

Investment and Financing Decisions on Firm Value: The Mediating Effect of Dividend Policy

*Mediating Effect of
Dividend Policy on
Firm Value*

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ABSTRACT

This study aims to analyze the influence of investment decisions and financing decisions on firm value with dividend policy as a mediating variable in sharia manufacturing companies listed in the Indonesian Sharia Stock Index. The research method uses a quantitative approach with Partial Least Squares-Structural Equation Modeling analysis. Data were obtained from the financial statements of sharia manufacturing companies during a certain observation period and processed using SmartPLS software. The results show that investment decisions have a positive and significant effect on both firm value and dividend policy. Financing decisions are also proven to have a positive effect on both firm value and dividend policy. Furthermore, dividend policy has a significant effect on firm value, confirming its role as a signal for investors. In addition, dividend policy is proven to mediate the relationship between investment decisions and financing decisions on firm value, thus strengthening the indirect influence mechanism in increasing firm value. These findings contribute to the development of financial management theory, particularly in the context of sharia manufacturing companies, and provide practical implications for management in formulating optimal financial strategies to increase firm value.

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INTRODUCTION

Financial management is a fundamental aspect of modern corporate governance. Generally, financial management focuses on three key decisions: investment decisions, financing decisions, and dividend policy. These three decisions aim to maximize firm value through optimal asset management, capital structure, and profit distribution. Contemporary financial literature confirms that the quality of financial management decisions directly impacts a company's risk and profitability, ultimately influencing market perception and firm value. A dynamic business environment demands that companies be more responsive in financial decision-making (Georgewill, 2021).

Firm value is a central concern in both financial theory and practice as it represents investors' assessments of a company's future performance and growth potential (Arduni et al., 2024; Endraria & Sagara, 2025). According to Anwer et al. (2021), firm value is influenced by strategic management decisions, including how the company invests, finances, and manages its dividend policy. Meanwhile, research by Saiftri et al. (2022) shows that dividend policy can be a positive signal regarding a company's earnings stability and growth prospects, thus increasing investor interest. However, research findings on the significance of these variables on firm value vary, depending on the country context, industry, and company characteristics. Companies registered with the ISSI are required to meet sharia-compliant criteria, including restrictions on the use of interest-based debt and certain business activities. These characteristics distinguish sharia-

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compliant companies from conventional companies, particularly in their financing practices and dividend distribution. According to Haron and Siraj (2021), sharia-compliant companies often exhibit more prudent financial decision-making patterns, particularly regarding debt and dividend policies.

Investment decisions involve allocating funds to projects anticipated to yield long-term returns. Financing decisions concern the mix of debt and equity within a company's capital structure (Romano et al., 2001). Dividend policy pertains to the portion of profits distributed to shareholders. Prior studies have reported mixed and sometimes contradictory findings regarding these relationships. For example, Triani and Tarmidi (2019) found that investment decisions significantly influence firm value, while financing decisions and dividend policy can have positive, negative, or insignificant effects depending on the industry context. Similarly, Anwer et al. (2021) confirmed that dividend policy can mediate the relationship between financial decisions and firm value in Sharia-compliant companies.

An analysis of sharia-compliant manufacturing firms listed on the Indonesian Sharia Stock Index (ISSI) over the past five years reveals diverse trends in investment decisions, financing, and dividend policies, with variations in capital expenditure allocation, generally low leverage due to restrictions on interest-based financing, and relatively stable dividend payments aimed at maintaining investor confidence. Despite some companies exhibiting asset growth or active investment, market value does not always correspond, reflecting inconsistent market responses to financing strategies and dividend policies, which are viewed by Islamic investors both as profit distribution and as signals of company prospects. Key issues include inefficiencies in investment decisions, limitations in capital structure due to Islamic financing constraints, inconsistent dividend policies, and misaligned investor expectations, highlighting the need for empirical research to clarify how investment, financing, and dividend strategies collectively influence firm value in Islamic manufacturing companies.

Research indicates that investment decisions, financing decisions, and dividend policy influence firm value, but the results remain inconsistent. Anwer et al. (2021) found that dividend policy in Sharia-compliant companies serves as a strong signal to investors, affecting firm value, while Haron and Siraj (2021) confirmed that investment and financing decisions significantly impact market performance, though the effect can change when dividend policy acts as a mediator. Saifri et al. (2022) reported a positive relationship between profitability and dividend policy with firm value, but governance effects were mixed. Similarly, Triani and Tarmidi (2019) found that investment decisions significantly affect firm value, while financing decisions were unstable, and Shoumi and Wardana (2024) highlighted that dividend policy can function as both a mediator and a moderator in linking financial factors to firm value. Despite these studies, gaps remain that few specifically examine ISSI-listed Sharia-compliant manufacturing companies, and findings on the mediating role of dividend policy are inconsistent. Although the role of dividend policy as a mediator and the empirical support for capital structure and signaling theories in Islamic markets are mixed, this highlights the need for further focused research in this sector.

This study provides a novel contribution by focusing specifically on Islamic manufacturing companies listed on the ISSI, a context that has been scarcely explored in research on financial decision-making. Beyond reevaluating the applicability of signaling theory and capital structure theory, it offers new empirical insights into how sharia-compliant principles shape financial strategies and support sustainable firm value in the manufacturing sector. Accordingly, the study investigates the impact of investment and financing decisions on firm value, with dividend policy serving as a mediating variable.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

The Effect of Investment and Financing Decision on Firm Value

Investment decisions are considered key signals of a company's growth potential and ability to generate long-term profits, aligning with signaling theory. Investment in

productive assets indicates a firm's capacity to maximize returns from allocated funds (Triani & Tarmidi, 2019). Meanwhile, the issuance of funds for investment sends a positive signal to the market regarding future growth, potentially increasing stock prices and reflecting higher firm value (Bon & Hartoko, 2022). Empirical studies support this relationship, showing that companies with higher levels of investment are perceived as fundamentally stronger and more valuable. For instance, Santoso (2019) and Sa'diyah (2021) consistently found a positive association between investment decisions and firm value, demonstrating that strategic capital allocation enhances investor confidence and strengthens a company's market valuation. These findings highlight the importance of sound investment planning as a mechanism for signaling corporate strength and attracting investor trust.

Financing decisions, which determine the company's capital structure, also play a crucial role in influencing firm value. Capital structure theory emphasizes that the mix of debt and equity affects the cost of capital and, consequently, firm valuation (Nuru et al., 2025). Leveraged financing can convey positive information about a company's future prospects, thereby enhancing its market value (Wahyuni & Amnati, 2019). Recent research confirms that efficient financing decisions increase firm value by fostering financial stability and boosting investor confidence. Studies by Suherlan (2024) and Odufisan et al. (2025) indicate that companies with well-structured financing are perceived as financially robust, with long-term performance and stability, which enhances market valuation. Together, these findings suggest that both investment and financing decisions are critical financial strategies that directly and positively influence firm value by signaling growth potential and operational efficiency to investors.

H1: Investment decision has a positive and significant effect on firm value.

H2: Financial decision has positive and significant effect on firm value.

The Effect of Investment and Financing Decisions on Dividend Policy

Investment decisions play a crucial role in shaping a company's dividend policy because the allocation of funds determines the availability of cash and retained earnings for distribution. Agency theory suggests that dividends can reduce conflicts of interest between management and shareholders by ensuring that profits are returned to investors rather than retained excessively by management. Investment decisions involve determining how managers allocate resources into profitable projects, and the type, form, and composition of these investments directly affect future earnings and the company's capacity to pay dividends (Hasanuddin, 2021). Empirical studies support this relationship, showing that firms with aggressive investment strategies adjust their dividend policies to balance growth objectives with shareholder welfare. For example, Selfiani et al. (2023) and Patil (2025) found that well-planned investment decisions enable companies to maintain stable dividend distributions while funding long-term expansion.

Similarly, financing decisions influence dividend policy because the level and structure of debt determine the cash available for distribution after meeting financial obligations. Capital structure theory posits that higher leverage can restrict a firm's ability to pay dividends, as debt servicing takes priority over profit allocation to shareholders. Financing decisions involve choosing between short-term debt, long-term debt, or equity to support company operations and growth. Research by Ahmed et al. (2022) indicates that financing choices significantly affect dividend policy, particularly in capital-intensive sectors like manufacturing. Together, these findings highlight that both investment and financing decisions are key determinants of dividend policy, linking strategic financial management with shareholder returns and long-term corporate sustainability.

H3: Investment decision has a positive and significant effect on dividend policy.

H4: Financial decision has a positive and significant effect on dividend policy.

The Effect of Dividend Policy on Firm Value

Dividend policy refers to decisions regarding the portion of current profits to be distributed as dividends versus retained for reinvestment in the company (Brigham & Houston, 2015; Hartatik et al., 2025). The size of dividends is closely linked to the amount of earnings retained as internal funding; when retained earnings are small, a larger portion of profit is distributed as dividends (Tajuddin & Endang, 2017; Maysaroh & Handayani, 2025). Increasing dividend payouts provides direct financial benefits to shareholders, offering them immediate returns and enhancing their wealth. Moreover, investors often interpret higher dividend payments as a positive signal of company performance, reflecting stability, profitability, and effective management (Lumapow & Tumiwa, 2017). High dividends are preferred by investors because they are considered less risky than undistributed profits, which remain subject to management discretion and potential reinvestment uncertainty (Hoang et al., 2024; Azekkar et al., 2025).

From the perspective of signaling theory, dividend policy communicates critical information regarding a firm's financial stability and future performance. According to this theory, increases in dividends can boost investor confidence, which in turn enhances firm value. Empirical evidence supports this notion: Santosa et al. (2020) and Adiputra and Hermawan (2020) demonstrate that dividend policy has a positive impact on firm value, as steady and rising dividends are interpreted as indicators of sustainable earnings and dependable cash flow. Therefore, dividend policy functions not only as a mechanism for distributing profits but also as a strategic signal to the market, linking corporate financial decisions with investor perceptions and long-term valuation.

H4: Dividend policy has positive and significant effect on firm value.

Dividend Policy as Mediation Variable

Dividend policy can serve as a mediating mechanism in the relationship between investment decisions and firm value because it communicates the effectiveness and success of a company's investment activities. When firms allocate funds efficiently and generate strong returns from productive assets, they have the capacity to pay stable and attractive dividends, which enhances investor confidence and, in turn, increases firm value (Brigham & Houston, 2015). The Signaling theory supports this mechanism, suggesting that dividends act as observable indicators of financial health and future growth potential. Nwamaka (2017) and Rahmadi et al. (2024) demonstrate that dividend policy strengthens the impact of investment decisions on firm value, showing that investors interpret consistent dividends as evidence of effective capital allocation and management competence.

Dividend policy also serves as a mediator between financing decisions and firm value by demonstrating the company's capacity to balance debt obligations with returns to shareholders. An effective financing strategy, which optimizes the proportion of debt and equity, allows for consistent dividend payments without compromising financial stability. Studies by Anton (2016) and Lubis et al. (2024) highlight that dividend policy is essential in translating financing decisions into higher firm value, as investors tend to view firms that maintain regular dividends as financially stable and trustworthy. Consequently, dividend policy functions not only as a means of distributing profits but also as a strategic mechanism that connects financial decision-making with investor perceptions, ultimately contributing to sustainable enhancements in firm value.

H6: Dividend policy mediates the effect of investment decision on firm value.

H7: Dividend policy mediates the effect of financial decision on firm value.

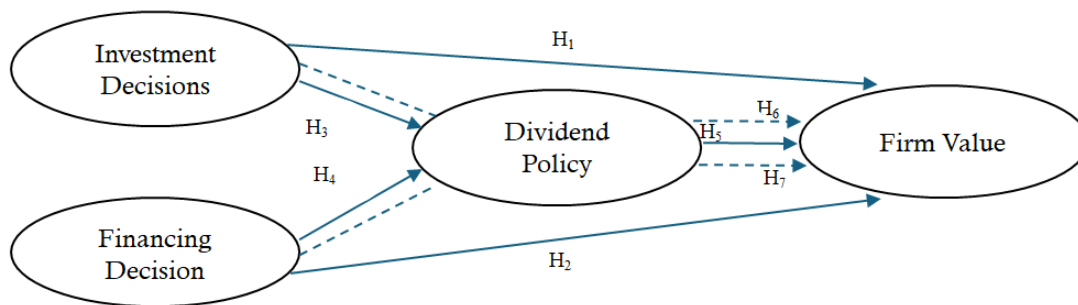


Figure 1. Conceptual Framework

Figure 1 shows the framework of the relationship between investment decisions and financing decisions on company value, both directly and through dividend policy as a mediating variable. The solid arrow depicts the direct effect (H1, H2, H3, H4, H5), while the dotted arrow shows the indirect effect through dividend policy (H6, H7). This framework emphasizes the causal flow between research variables.

RESEARCH METHODS

This study employs a quantitative approach with an explanatory research design to investigate the causal relationships among investment decisions, financing decisions, dividend policy, and firm value. This method is suitable because it allows for the measurement and analysis of both direct and indirect effects between variables. An explanatory design is particularly effective in financial research for clarifying cause-and-effect relationships. In the context of Islamic capital markets, a quantitative approach is appropriate as it provides objective results derived from secondary data that can be statistically tested, offering robust empirical support for contemporary financial theories.

The research focuses on sharia-compliant manufacturing companies listed on the Indonesian Sharia Stock Index (ISSI). The population comprises all manufacturing firms that consistently adhere to the OJK's sharia criteria and are listed on the ISSI during the study period. Purposive sampling was employed to select the sample based on specific criteria. Purposive sampling is effective for financial research requiring targeted characteristics. The manufacturing sector was chosen due to its high sensitivity to financial decisions, making it an ideal context for examining the relationships between investment decisions, financing choices, and dividend policy.

The data used is secondary data in the form of annual financial reports, sustainability reports, and issuer performance summaries published by the IDX and sample companies. Secondary data is highly relevant in financial policy research because it meets accounting standards and can be processed into research variables. The data is also supported by financial indicators such as DER, DPR, CapEx, and PBV. The use of panel data strengthens the research's accuracy, and panel data improves the accuracy of measuring the relationships between financial variables.

Data were collected using a documentation method by obtaining the financial reports of sharia-compliant manufacturing companies throughout the study period. Each report was carefully verified to ensure it contained complete information on net profit, capital structure, dividend payments, and market value. This documentation approach was deemed appropriate as it provides valid and measurable data for analysis. The study employed Structural Equation Modeling using Partial Least Squares (PLS-SEM) to analyze the data, chosen for its ability to simultaneously assess direct, indirect, and mediation effects. PLS-SEM is particularly suitable for handling complex models with moderate sample sizes. The analysis was carried out in two stages: first, the outer model was tested to evaluate the validity and reliability of the indicators, and second, the inner model was analyzed to examine the relationships between variables. A mediation test was conducted to assess the role of dividend policy, highlighting the importance of mediating variables in explaining how financial decisions influence firm value. The analysis provides

empirical insights into the mechanisms and effects of investment, financing, and dividend decisions within sharia-compliant manufacturing companies listed on the ISSI.

RESULTS

Measurement model evaluation was conducted to ensure that all indicators in this study were truly capable of consistently explaining the latent constructs. Convergent validity, discriminant validity, and construct reliability tests were used as the basis for feasibility. These results ensured that the relationships between variables could be further tested using the structural model.

Table 1. Outer Loading Indicators

Variables	Indicator	Loading
Investment Decisions (ID)	ID1	0.812
	ID2	0.841
	ID 3	0.876
Funding Decisions (FD)	FD1	0.802
	FD2	0.854
	FD3	0.869
Dividend Policy (DP)	DP1	0.811
	DP2	0.827
	DP3	0.884
Firm Values (FV)	FV1	0.861
	FV2	0.892
	FV3	0.903

Table 1 presents the outer loading values for each indicator used to measure the latent constructs of investment decisions, funding decisions, dividend policy, and firm value. All indicators show loading values above the recommended threshold of 0.70, indicating strong convergent validity and confirming that each indicator reliably represents its corresponding construct. For investment decisions, ID1, ID2, and ID3 exhibit high loadings ranging from 0.812 to 0.876, suggesting that these indicators consistently capture firms' investment behavior. Similarly, the funding decision indicators (FD1–FD3) display loadings between 0.802 and 0.869, reflecting their strong ability to measure capital structure and financing choices. The dividend policy construct is also well represented, with DP1–DP3 showing loadings from 0.811 to 0.884, indicating that dividend-related indicators are highly correlated with the latent variable. Finally, firm value demonstrates the highest loadings overall, particularly FV2 and FV3 (0.892 and 0.903), implying that market-based measures strongly and consistently reflect the underlying firm value construct. These results confirm that all measurement items are valid and suitable for further structural model analysis.

Table 2. Composite Reliability and AVE

Variables	Composite Reliability	AVE
Investment Decisions	0.889	0.728
Funding Decisions	0.902	0.754
Dividend Policy	0.895	0.731
Firm Values	0.923	0.800

Table 2 shows that all variables exhibit composite reliability values above the recommended 0.7 threshold, indicating that the indicators consistently measure their intended constructs. Specifically, investment decisions achieved a composite reliability of 0.889, financing decisions 0.902, dividend policy 0.895, and company value 0.923, reflecting strong internal consistency across all constructs. Regarding convergent validity, the AVE values for each construct exceed the minimum criterion of 0.5, demonstrating that the indicators effectively represent the underlying latent variables. Investment decisions have an AVE of 0.728, financing decisions 0.754, dividend policy 0.731, and company value 0.800, indicating that a substantial proportion of indicator variance is

explained by the respective constructs. These findings confirm that the measurement model is both reliable and valid, providing a robust basis for subsequent analysis of the structural model (Fornell & Larcker, 1981).

Table 3. Path Coefficient (Direct Effect)

Variable	Coefficient	t-statistic	p-value
Investment Decision → Firm Value	0.291	4.112	0.000
Financing Decisions → Firm Value	0.224	3.516	0.000
Investment Decisions → Dividend Policy	0.372	5.003	0.000
Financing Decisions → Dividend Policy	0.415	5.884	0.000
Dividend Policy → Firm Value	0.341	4.927	0.000

Table 3 reports the direct effects among the study variables and shows that all proposed relationships are positive and statistically significant ($p < 0.05$). Investment decisions have a significant positive effect on firm value ($\beta = 0.291$; t -statistic = 4.112), indicating that effective allocation of capital to productive projects increases market valuation. Financing decisions also exert a positive influence on firm value ($\beta = 0.224$; t -statistic = 3.516), suggesting that an appropriate capital structure contributes to improved firm performance and investor perception. In addition, both investment decisions ($\beta = 0.372$; t -statistic = 5.003) and financing decisions ($\beta = 0.415$; t -statistic = 5.884) significantly affect dividend policy, implying that firms with sound investment activities and balanced funding structures are better able to generate and distribute profits to shareholders.

Furthermore, dividend policy is found to have a significant positive effect on firm value ($\beta = 0.341$; t -statistic = 4.927), supporting the view that dividend payments function as an important signal of financial strength and future prospects to investors. Among all relationships, the strongest effect is observed from financing decisions to dividend policy, highlighting the central role of funding structure in determining dividend distribution capacity. These findings indicate that investment and financing decisions not only directly enhance firm value but also indirectly contribute through dividend policy, thereby reinforcing the relevance of signaling and capital structure theories in explaining firm valuation.

Table 4. Indirect Effect

Variable	Coefficient	t-statistics	p-value
Investment Decision → Dividend Policy → Firm Value	0.127	3.876	0.000
Financing Decision → Dividend Policy → Firm Value	0.142	4.114	0.000

The findings in Table 4 show that dividend policy serves as a significant mediator in the relationship between both investment and financing decisions and firm value. Investment decisions have a positive indirect effect on firm value through dividend policy ($\beta = 0.127$, $t = 3.876$, $p = 0.000$), while financing decisions also exhibit a significant indirect influence via dividend policy ($\beta = 0.142$, $t = 4.114$, $p = 0.000$). The significance of both mediation pathways confirms the mediating role of dividend policy.

Table 5. R-Square

Endogenous Variables	R ²	Adj. R ²
Dividend Policy	0.557	0.551
Firm Values	0.648	0.639

Table 5 presents the coefficient of determination (R^2) for the endogenous variables, namely dividend policy and firm value. The R^2 value of 0.557 for dividend policy indicates that investment and financing decisions jointly explain 55.7% of the variance in firms' dividend policies, suggesting that managerial decisions regarding capital allocation and funding structure play a substantial role in determining dividend distribution. Meanwhile, the R^2 value of 0.648 for firm value shows that investment decisions,

financing decisions, and dividend policy together account for 64.8% of the variation in firm value, reflecting a strong explanatory capacity of the model. Based on the criteria proposed by Hair et al. (2022), these R^2 values can be classified as strong in the context of financial management research, indicating that the proposed structural model is able to capture the key determinants of dividend policy and firm value effectively.

DISCUSSION

The research results show that investment decisions have a significant positive effect on firm value. This finding is consistent with value maximization theory, which states that productive investment can increase market expectations of future profitability. Empirical support is also found in a study by Santoso (2019), which shows that capital expenditure increases investors' perceptions of a company's growth potential. In the context of Islamic manufacturing, investments must comply with Islamic principles, so companies tend to choose low-risk but stable projects. This strengthens investors' confidence that the company is operating prudently, thereby increasing firm value. The alignment between the results of this study and the literature indicates that investment decisions remain a key pillar of firm value formation, both in conventional and Islamic contexts.

This study shows that financing decisions have a significant positive effect on firm value. A healthy funding structure increases investor confidence because it reflects a company's ability to manage leverage risk (Li, 2014). In sharia-compliant manufacturing companies, funding sources must be free from usury, resulting in a lower proportion of sharia-compliant debt. This creates a more stable capital structure, ultimately increasing firm value. Investors understand that productive asset-based funding can generate more secure cash flows. Therefore, these results confirm that appropriate financing decisions will strengthen a company's financial position and increase its stock market value.

Investment decisions have been shown to have a significant positive effect on dividend policy. Companies with sound investments tend to have stable cash flows, enabling management to establish a consistent dividend policy (Saifri et al., 2022). Companies that invest aggressively while managing risk are more likely to distribute dividends (Adiputra & Hermawan, 2020). In Islamic companies, productive investments provide added value not only financially but also ethically, thereby strengthening positive signals to shareholders. Therefore, the better the investment decisions made, the greater the likelihood that the company will maintain an attractive dividend policy for investors.

This study found that financing decisions have a strong positive influence on dividend policy. This aligns with research by Zou and Bai (2022), which shows that companies with a sound financing structure have a stronger dividend payment capacity. In a sharia context, companies avoid *riba*-based financing, resulting in a relatively lower cost of capital, allowing management to distribute a portion of profits as dividends. With an efficient financing structure, companies have greater financial flexibility to maintain a stable dividend policy. These findings indicate that financing in accordance with sharia principles positively impacts profit distribution policies to shareholders.

Dividend policy has a significant positive effect on firm value, reinforcing signaling theory, which asserts that dividends signal a company's financial condition. Investors view dividends as an indicator of stable performance and future prospects. This research aligns with Mutmainnah et al. (2024), who found that dividend increases increase stock prices in Islamic issuers. In Islamic manufacturing companies, dividend policy also reflects transparent and accountable governance, boosting investor confidence. Dividends provide assurance that the company has strong cash flow and a low risk of investment failure. Thus, dividends are a strategic variable that significantly determines market perception of a company's value (Dang et al., 2021).

Dividend policy has been shown to mediate the relationship between investment decisions and firm value. Companies with sound investment decisions generate stable cash flows, enabling dividend increases. This ultimately increases firm value, consistent with the residual dividend theory. Dividends enhance the effect of investment on firm

value (Meutia et al., 2021). In Islamic companies, investments that comply with Sharia principles are considered safer and of higher quality, so increasing dividends will send a strong signal to the market. This significant mediation indicates that dividend policy is an important mechanism in channeling the benefits of investment decisions to shareholders.

Dividend policy also significantly mediates the relationship between financing decisions and firm value. A healthy financing structure enhances a company's capacity to maintain dividend stability, ultimately increasing firm value. This finding aligns with a study by Masum (2014), which found that dividends strengthen the effect of financing on stock prices. In Islamic companies, interest-free financing provides a more stable financial structure and lowers risk, increasing investor confidence that dividends can be maintained. This mediation confirms that dividend policy is a crucial link between financing decisions and increasing a company's market value.

CONCLUSION

The results indicate that investment decisions have a positive and significant effect on firm value, suggesting that the efficient allocation of productive resources contributes to enhancing a company's worth. Similarly, financing decisions positively influence firm value, underscoring the importance of an appropriate capital structure in supporting the stability and growth of sharia-compliant manufacturing firms. Both investment and financing decisions were also found to positively affect dividend policy, implying that companies with well-managed investments and optimal financing structures are better able to provide dividends that attract investors. Dividend policy, in turn, has a significant impact on firm value, aligning with signaling theory by demonstrating that dividends serve as a positive indicator to the market. Furthermore, dividend policy mediates the relationship between investment and financing decisions and firm value, highlighting its strategic role in shaping investor perceptions. This study contributes theoretically and empirically by offering a comprehensive framework within the Islamic business context, showing that the integrated management of investments, financing, and dividend policies is crucial for increasing the value of sharia-compliant manufacturing companies in Indonesia.

This study has several limitations, as it focuses only on sharia-compliant manufacturing companies listed on the ISSI, limiting the generalizability to other sectors or conventional firms, and relies solely on secondary financial data. Additionally, the PLS-SEM analysis assumes linear relationships and may overlook dynamic interactions over time, while the sample period may not reflect long-term trends or macroeconomic effects. Future research could expand to other sectors or compare conventional and sharia-compliant firms, incorporate primary data such as surveys or interviews to explore managerial and investor perspectives, and employ longitudinal or time-series methods to assess changes in financial decisions and firm value under varying economic conditions. Further studies could also investigate moderating factors like corporate governance, market volatility, or regulatory changes to provide a more comprehensive understanding of how investment, financing, and dividend policies influence company value in Islamic capital markets.

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