the value of the company the direct influence is much greater giving the cost of the distribution is banded with indirect influence.

## VI. Conclusions And Suggestions

The results found that there wasa positive butinsignificant direct influence between ownership structures and dividend policies. There is a positive and significant direct influence between the capital structure and the dividend policy.Thereis a positive but insignificant direct influence between investment opportunities and dividend policy. There is an insignificant direct influence between ownership structures on the value of the company. There is a positive and significant direct influence between the capital structure and the value of the company. There is a positive but insignificant direct influence between investment opportunities on the value of the company. There is a positive and significant direct influence between dividend policies on the value of the company. There is an insignificant positive indirect influence between the ownership structure and the value of the company through the dividend policy. There is a positive and significant indirect influence between the capital structure and the value of the company through the dividend policy. There is an insignificant positive indirect influence between investment opportunities on the value of the company through dividend policies.

Based on the conclusion of the research, the advice given from this research is that all variables have a positive influence on the value of the company so that for the owner of the company *(shareholder)*, Managementas *manager (Agent), Creditor and* especially the prospective investor can be a consideration material in making decisions in order to increase the value of the company. For companies that

(issuers) should consider the proportion of institutional ownership structure, managerial ownership, public ownership, optimal capital structure, and investment opportunities so that dividend policy and company value can be increased. Dividend policy conducted by companies listed as Indonesia Sharia Stock Index (ISSI) for the period 2013 to 2017 needs to be further improved, as researchers see some companies as not yet maximal in implementing dividend policies so that this can affect the value of the company

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