e_Jurnal Ilmiah Riset Akuntansi Vol. 13 No. 01 2024, Hal 343-354
http://jim.unisma.ac.id/index.php/jra, ISSN :2302-706

The Influence of Financial Performance and Capital Structure on Company Value With Company Size as Moderating Variable (Empirical Study on Insurance Subsector Financial Services Companies listed on the Indonesia Stock Exchange for the Period 2019 - 2022)

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ABSTRACT

The purpose of this research was to examine and evaluate the effects of financial performance and capital structure on the value of a company, with the size of the company acting as a moderating factor. A quantitative methodology, grounded in a correlational design, was employed for this study. The research utilized secondary data obtained from the Indonesia Stock Exchange (IDX), focusing on annual reports from entities within the insurance sub-sector for the period of 2019 to 2022. The dataset included a compilation of 40 entries. The process of sample selection was carried out through a purposive sampling strategy. For data analysis, a moderation regression analysis technique was utilized, with the analysis being conducted via the SPSS software. The investigation reveals that within the insurance sub-sector of financial services, the collective variables of Financial Performance, Capital Structure, and Company Size significantly impact the value of corporations listed on the Indonesia Stock Exchange from 2019 to 2022. When examined individually, Financial Performance and Company Size fail to affect Company Value significantly, nor does Company Size act as an effective moderating factor for the Financial Performance and Capital Structure variables. In contrast, Capital Structure is recognized as exerting a considerable influence on the Company Value of entities within the same sub-sector of financial services, as listed on the Indonesia Stock Exchange over the timeframe above.
Keywords: *Financial performance, capital structure, company value, company size.*

INTRODUCTION

In the contemporary realm of commerce, numerous burgeoning enterprises strive to generate profit and enhance the calibre of their operations to surpass rival firms. For the administration of its affairs, an enterprise unequivocally necessitates the expertise of a manager to aid in formulating decisions aimed at elevating performance and fostering perpetual advancement. The significance of managers within an organization is paramount; however, the augmentation of a company's quality and profitability is not solely contingent upon managerial roles but also on additional elements, including company and financial factors.

Investors embarking on investment ventures necessitate an extensive array of information pertaining to the enterprises in which they aim to invest. The requisite data for these investors is accessible through the analysis of the company's stock performance and its financial declarations. Such an evaluation is crucial for investors to forecast the maximum yield they anticipate receiving. Furthermore, investors need to acquaint themselves with the variables that will influence the future performance of the company.

Fluctuations influence investment decisions by investors in company value. An elevated company value corresponds to a diminished risk for investors. (Hery 2017) posits that company value represents a specific status attained by a company following a sequence of activities spanning several years, epitomizing societal confidence in the company. An upsurge in share price enhances the company's value, culminating in optimal wealth creation for its shareholders. Consequently, a company's share price elevation directly amplifies shareholder wealth, underscoring the significance of company value to investors. (Emanuel dan Rasyid 2019) Further elucidate that company value is the outcome of a myriad of activities conducted over numerous years, mirroring the collective trust of the public in the company. By augmenting company value, investors anticipate a share in the profits, thereby increasing the wealth of the owners through their investment in capital.

(Mudjijah, Khalid, and Astuti 2019) Posit that an augmentation in the value of a company may signify a concurrent elevation in investor prosperity. Consequently, it is anticipated that the management of a company will endeavour to forge exemplary company performance, with the ultimate aim of enhancing the company's value. The potential of a company is discernible through its management of financial performance. The financial stance of a company, indicative of its performance over a designated duration, is elucidated through the employment of financial analysis instruments, thereby determining the company's financial health as either favourable or unfavourable (Fahmi, 2016).

Beyond the sphere of financial performance that intersects with the valuation of a company, the concept of capital structure emerges as an instrumental consideration for prospective investors contemplating capital commitments in a business entity. The essence of a company's operation and its consequent success is often encapsulated within its capital structure. Hence, this structure serves as a foundational criterion for investors when deliberating on the infusion of capital into a company. This is because the capital structure, delineating the amalgamation of capital, total liabilities, and total assets, plays a pivotal role in the assessment of risk levels, profit margins, and potential revenue accruable to the company. The risk profile of a company, alongside its profit and revenue projections, significantly influences the fluctuating demand for its shares, which, in turn, impacts the company's market valuation.

The constitution of a corporation's Capital Structure fundamentally manifests as a ratio, explicitly illustrating the share of debt (debt financing) within the entity. Consequently, debt emerges as a quintessential element within a firm's Capital Structure. The intrinsic value of Capital Structure resides in its ability to amplify productivity and escalate operational efficiency. The Trade-off Theory expounds upon the notion that the purpose underlying a corporation's financial strategy is to identify the ideal amalgamation of debt and equity forming its Capital Structure, thus elevating the Company Value to its pinnacle. Studies undertaken by (Pratama and Wirawati 2016) as well as (Saputra et al. 2022) have demonstrated a positive linkage between Capital Structure and Company Value. In contrast, the investigative outcomes from (Dayanty and Setyowati 2020) imply that Capital Structure has a detrimental effect on the valuation of a firm.

(Pratama, I. G. B. A., & Wiksuana 2016) Assert that companies vary in size, with larger entities possessing greater capital, thereby facilitating the acquisition of operational funds. This, in turn, influences management's decision-making, particularly in securing financing to enhance Company Value. Conversely, (Sylvia Veronica Siregar 2018) asserts that there exists an inverse relationship between Company Size and Company Value. This argument is founded on the premise that Company Size reflects the aggregate assets possessed by a corporation; thus, an increase in Company Size requires a significant infusion of capital to maintain its operational activities.

The scale of a company's assets defines its size. An augmentation in the assets possessed by the company enhances its attractiveness to investors. Consequently, this elevation in investor interest leads to an increase in the company's share price, potentially influencing an uplift in the company's value. Companies of larger size are generally endowed with greater organizational resources, offering enhanced opportunities for the amelioration of their financial performance (Mudjijah, Khalid, and Astuti 2019). The magnitude of a business, commonly referred to as "Business Size," is ascertainable through the quantification of assets possessed by the entity (Wimelda dan Marlinah 2013).

LITERATURE REVIEW

Signal Theory

The concept of signalling theory pertains to the method by which corporations convey information, elucidating that their condition surpasses that of their competitors (Pratama & Wirawati, 2016). Furthermore, this theory clarifies for the users of financial statements that an absence of information asymmetry exists between the corporation and its investors, with the corporation possessing greater knowledge regarding its condition than the investors. Hence, the signalling theory emerges as a framework with the potential to affect a firm's value. An enhancement in the financial performance of a company is regarded as a favourable indication, reflective of the company's strong vitality. Conversely, a decline in financial performance is interpreted as an adverse indication, signalling a reduction in the company's health, thus broadcasting a negative signal (Mudjijah et al., 2019).

Agent Theory

In the research at hand, the foundational theoretical framework employed is that of agency theory. Agency theory articulates a collaborative dynamic between two distinct entities: the agents, who embody the management, and the clients or shareholders. According to (Pratama and Wirawati, 2016), agency theory posits that the escalation of management's equity ownership serves as a mechanism to ameliorate conflicts of interest between management and shareholders. It is predicated on the assumption that individuals pursue their interests. The enhancement of the corporation's financial performance affords management the opportunity to elevate both the firm's operational success and the prosperity of its shareholders.

Company Value

Company Value represents a quantitative assessment of a corporation's significance from the perspective of investors and diverse stakeholders, correlating the company's worth with its stock price. The enhancement of shareholder value, signifying the elevation of stock prices, constitutes the primary objective of company proprietors, as elevated shareholder value denotes substantial shareholder wealth (Aulia and Yulianti 2019).

Financial Performance

The financial performance of an enterprise is mirrored in the company's financial standing, serving as an indicator of its efficacy in profit generation utilizing available assets. This enables the evaluation of the firm's financial condition, future outlook, and expansion, among other aspects, to determine whether they are favourable or not. Consequently, superior financial performance is linked with promising prospects for the corporation, thereby elevating the interest of investors in acquiring shares. Enhancements in financial performance are likely to stimulate shareholder investment in the enterprise (Plutzer 2021).

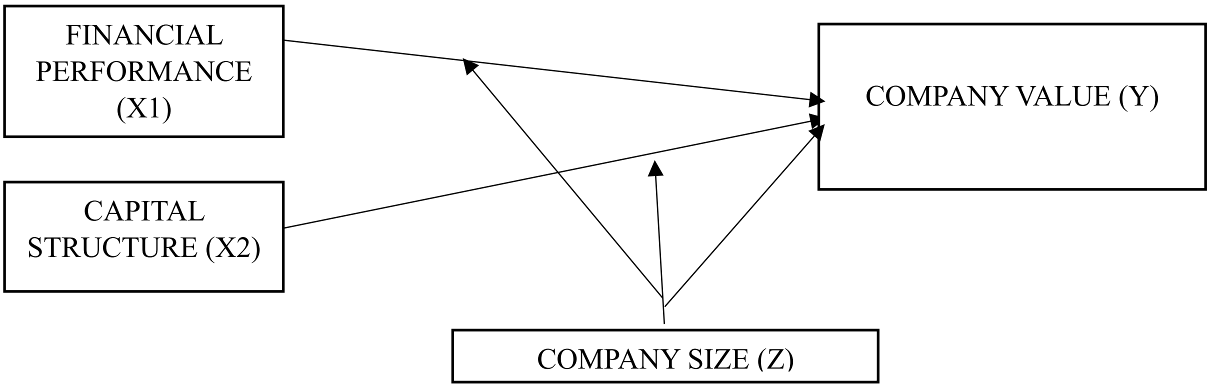
Capital Structure

Mudjijah and colleagues (2019) assert that Capital Structure represents a steadfast ratio of equity to debt. As such, Capital Structure plays a pivotal role in meeting the company's needs through long-term financing sources, which are procured from both internal and external channels of the corporation. It is frequently considered the foundational element in boosting the Financial Performance and efficacy of the company. The duty of ensuring that the Capital Structure is maintained at its most advantageous level for the company's benefit lies with its management.

Company Size

The magnitude or measure of a company, referred to as Company Size, can be discerned through the volume of assets it possesses (Wimelda and Marlinah, 2013). Companies of larger scale are typically characterized by diversification and a heightened resilience to the risk of insolvency, alongside a diminished likelihood of encountering financial adversities.

Conceptual Framework



Research Hypothesis

H1: Financial performance has a positive effect on company value in financial services companies in the insurance subsector listed on the IDX during 2019-2022.

H2: Capital structure has a positive effect on company value in financial services companies in the insurance subsector listed on the IDX during 2019-2022.

H3: Company size has a significant positive effect on company value in financial services companies in the insurance subsector listed on the IDX during 2019-2022.

H4: Company size moderates the influence of financial performance on company value in financial services companies in the insurance subsector listed on the IDX during 2019-2022.

H5: Company size moderates the influence of capital structure on company value in financial services companies in the insurance subsector listed on the IDX during 2019- 2022.

RESEARCH METHODS

Type, Location and Time of Research

The research, characterized by its correlational nature, employs quantitative methodologies. The timeframe for this scholarly investigation extends from November 2023 through March 2024.

Research Population and Sample

The methodology employed for sample selection was that of purposive sampling. The criteria for selecting the sample included:

1. Entities operating within the insurance subsector of financial services, which have been consistently listed on the IDX throughout the period extending from 2019 to 2022.
2. Organizations that have maintained a profitable stance without incurring losses throughout the years 2019 to 2022.
3. Corporations that disclose their financial statements in the rupiah currency.

Based on the above criteria, 40 (10x4) samples were included from the insurance subsector financial services companies.

Operational Definition of Variables

Independent variable

Company Value

This metric contrasts the market capitalization of a firm's equity with its documented book value. A heightened price-to-book value (PBV) denotes the market's optimism regarding the future potential of the company. The formulation of PBV is as follows (Saddam and Sarwani 2021).

$$\boldsymbol{Price\ to\ Book\ Value\ (PBV) = \frac{share\ price\ per\ share}{book\ value\ per\ share}}$$

Financial Performance

(Sartono 2015) delineates that the Return on Assets, which is ascertainable through the subsequent equation:

$$\boldsymbol{Return\ on\ assets\ (ROA) = \frac{Net\ profit}{Total\ Assets}\ \mathrm{x}\ 100\%}$$

Capital Structure

This ratio, as elucidated by (Plutzer 2021), is derived through the comparison of the aggregate debt, encompassing both current and long-term obligations, with the total equity of the company. The calculation employs the subsequent formula:

$$\boldsymbol{Dept\ to\ equity\ ratio(DER) = \frac{Total\ debt}{Total\ equity}}$$

Company Size

The calculation of Company Size can be executed by evaluating the scale of the company's assets. This variable is determined through the computation of the natural logarithm of the aggregate assets (J 2020).

SIZE = Ln (Total Assets)

Data Collection Sources and Methods

Secondary data, procured from the formal repositories of the Indonesia Stock Exchange, is obtained via the documentation method.

Data Analysis Method

In this study, the analytical approach hinges on the utilization of a moderation regression model for the examination of data. Four variables are identified as predictors within this investigation, namely Financial Performance, Capital Structure, and Company Size - the latter functioning as a moderating variable. In contrast, the variable that is subject to influence, referred to herein as the Company Value, is designated as the dependent variable. The formula utilized in this study is delineated as follows:

$$\mathbf{Y = \alpha 3 + \beta 6X1 + \beta 7X2 + \beta 8Z + \beta 9X1{*}Z + \beta 10X2{*}Z + e}$$

RESEARCH RESULTS AND DISCUSSION

Research Overview

The investigation aimed to determine the influence of Financial Performance and Capital Structure on Company Value while considering Company Size as a moderating factor throughout the period of 2019 to 2022, incorporating an extensive sample comprising 40 entities.

Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PBV	40	.00	7.74	1.0382	1.28331
ROA	40	.00	.08	.0296	.01976
DER	40	.13	3.01	1.3293	.69789
SIZE	40	17.29	28.71	23.5668	3.54624
Valid N (listwise)	40				

1. The dependent variable, Company Value (Y), is delineated through a clarification that its values span from a nadir of 0.00 to a zenith of 7.74. It is discerned that the average, or mean, value stands at 1.0382, accompanied by a standard deviation calculated to be 1.28331.

2. As an independent variable, Financial Performance (X1) is depicted with values ranging from a minimum of 0.00 to a maximum of 0.08. The mean value is established at 0.0296, and the standard deviation is determined to be 0.01976.
3. The variable of Capital Structure, denoted as independent (X2), is characterized by a range where the minimal value stands at 0.13 and the maximal value reaches 3.01. The mean of this dataset is calculated to be 1.3293, with the standard deviation recorded at 0.69789.
4. The dimension of the company functions as a moderating variable (Z), with its parameters delineated as follows: the lower boundary is identified at 17.29, whilst the upper limit is established at 28.71. Furthermore, the mean value is calculated to be 23.5668, accompanied by a standard deviation of 3.544624.

Normality Test

Normality Test Results

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residuals
N			40
Normal Parameters, b	Mean		.0000000
	Std. Deviation		.54609886
Most Extreme Differences	Absolute		,075
	Positive		,075
	Negative		-.057
Statistical Tests			,075
Asymp. Sig. (2-tailed)c			.200d
Monte Carlo Sig. (2-tailed) e	Sig.		,828
	99% Confidence Interval	Lower Bound	,818
		Upper Bound	,838

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 299883525.

The results from the One-Sample Kolmogorov-Smirnov test, utilized for evaluating normality, indicate that the significance level obtained from the Monte Carlo simulation in a two-tailed test, which is marked at 0.825, exceeds the conventional threshold of 0.05 (0.825 > 0.05). From these findings, it is inferred that both the independent and dependent variables exhibit a distribution that aligns with normalcy.

Multicollinearity Test

Multicollinearity Test Results

Coefficients[a]

Model		Collinearity Statistics Tolerance	VIF
1	ROA	.774	1.292
	DER	.653	1.531
	SIZE	.764	1.308

a. Dependent Variable: PBV

The outcomes from the table assessing multicollinearity can be elucidated as follows:

1. The tolerance metric for Financial Performance is recorded at 0.774, surpassing the threshold of 0.10, while its Variance Inflation Factor (VIF) stands at 1.292, remaining below 10.00.
2. For Capital Structure, the tolerance metric is observed at 0.653, exceeding the benchmark of 0.10, and the Variance Inflation Factor (VIF) is calculated to be 1.531, not exceeding 10.00.
3. The metric of tolerance for Company Size is noted to be 0.764, which is above the minimum of 0.10, with a Variance Inflation Factor (VIF) of 1.308, staying under 10.00.

The conclusions drawn indicate that multicollinearity is not a concern among the independent variables included in the regression equation. This is supported by the fact that the tolerance values for each variable exceed 0.10, and the Variance Inflation Factor (VIF) values do not surpass 10.00.

Heteroscedasticity Test

Heteroscedasticity Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.408	1.134		-.360	.721
	ROA	-8.150	8.546	-.168	-.954	.347
	DER	-.526	.263	-.383	-1.996	.054
	SIZE	.087	.048	.322	1.812	.078

a. Dependent Variable: ABRESID

The outcomes of the table testing for heteroscedasticity are delineated below:
1. A significance value of 0.347, which exceeds 0.05, is attributed to Financial Performance.
2. A significance value of 0.054, which exceeds the threshold of 0.05, is associated with Capital Structure.
3. Characterized by a significance value of 0.078, which surpasses 0.05, Company Size is observed.

From these observations, it is inferred that heteroscedasticity is not present among the independent variables, as evidenced by their significance values, all of which exceed the 0.05 benchmark.

Autocorrelation Test

Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.375[a]	.140	.069	1.23850	1.760

a. Predictors: (Constant), SIZE, ROA, DER
b. Dependent Variable: PBV

From the outcomes observed, it can be deduced that autocorrelation is absent.

Moderated Regression Test

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.177	1.469		1.482	.147
	Kinerja keuangan	-.653	.853	-1.201	-.766	.449
	Struktur Modal	-66.054	29.097	-1.870	-2.270	.030
	Ukuran perusahaan	-.014	.061	-.072	-.233	.818
	X1SIZE	.022	.034	1.048	.652	.519
	X2SIZE	2.292	1.235	1.469	1.857	.072

a. Dependent Variable: Nilai perusahaan

1. The constant, possessing a value of 2.177, elucidates that a 17% value attributed to Biological Asset Disclosure can be deduced when the variables encompassing Financial Performance, Capital Structure, and Company Size are concurrently nullified.
2. The regression model's coefficient pertaining to the financial performance variable stands at -0.653, thereby leading to the conclusion that a 1% enhancement in financial performance is associated with a 65.3% reduction in company value.
3. The coefficient of the regression model pertaining to the variable of the capital structure stands at -66.054, thereby allowing for the deduction that an augmentation of a single unit in the capital structure variable is succeeded by a diminution approximately amounting to 66.054 units in the value of the company, provided that all other variables maintain their constancy.
4. The coefficient of the regression model corresponding to the variable of company size is noted as -0.014, leading to the conclusion that an augmentation of 1% in company size is associated with an enhancement of 1.4% in company value.
5. The coefficient of the interaction regression model, which signifies the correlation between the variables of Financial Performance and Company Size, is recorded at 0.022. From this, an increase of 1% in the synergy between Financial Performance and Company Size results in a 22% increment in Company Value.
6. Regarding the coefficient associated with the interaction regression model, which addresses the relationship between Capital Structure and Company Size, it is observed to be 2.292. Consequently, a 1% increase in the synergy of Capital Structure and Company Size brings about a 22.92% enhancement in Company Value.

Hypothesis Test

Simultaneous Significance Test Results (F Statistical Test)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.356	2	2.178	5.504	.008[b]
	Residual	14.639	37	.396		
	Total	18.995	39			
2	Regression	7.364	3	2.455	7.598	<,001[c]
	Residual	11.631	36	.323		
	Total	18.995	39			
3	Regression	8.450	5	1.690	5.449	<,001[d]
	Residual	10.545	34	.310		
	Total	18.995	39			

a. Dependent Variable: PBV

b. Predictors: (Constant), DER, ROA

c. Predictors: (Constant), DER, ROA, SIZE

d. Predictors: (Constant), DER, ROA, SIZE, DER_SIZE, ROA_SIZE

The aggregated influence of the independent variables, encompassing Financial Performance, Capital Structure, and Company Size, has been ascertained to impact the dependent variable, namely Company Value, substantially. This statement finds its support in the acquisition of a significance value of 0.001, which notably falls below the predetermined threshold of 0.05 (0.001 < 0.05). As a direct consequence of this finding, the null hypothesis (H0) is dismissed, and the alternative hypothesis (H1) is embraced, signifying that the regression model utilized in this study is aptly tailored for analytical purposes.

Coefficient of Determination Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.667[a]	.445	.363	.55690

a. Predictors: (Constant), DER_SIZE, SIZE, ROA, DER, ROA_SIZE

The results derived from the test for determination are explicated via an r-square value of 0.445, indicating that the independent variable accounts for 44.5% of the variance in the dependent variable. In comparison, the remaining 55.5% can be ascribed to external factors not included in the regression model.

Partial t-Test

1. The influence of financial performance on company value

The significance value associated with Financial Performance, standing at 0.449 and thus exceeding the critical threshold of 0.05 (0.449>0.05), necessitates the dismissal of hypothesis H1. This result may be interpreted to signify that the impact of Financial Performance on the magnitude of Company Value is negligible. As a consequence, the role of Financial Performance as ancillary information for predicting Company Value in enterprises offering financial services, particularly those within the insurance subdivision listed on the Indonesia Stock Exchange during the timeframe from 2019 to 2022, is deemed irrelevant.

2. The influence of capital structure on company value

The variable associated with Capital Structure is demonstrated to hold a significant value, marked at 0.030, a numeral falling beneath the established criterion of 0.05 (0.030<0.05). This outcome facilitates the endorsement of Hypothesis 2 (H2). The insights obtained from this investigation reveal that Capital Structure imposes a notable and beneficial impact on Company Value. Capital Structure could potentially act as supplementary data in predicting the extent of Company Value across financial service organizations focusing on the insurance sector, duly listed on the Indonesia Stock Exchange during the period extending from 2019 to 2022.

3. The influence of company size on company value

The parameter associated with Company Size reveals a significance level of 0.818, which surpasses the predetermined threshold of 0.05 (0.818>0.05), thereby necessitating the rejection of Hypothesis 3. This finding implies that Company Size does not play a partial role in influencing the Company Value. As a result, it is deduced that the dimension of Company Size, in the absence of efficacious sales management, needs to act as a dependable predictor of enhanced Company Value. Therefore, it is concluded that Company Size does not possess utility as supplementary evidence for predicting the level of Company Value among financial service organizations within the insurance domain listed on the Indonesia Stock Exchange for the period extending from 2019 to 2022.

4. The influence of company size and financial performance on company value.

The value of significance tied to the variable representing Company Size in its relationship with Financial Performance is recorded at 0.519, which exceeds the critical limit of 0.05

(0.519>0.05), culminating in the rejection of Hypothesis 4 (H4). This result indicates the absence of a noticeable indirect effect of Company Size on the Company Value. Although larger entities may possess the capability to showcase improved Financial Performance due to their enhanced capacity for generating profits, the aspect of size per se does not play a substantial role in affecting the nexus between Financial Performance and Company Value. Hence, the function of Company Size as a moderator within the interaction between Financial Performance and Company Value is nullified, making it an ineffective prognosticator of Company Value metrics amongst financial service organizations active in the insurance subdivision and recorded on the Indonesia Stock Exchange during the span from 2019 to 2022.

5. The influence of company size and capital structure on company value.

The value denoting significance pertaining to the nexus between Company Size and Capital Structure has been identified as 0.072, surpassing the stipulated benchmark of 0.05 (0.072>0.05), thereby necessitating the dismissal of Hypothesis 5 (H5). Such a finding intimates the absence of a partial influence of both Company Size and Capital Structure on Company Value. The determination of an appropriate Capital Structure is influenced by a multitude of elements, encompassing capital costs, tax implications, bankruptcy-related expenditures, expenses arising from agency disputes, and the occurrence of asymmetric information. Thus, it becomes clear that the dimension of Company Size needs to the impact that Capital Structure has on Company Value. Furthermore, it cannot be utilized as ancillary information for predicting the valuation of firms, particularly those within the insurance subsector, that are registered on the Indonesia Stock Exchange for the timeframe spanning 2019 to 2022.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

1. The outcomes derived from the Simultaneous Test (F), manifesting a significant figure of 0.001, which resides beneath the established criterion of 0.05, denote that Financial Performance, Capital Structure, and Company Size, in a collective manner, impact the Company Value among firms in the insurance subsector of financial services that are listed on the Indonesia Stock Exchange throughout the interval from 2019 to 2022.
2. The analysis conducted through the partial t-test elucidates that the factor related to Financial Performance does not markedly influence the Company Value in the domain of insurance within financial services, as delineated by their presence on the Indonesia Stock Exchange over the span from 2019 to 2022.
3. Utilizing the partial t-test, the analysis has revealed that, particularly within the realm of the financial services sector, focusing on companies under the insurance subsector listed on the Indonesia Stock Exchange between 2019 and 2022, a significant impact is observed from the Capital Structure variable on Company Value.
4. Employing the partial t-test, the analysis has ascertained that the variable related to Company Size does not significantly impact Company Value within the financial services domain, particularly among entities active in the insurance subsector and registered on the Indonesia Stock Exchange from 2019 to 2022.
5. Utilizing a partial t-test, the investigation has ascertained that the Company Size variable fails to exert a notable influence or moderate the effect of Financial Performance on Company Value among firms within the insurance subsector of financial services listed on the Indonesia Stock Exchange during the period from 2019 to 2022.
6. The results derived from the partial t-test reveal that concerning firms within the financial services domain, particularly those categorized under the insurance subsector and registered on the Indonesia Stock Exchange during the period spanning 2019 to 2022, the

variable denoting company size is neither significantly impactful nor capable of moderating the influence exerted by capital structure upon company value.

Research Limitations

1. The scope of this investigation was confined to a temporal span of four years, from 2019 to 2022, and it is pertinent to acknowledge that conducting this investigation over alternate time frames might yield divergent outcomes.
2. The cohort and subset selected for analysis in this study were exclusively confined to entities operating within the insurance subsector of financial services, which are listed on the BEI; therefore, the applicability of these findings is not extendable to all entities listed on the BEI.
3. The variables selected for independent analysis within the context of this study were specifically limited to two, which are Financial Performance and Capital Structure.

Suggestions

1. Future researchers can add research periods by paying attention to the sample criteria to determine the number of samples so that they can describe the level of company value over a longer period.
2. For future researchers, it would be best to analysed various company sectors other than financial services companies in the insurance subsector so as to produce even more varied research results.
3. Future researchers can add independent variables to research, such as business risk and asset growth.

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