

THE EFFECT OF COMPETITIVE ADVANTAGE AND DEBT POLICY ON COMPANY VALUE

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Abstrak

Penelitian ini bertujuan untuk menguji pengaruh Competitive Advantage dan Kebijakan Hutang terhadap Nilai Perusahaan pada sektor properti dan real estate yang terdaftar di Bursa Efek Indonesia (BEI) periode 2021–2024. Metode penelitian yang digunakan adalah pendekatan kuantitatif dengan teknik analisis regresi linear berganda. Data penelitian diperoleh melalui laporan keuangan perusahaan yang dipublikasikan di BEI. Hasil penelitian menunjukkan bahwa Competitive Advantage berpengaruh positif dan signifikan terhadap Nilai Perusahaan, yang berarti semakin tinggi keunggulan bersaing maka semakin meningkat nilai perusahaan. Sebaliknya, Kebijakan Hutang berpengaruh negatif dan signifikan terhadap Nilai Perusahaan, sehingga semakin tinggi tingkat penggunaan hutang justru menurunkan nilai perusahaan. Dengan demikian, penelitian ini menegaskan pentingnya strategi peningkatan keunggulan bersaing serta pengelolaan struktur modal yang tepat dalam upaya memaksimalkan nilai perusahaan.

Kata Kunci: Competitive Advantage, Kebijakan Hutang, Nilai Perusahaan, Properti, Real Estate

Abstract

This study aims to examine the influence of Competitive Advantage and Debt Policy on Company Value in the property and real estate sectors listed on the Indonesia Stock Exchange (IDX) for the 2021–2024 period. The research method used is a quantitative approach with multiple linear regression analysis techniques. Research data is obtained through the company's financial statements published on the IDX. The results of the study show that Competitive Advantage has a positive and significant effect on Company Value, which means that the higher the competitive advantage, the higher the company's value. On the other hand, the Debt Policy has a negative and significant effect on the Company's Value, so that the higher the level of debt use, the lower the company's value. Thus, this study emphasizes the importance of strategies to increase competitive advantage and manage the right capital structure in an effort to maximize company value.

Keywords: Competitive Advantage, Debt Policy, Corporate Value, Property, Real Estate

A. INTRODUCTION

The value of a company reflects the performance as well as the long-term outlook perceived by investors. The higher the company's value, the better the market perception of the company's performance, growth, and sustainability. The valuation of a company's value is often used as the main indicator for investors in making investment decisions (Sari et al., 2023). In the 2020–2022 period, several property companies in Indonesia faced serious problems that led to bankruptcy. One example is PT Hanson International Tbk (MYRX) declared bankrupt in August 2020 due to the company's inability to meet debt payment obligations worth trillions of rupiah to creditors. This condition was exacerbated by the involvement of the company's owner, Benny Tjokrosaputro, in the Jiwasraya legal case which caused huge losses and lowered the level of public and investor trust. The combination of financial liability management failures, legal pressure, and declining corporate reputation ultimately prompted the court to rule the company was in bankruptcy status, which had implications for the suspension of stock trading and potential delisting from the Indonesia Stock Exchange (Wareza, 2020).

One of the strategic factors that play a role in increasing company value is competitive advantage. The Resource-Based View (RBV) theory states that companies that have unique resources, are difficult to replicate, and provide added value will be better able to achieve superior performance and increase the company's value (Barney, 1991). Several empirical studies show that competitive advantage has a positive effect on company value (Pahlevi & Anwar, 2023; Sawlani et al., 2022). Research conducted by Orishede, (2021) states that companies with a continuous competitive advantage are able to create added value and increase investor confidence, thus having an impact on increasing the company's value. However, different results were revealed by Widayanto et al. (2023), who found that not all aspects of competitive advantage have a significant effect, because in some cases competitive advantages that are not optimally managed actually fail to increase the value of the company.

In addition to competitive advantage, debt policy is a financial factor that is often considered in the study of company value. Debt policy is a company's strategic decision regarding the composition and structure of the use of debt in operational and investment funding, reflecting efforts to utilize tax benefits while considering fiscal risks and financial failures (Chaidir et al., 2022). Several empirical studies have found a positive influence, where leverage is considered to be able to increase investor confidence and support expansion financing, leading to an increase in company value (Riberu & Sulfitri, 2023; Sari et al., 2023). However, other findings actually show a negative influence, because the high interest expense and risk of bankruptcy due to excessive use of debt can reduce the value of the company (Ajizah & Perdinusa, 2022; Yuniparmini et al., 2023). With the difference in the results of previous research (research gap), this study aims to re-examine how competitive advantage and debt policy affect company value, so that it is expected to enrich the literature and provide practical input for management and investors.

1. literature Review

a. Resource-Based View (RBV)

RBV emphasizes that competitive advantage comes from strategic resources (VRIN: Valuable, Rare, Inimitable, Non-substitutable) that are difficult for competitors to replicate. This kind of resource allows companies to create sustainable value (Barney, 1991).

b. Trade-Off Theory (Teori Trade-Off in Capital Structure)

Trade-Off Theory explains that companies in determining debt policy will weigh the benefits and risks arising from the use of debt. The main benefit of using debt is tax savings, because loan interest can reduce the company's tax burden. However, on the other hand, the higher the proportion of debt also increases the risk of bankruptcy as well as agency costs that can lower the value of the company. Therefore, companies must look for an optimal level of debt, that is when the additional benefits of using debt are balanced with the costs

incurred. It is at this point that the capital structure is considered to be able to maximize the value of the company (Kraus & Litzenberger, 1973).

c. Competitive Advantage

Competitive advantage is the ability of a company to utilize its assets more efficiently than competitors to create higher economic value (Barney, 1991). One of the modern quantitative indicators used to measure competitive advantage is Asset Utilization Efficiency (AUE) which shows how optimally a company converts its assets into sales and profits (Ristiani, 2021). According to the Resource-Based View (RBV) theory, companies that are able to manage internal resources that are valuable, rare, inimitable, and non-substitutable, will have a sustainable competitive advantage. This advantage can improve the company's performance as well as give a positive signal to the market that the company has long-term prospects. This condition will ultimately increase the company's value.

Several previous studies conducted by Pahlevi & Anwar, (2023), Sawlani et al. (2022) found that Competitive Advantage has a positive effect on company value, because companies that have a strong competitive position are able to create differentiation, retain customers, and increase profitability. This shows that the greater the competitive advantage that the company has, the greater the company's value which is reflected in investor trust.

H1: Competitive Advantage has a positive effect on Company Value.

d. Debt Policy

Debt policy is a strategic decision of management in determining the proportion of using long-term debt or equity as a source of funding to support the company's operational activities (Khan & Hidayat, 2022). The commonly used measurement is through the Debt-to-Equity Ratio (DER), which is the ratio of total debt to capital. According to the Trade-Off theory, companies will balance the benefits of using debt in the form of tax savings (tax shield) with the risk of bankruptcy due to high interest expenses. As long as the use of debt

is at an optimal level, it can increase the value of the company through tax benefits and increased managerial discipline. In other words, a properly managed debt policy will give a positive signal to investors about the company's ability to optimize its capital structure, so that the company's value can increase.

The results of research conducted by Riberu & Sulfitri (2023), Sari et al. (2023) found that debt policy has a positive effect on company value, because companies with optimal capital structures are able to maximize shareholder welfare and the use of debt can increase company value through the tax shield effect. Thus, the use of the right debt policy can be a strategy in increasing the value of the company.

H2: Debt Policy has a positive effect on the Company's Value.

e. Company Value

Company value can be understood as a reflection of investors' perception of an entity's ability to generate profits and maintain the sustainability of its business. This perception is reflected through the stock market price compared to the company's book value, so the higher the comparison, the greater the confidence investors have in the company's long-term growth prospects and performance (Suryati & Murwaningsari, 2022). One approach that is often used to measure a company's value relative is the Price-to-Book Value (PBV) ratio, which is calculated by dividing the market share price per share by the book value per share (Azharin & Ratnawati, 2022).

B. Method

This study uses a quantitative approach, which aims to examine the influence of competitive advantage and debt policy on the value of the company. The object of the research is property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021–2024 period. The research data is secondary, obtained from the annual report and financial statements published through the IDX's official website or the respective company's website. The sampling technique uses the

purposive sampling method, with certain criteria that are adjusted to the purpose of the research. The variable value of the company is measured using Price to Book Value (PBV), competitive advantage is measured using Average Unique Excellence (AUE), while debt policy is measured by Debt to Equity Ratio (DER). Data analysis was carried out using multiple linear regression methods assisted by SPSS software.

C. Result and Discussion

1. Description of Research Data

This research uses financial information from property and real estate companies listed on the Indonesia Stock Exchange (IDX) in 2021-2024. Purposive sampling is the method used in this study to select sample participants.

Tabel 1. Tabel Kriteria Sampel

No	Criterion	2021	2022	2023	2024
1	Companies in the property and real estate sector listed on the IDX	80	85	93	93
2	Company new listing	0	(5)	(15)	(15)
3	Company delisting	(7)	(7)	(5)	(5)
4	Companies that do not publish annual reports and sustainability reports	(15)	(14)	(13)	(16)
5	Companies controlled by the majority shareholders (\geq 70%)	6	8	11	11
6	Companies with a debt ratio $>$ 100%	12	16	18	18
7	Number of samples	40	35	31	28

No	Criterion	2021	2022	2023	2024
8	Number of observations during 2021-2024	134			

2. Normality Test

The normality test is carried out to assess whether the data obtained meets the requirements for normal distribution, so that the results of the statistical analysis used can be more valid and reliable.

Tabel 2. Tabel Uji Normalitas

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		109
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	,32291600
Most Extreme Differences	Absolute	,094
	Positive	,094
	Negative	-,051
Test Statistic		,094
Asymp. Sig. (2-tailed)		,190 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

The results of the normality test showed a significance value of 0.190, which is greater than the significance level of 0.05, so it can be concluded that the data is normally distributed.

3. T Test

The t-test is used to determine the significance of the influence of independent variables on dependent variables, so that it can be understood whether the research hypothesis is accepted or rejected.

Tabel 3. Tabel Uji t

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	,441	,065		6,732	,000
	Competitive Advantage	,957	,398	,234	2,402	,018
	Kebijakan Hutang	-,190	,090	-,206	-2,114	,037

a. Dependent Variable: Nilai Perusahaan

Based on table 3, Competitive Advantage has a coefficient value of 0.957 with a significance value of 0.018 which is smaller than the significance limit of 0.05. A Sig. < value of 0.05 indicates that Competitive Advantage has a positive and significant effect on the Company's Value. This means that the higher the competitive advantage that the company has, the higher the company's value. This finding can be explained through the Resource-Based View (RBV) theory which emphasizes that companies will achieve sustainable competitive advantage if they have resources that are valuable, rare, inimitable, and non-substitutable. This finding is based on research conducted by (Pahlevi & Anwar, 2023; Sawlani et al., 2022), that Competitive Advantage has a positive effect on company value.

Debt Policy has a coefficient value of -0.190 with a significance value of 0.037, which is also smaller than 0.05. This means that the Debt Policy has a negative and significant effect on the Company's Value. This result illustrates that the more optimal the use of debt in the capital structure, the higher the company's value, which is reflected in the increase in investor confidence. This finding is in accordance with the Trade-Off theory which explains that companies will balance the benefits of using debt in the form of tax savings (tax shield) with bankruptcy costs that may arise due to too high a debt burden. This finding is in line with research conducted by Riberu & Sulfitri, (2023), Sari et al. (2023) which found that debt policy has a positive effect on company value.

D. Conclusion

Based on the results of the research on the Effect of Competitive Advantage and Debt Policy on Company Value, it can be concluded that Competitive Advantage has a positive and significant effect on Company Value, so that the higher the competitive advantage that the company has, the more the company's value will increase. Meanwhile, the Debt Policy has a negative and significant effect on the Company's Value, which means that the greater the proportion of debt used by the company, the greater the value of the company. Thus, the two independent variables in this study are proven to have a significant influence on Company Value in the property and real estate sectors for the 2021–2024 period.

E. Suggestion

Companies are advised to continue to increase their competitive advantage through innovation and efficiency so that the company's value increases, and be wiser in setting debt policies so as not to reduce the company's value. For investors, the results of this research can be a consideration in assessing competitive advantage and debt levels before investing. Researchers are then expected to include additional variables and expand the sectors and research periods so that the results obtained are more comprehensive.

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