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A Management Decision Process for Corporate Action

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ABSTRACT

Corporate Action namely every action of the issuer that gives equal rights to all shareholders such as Dividends, Right Issues and Stock Splits. Dividend is the distribution of company profits to shareholders based on the percentage of ownership of capital owners. Management decisions in seeking new capital or funds through the stock exchange floor are usually for debt repayment actions, company goals, expansion through product innovation in improving and maintaining company stability for better prospects in the future so as to encourage the government to build a better economy in the next period. Corporate action applies to all companies, not limited to public companies. Several forms of corporate action that are generally carried out by issuers include the distribution of dividends, both cash and shares,

INTRODUCTION

The impetus for economic growth encourages companies to continue to develop and innovate to contribute to the country. In order for the company to continue to advance and develop, it requires capital to encourage expansion. Capital that is obtained is easy to carry out capital-raising activities through the capital market. In Indonesia, knowledge of the capital market is not as good as developed countries, but it must be admitted that the current development of the capital market is quite significant. This can be seen from the increasing number of industries in various sectors which are listed on the Indonesia Stock Exchange. The capital market is also an indicator of a country's economic progress and supports the country's economic development(Iskamto 2015; Sukmadewi 2021). The capital market emerged as a solution for long-term investment and one of the means used by public companies to obtain additional sources of funds. The capital market can be said as a means of bridging or liaising between the owners of funds (investors) and users of funds (issuers). Thus, the capital market is a vehicle for investment for investors and a vehicle for sources of funds for users of funds (Jusuf, 2005).

According to Law number 8 of 1995, the capital market is an activity concerned with public offerings and securities trading, public companies related to the securities they issue, as well as institutions and professions related to securities. By trading financial instruments, the capital market acts as a liaison between investors and companies or government agencies. In an effort to carry out these investment activities, investors need to make investment decisions. According to Suad (2008: 8-9) there are several factors that can affect the success of the capital market, including the availability of securities, the demand for securities, legal and regulatory issues, the existence of institutions that regulate and supervise capital market activities as well as various institutions that allow transactions to be carried out in a private manner. efficient, and the political and economic conditions of a country. Economic conditions that are decreasing or increasing due to the occurrence of an event can be one of the factors that may affect the capital market. This can cause stock prices on the Indonesia Stock Exchange to change (fluctuate), so that it can cause uncertainty in capital gains or stock returns. Market participants need to get information to predict the accuracy of investing funds in order to get the expected profit in every investment in the capital market This can cause stock prices on the Indonesia Stock Exchange to change (fluctuate), so that it can cause uncertainty in capital gains or stock returns. Market participants need to get information to predict the accuracy of investing funds in order to get the expected profit in every investment in the capital market This can cause stock prices on the Indonesia Stock Exchange to change (fluctuate), so that it can cause uncertainty in capital gains or stock returns. Market participants need to get information to predict the accuracy of investing funds in order to get the expected profit in every investment in the capital market(Setiawati 2021).

This securities investment can be used by investors to invest in the company. An investor needs a lot of information to consider investing in an issuer in the capital market. However, some companies sometimes do not provide information or the actual condition of the company, differences in information mastery will cause a condition known as information asymmetry. Suwarjono (2014), states that information asymmetry is where the management as the party has more control over information than investors. Information that enters the capital market is one of the considerations for investors to make transactions in the capital market.(Soekarno and Damayanti 2012).

According to Budiarto and Baridwan (1999) andIskamto (2015), market reaction is a signal that occurs due to information from an event that can affect the value of the company, which is reflected in changes in price and trading volume of shares. The capital market is able to show how the market responds to an event from the information received from economic, social, and political factors, so that what determines the market reaction is the presence of the information. The capital market will react if an event occurs that affects the condition of a country.

The COVID-19 pandemic has also reduced capital flows in several countries. This is because of the panic that hit so as to reduce the level of market confidence, especially in countries that are slow to stop the spread of the virus (Baldwin & Mauro, 2020). The Indonesian capital market sector has been rocked by this virus, which was marked by the weakening of negative market sentiment for the JCI and the weakening influence of world markets which resulted in Indonesia's JCI in the red line. Investors' concerns increased when the government declared a national emergency and a holiday on March 7, 2020. In trading on March 24, 2020, the Composite Stock Price Index closed down 1.3% at 3,937. JCI also touched its lowest position in the top eight. JCI had dropped to the level of 3,000, namely on June 24, 2012 at 3,955.58 (Pitaloka, Umar,

The Covid-19 pandemic has indirectly affected activities on the Indonesia Stock Exchange. In this case, investors certainly want the lowest risk in investing, so that this event is able to make investors tend to be careful in investing their funds in the capital market. The Covid-19 pandemic is an epidemic that there is no definite estimate when it will end. This pandemic continues to spread very fast day by day. Especially developing countries, this pandemic has risks that can be considered severe because of the unstable economic system. This event is much worse than the global financial crisis(Iskamto, Ghazali, and Aftanorhan 2020; Nasution, Erlina, and Muda 2020).

The pandemic situation is a driving force for companies to continue to grow in terms of helping Indonesia's economic development. In terms of increasing capital for expansion, action in the capital market is needed, namely Corporate action. There is a lot of information that can influence investors' decisions in transactions, one of which is corporate action. Corporate action is a policy taken by a company that aims to improve performance or show performance in the short and long term (Darmadji and Fakhrudin, 2006:77). Usually the issuer looks for the right time to take the policy to be implemented in order to get a positive response from investors. The forms of corporate action taken by issuers include stock splits, stock bonuses (bonus share), stock dividends, mergers and acquisitions, and Rigth Issues. The form of corporate action that is the object of this research is the policy of publishing the Right Issue.

One of the capital market products is stock. Shares are certificates of ownership of a company. Shares are a kind of certificate owned by the owner of the company, shares are traded in the capital market with securities companies intermediaries and are traded on the Indonesia Stock Exchange and supervised by the Financial Services Authority and now use the JATS system (Jakarta Automated Trading System) which replaces the manual system into a manual system. computerized since May 22, 1995. Shares are classified as sharia shares and conventional shares. Sharia shares are shares based on sharia principles in accordance with 80/DSN-MUI/III/2011, while conventional shares are all shares listed on the Indonesia Stock Exchange. (Ticmi.co.id)

Corporate Action namely every action of the issuer that gives equal rights to all shareholders such as Dividends, Right Issues and Stock Splits. Dividend is the distribution of company profits to shareholders based on the percentage of ownership of capital owners (Hermuningsih and Dewi: 2009). Right Issue, namely the right to pre-emptive securities, namely the right to order securities in advance for the old shareholders from the issuance of the issuance of new securities or additional capital. Stock Split is the splitting of the number of shares of the company into more shares by using a lower nominal value per share proportionally.

This article explains how important management decisions are to carry out Corporate Action so that companies can carry out operational activities and company activities, for the sake of the sustainability of companies that carry out Corporate Action.

RESEARCH METHODOLOGY

The article on qualitative descriptive research methods in the Corporate Action perspective aims to provide an overview of the nature of qualitative descriptive research methods in Management Decision Making research in conducting Corporate Action, data analysis in qualitative descriptive research, steps and strengths and weaknesses in qualitative research itself. This article is compiled based on the literature review method from articles that examine related qualitative descriptive research(Sugiyono 2016).

DISCUSSION

Corporate Action

Corporate action is a capital market term that indicates the strategic activities of issuers or listed companies that affect the interests of shareholders (Basir & Fakhrudin, 2005). Corporate action applies to all companies, not limited to public companies. Several forms of corporate action that are generally carried out by issuers include the distribution of dividends, both cash and shares, stock splits or reverse splits, bonus shares, limited public offerings (rights issues), and stock buybacks (stock buys). back), mergers, acquisitions, spin offs, initial public offerings (IPO), secondary offerings, as well as additional listings such as private placements, conversion of shares from warrants, rights, or bonds.

Interested parties will pay close attention to every step taken by the issuer's management in the corporate action process, from the plan to the implementation process (Basir & Fakhrudin, 2005). Shareholders have an interest in corporate actions for several reasons, such as:

1) Changes in the composition of ownership and dilution of shares
   A corporate action can result in a change in the composition of shareholders and can result in a decrease in the percentage of ownership (share dilution).
2) Additional funds
   Shareholders do not always have additional funds to participate in a corporate action
3) Changes in company capital
   Corporate actions involving changes in shares can result in changes in the equity side, and can have an impact on changes in indicators related to capital.
4) Number of shares outstanding
   The number of shares outstanding may change (increase or decrease) in the market. This of course can affect stock performance or stock trading liquidity.
5) Stock price
   Corporate actions can affect stock prices, where stock prices are a major concern for shareholders, especially active investors
6) Dividend
   For shareholders, corporate actions can result in increased company performance which leads to increased profitability which means greater dividend opportunities
7) Liquidity
   This reflects the rate of stock trading or the extent to which a stock is actively or not traded
8) Investment Strategy
   Every investor, both institutional and individual, has different preferences for both the opportunity for profit (return) and potential loss or risk (risk).

9) Investment Portfolio
   The investment manager of a portfolio or mutual fund has an interest in increasing the value of the investment portfolio he manages.

Trading in the Indonesian capital market is also subject to corporate action. These corporate actions are various activities carried out by public companies (issuers) related to issuers and company activities for the purpose of improving future performance. But you need to know, Corporate Action actually applies to all companies, not limited to companies that have gone public. However, corporate actions taken by issuers are always information that is always awaited by capital market investors because these corporate actions are often actions that have a positive impact on improving company performance. Several types of corporate actions commonly carried out by issuers are stock splits, reverse stock, dividend distributions, acquisitions, rights issues, tender offers,

Forms of Corporate Action

1. Dividend

Definition of dividend

Dividends are company profits that are distributed to company holders. The amount of dividend distribution received by company holders is determined in the agenda of the general meeting of shareholders (GMS). Dividends are distributed according to the profit earned by the company and the percentage distributed according to the results of the GMS which can be paid as cash dividends and dividends in the form of shares. The distribution of dividends must be declared before the dividend becomes the company's liability. Dividend distribution is considered by investors in making decisions in buying shares.

Dividends distributed by the company can be in the form of cash dividends, meaning that each shareholder is given cash dividends in a certain amount of rupiah for each share or it can also be in the form of stock dividends, which means that each shareholder is given a dividend of a number of shares so that the number of shares owned by an investor will increase. increases with the distribution of the stock dividend. Dividends distributed by companies can take several forms, namely cash dividends, asset dividends other than cash, and stock dividends (Sulindawati et al, 2017).

Sulindawati et al (2017) various policies related to dividends include:

a. Stable dividend policy.

A stable dividend policy means that the amount of dividend per share that is paid annually is relatively fixed for a certain period of time even though the income per share per year fluctuates. This stable dividend is maintained for several years, then if it turns out that the company's income increases and the increase in income seems steady and relatively permanent, then the amount of dividends per share is increased. And this raised dividend will be maintained for a relatively long period of time. The reasons that can encourage companies to implement a stable dividend policy include:

1) A stable dividend policy implemented by a company will be able to give the impression to investors that the company has good prospects in the future, if the company's income decreases but the company does not reduce the dividends paid, then market confidence in the company is greater than that of the company. if the dividend is reduced.
2) Many shareholders who live on income received from dividends, they naturally do not like the existence of unstable dividends, they prefer to pay extra prices for shares that will provide dividends that have been determined.

b. Dividend policy by setting a minimum dividend amount plus an extra amount.

This policy stipulates the minimum amount of rupiah dividend per share each year. In better financial circumstances the company will pay extra dividends above this minimum amount. For investors, there is certainty that they will receive a minimum amount of dividends every year even though the company's financial condition is good, investors will receive the minimum dividends plus additional dividends.

c. Dividend policy by setting a constant dividend payout ratio.

Companies that implement this policy set a constant dividend payout ratio, for example 50%. This means that the amount of dividends per share paid annually will fluctuate according to the development of net profits earned each year.

d. Flexible dividend policy.

Determination of a flexible dividend payout, the amount of dividends each year is adjusted to the financial position and financial policy of the company concerned. Factors that affect the payment of a company's dividends are:

a) The company's liquidity position is an important factor that must be considered before making a decision to determine the amount of dividends to be paid to shareholders. The stronger the company's liquidity position, the greater its ability to pay dividends.
b) If a company will acquire new debt or sell new bonds to finance the expansion of the company, it must be planned beforehand how to repay the debt. Debt can be repaid by replacing the debt with new debt, or alternatively the company must provide its own funds from profits to pay off the debt. If the company determines that the repayment of its debt will be taken from retained earnings, the company must retain a large part of its income for this purpose, which means only a small portion of its income can be paid as dividends. In other words, the company must set a low dividend payout ratio.
c) The faster the growth rate of a company. The greater the need for funds to finance the growth of the company, the greater the need for future funds to finance its growth, the company is usually more likely to hold its earnings than to be paid as dividends to shareholders keeping in mind the cost limitations. Thus, it can be said that the faster the

company's growth rate, the greater the funds needed, the greater the opportunity to earn profits, the greater the share of retained earnings in the company. Which means the lower the dividend payout ratio. If the company has achieved such a growth rate that the company has been well established where its funding needs can be met with funds originating from capital articles or other external sources of funds, then the situation is different. In this case the company can set a high dividend payout ratio.

d) There are companies that have a policy of only financing their expenses with funds from internal sources only. This policy was implemented on the basis that if the expansion was financed with funds from the sale of new shares, it would weaken the control of the dominant group within the company. If you finance the expansion with debt, it will increase the financial risk. Entrusting to internal spending in an effort to maintain control over the company which will reduce its dividend payout ratio.

2. Right Issue

The Right Issue is essentially the right to pre-order shares which is given to current investors to buy new shares issued by the issuer in the context of raising funds (Tandelilin, 2010:37).

*rights issue*or known as HMETD or Pre-emptive Rights. Right Issue is one type of corporate action, namely an effort made by the company to increase capital for the company itself. Right issue aims to increase the percentage of shareholder ownership or it can be said to increase the number of shares outstanding in the company. For companies there are at least 2 reasons to conduct a rights issue, namely:

a) *rights issue*can reduce costs, because rights issues usually do not use the services of a guarantor (under writer).

b) With the rights issue, the number of existing company shares will increase, so it is hoped that it will increase the trading frequency or which means increase stock liquidity.

As for the shareholders themselves, rights issues make it easier for them to maintain the proportion of their share ownership to protect them from declining share values (Jogianto, 2002: 75). There are advantages and risks of investing from the rights issue.

a) Advantages of buying a rights issue.
By buying shares from the rights issue, investors have purchased shares as usual. Thus the results to be received are the same as for shares, namely dividends and capital gains. Dividend is the share of profits distributed by the issuer to shareholders, while capital gain is the difference between the purchase price and the selling price of the stock. For investors, the rights issue will have a positive impact if the price rises, on the contrary, it will have a negative impact if it causes the stock price to fall.

b) Right Issue stock investment risk
The risk that must be borne by investors is the decline in stock prices and dividends. The decline in stock prices in question is a sharper decline than its theoretical price. Meanwhile, a decrease in dividends occurs if the increase in the number of shares outstanding is not followed by an improvement in the company's performance after the rights issue.

***3.* Stock Split**

Stock Split (stock split) is to split a share of stock into shares. The price per new share after the stock split is 1/n of the previous price (Jogiyanto, 2000). A stock split is a change in the nominal value per share and increases the number of shares outstanding according to the split factor. The split is usually done when the stock price is overvalued, reducing the investor's ability to buy it. Basically, stock splits that can be done are:

a. Split Up (split factor)

An increasing split is a decrease in the par value per share which results in an increase in the number of shares outstanding, for example a stock split by a factor of 2:1, 3:1, 4:1

b. Split Down (split down or reverse split)

Increase the par value per share and reduce the number of shares outstanding, for example 1:2, 1:3, 1:4

The reason for the company to do a stock split is so that the stock price is not too high, so that it will increase trading liquidity. On the other hand, for this reason, namely market liquidity will be lower after a stock split, namely trading volume will be lower than before, broker transaction costs will increase proportionately and the bid-ask spread (the difference between the bid prices submitted by buyers and the ask price requested by the seller) is also higher than before (Jogiyanto, 2000).

There are two important theories regarding the stock split phenomenon, namely:

a. *Signaling theory* which explains that the stock split provides information to investors about the prospect of a substantial increase in future returns.
b. *Trading range theory* states that stock splits can increase stock trading liquidity.

According to Iin and Desti (2011) Stock split is a form of corporate action taken by companies in Indonesia to reset stock prices to be in a more liquid range and provide more positive signals to investors. Stock split is done based on two theories. According to the Trading Range Theory, high stock prices are the driving force for companies to divide their shares in the hope of increasing stock trading liquidity, placing stocks in an optimal trading range and more investors will invest. Signaling theory states that stock split is the delivery of information about performance and prospects to the market. The purpose of this study was to analyze the differences in stock prices and stock trading volume activities before and after the stock split.

4. Stock Repurchase

Stock repurchase or buy back is a decision made by the company by buying back shares that have been sold in the market on the basis that the shares are worth buying and the company has sufficient cash funds available (Fahmi, 2012). Share repurchases are usually done in one of three ways. First, companies can only buy their own shares. In buying on the open market, the company does not reveal itself as a buyer. Thus, the seller does not know whether the shares are resold to the company or just another investor. Second, the company can submit a Tender Offer. Here, the company announces to all its shareholders that they are willing to buy a certain number of shares at a certain price. Third, The company can buy back shares from certain shareholders or individuals. (Ross SA, et al., 2016).

Stock repurchase is a way for companies to distribute excess cash they have to shareholders other than in the form of dividends. By repurchasing shares, the number of outstanding shares owned by the company will decrease, causing an increase in earnings per share and will encourage an increase in stock market prices.

According to (Jagannathan & Stephens, 2003) the signaling hypothesis has 2 forms, namely the earning signaling hypothesis and the undervaluation hypothesis. In the earning signaling hypothesis, the announcement of stock repurchase gives a signal that the company has excess free cash flow or the company's profitability level is in good condition. Investors will think that the company will have good prospects due to a signal that the company has more free cash flow.

There are several reasons that become the basis for issuers to buy back their shares in the public (Basir & Fakhrudin, 2005):

a) Maintain the fair value of the stock price

In the capital market, the stock price of a company can be used as a benchmark for whether or not the company's financial performance is good, so that it can be said that under normal and normal conditions, the better the financial performance of a company, the share price will also improve (increase). Thus, it is natural that issuers need to maintain their share prices so that they reflect the actual conditions.

b) Psychological signals to the market

The announcement of the stock repurchase is expected to be able to give a positive signal to the market that the stock price is undervalued, thus investors or the market are expected to react positively to make a purchase on the stock so that the stock price will return to the level expected by the issuer.

c) Purchasing shares for resale

Issuers that have repurchased shares may resell their shares on the Exchange. If the shares that have been repurchased can be sold at a price higher than their acquisition price, the difference between the selling price and the repurchase price of the shares is added as Additional Paid-in Capital. This will improve the capital structure of the issuer.

d) Repurchase shares to be distributed to employees (ESOP)

Some companies buy back shares with the aim that the shares that have been repurchased will be distributed to employees as an incentive so that these employees can continue to work in the company. Such incentives can be referred to as employee stock option plans (ESOPs).

e) To avoid acquisition by other companies because they have abundant cash funds.

Companies that have good prospects in the future and currently have abundant cash funds are one of the companies that are often targeted for acquisition. As a way of self-defense from being acquired, the company can use its cash funds to buy back its shares in order to make the company less attractive to be an acquisition target.

f) Tax considerations

The implementation of stock repurchases based on tax considerations often occurs, especially in developed countries because when an investor receives a dividend, the investor will be subject to a certain amount of tax on the income from the dividend. This means that the return given by the issuer to shareholders is reduced because of the tax on dividends. For this reason, the issuer chooses to do a stock repurchase so that shareholders are given the option to sell their shares at a higher price than the market price so that the choice will provide the return that investors expect.

g) Flexibility factor for issuers

The issuer's decision to distribute dividends is a decision that must be carefully planned both in terms of time, available cash funds, and other considerations of the company's financial condition. In contrast to the dividend decision, the management of stock repurchase is more flexible, because the issuer's management has the discretion to regulate when and how large the transaction will be (share repurchase).

h) As an effort to save dividends

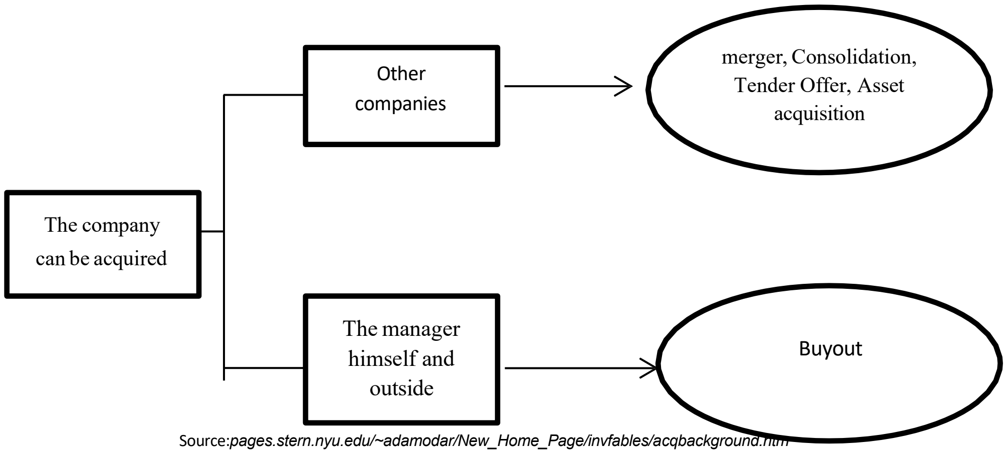
Share repurchases can reduce shares outstanding in the community so that companies can save on dividend distribution. This is because the shares that have been repurchased do not get the right to receive dividends.

5. Acquisitions and Mergers

Opinions about acquisitions mean talking about a few different deals. Such transactions can occur in companies that merge with other companies to create a new company.

Merger is one of the strategies taken by the company to develop and grow the company. Merger comes from the word "mergere" (Latin) which means (1) to join together, to unite, to combine (2) to cause a loss of identity due to being absorbed or swallowed by something. Merger is defined as the merging of two or more companies in which only one company remains as a legal entity, while the others cease their activities or dissolve. In a merger, companies combine and share their resources to achieve a common goal. The shareholders of the combining companies often remain in the position of co-owners of the combined entity.

Figure 1



Source:*pages.stern.nyu.edu/~adamodar/New_Home_Page/invfables/acqbackground.htm*

In a merger, a new entity can be formed (from/by including) the merged company, whereas in an acquisition, the target company becomes an addition or a branch of the acquiring company. Takeovers resemble acquisitions and also imply that the acquiring company is larger than the target company. If the target company is larger than the acquiring company, this kind of acquisition is called a reverse takeover.

1) **Purpose of Mergers and Acquisitions**

The immediate objective of an acquisition is (self-evident) growth and expansion of the company's assets, sales and market share of the acquirer. However, these are medium term goals. A more fundamental objective is the development of shareholder wealth through acquisitions aimed at accessing or creating a reliable competitive advantage for the acquiring firm. In modern financial theory, maximizing shareholder wealth is considered a rational criterion for investment and financial decisions made by managers (Sudarsanam, 1999).

But maximizing shareholder wealth can be substituted for pursuing the personal interests of these decision-making managers. According to managerial utility theory, acquisitions can be driven by ego or managerial desire for power, or privileges appropriate to the size of the firm.

2) **Classification of Mergers and Acquisitions**

In general, mergers can be grouped into four groups (Moin, 2003):

a) Horizontal Merger, occurs when one company merges with another company in the same type of business.
b) Vertical Merger is a merger of companies that have links, for example with suppliers or with retailers. The goal is to secure the company's position.
c) *Congeneric Merger* (Congeneric Merger) is the merging of two companies whose businesses are still related but not in the horizontal or vertical category.
d) *Conglomerate Merger* (Conglomerate Merger) is the merger of two or more companies whose businesses are not related.

Meanwhile, from a financial point of view, there are two types of mergers, namely:

1. *Operating Merger* namely a merger that combines the operations of the two companies in the hope of obtaining a synergistic effect. For example, bank A merges with bank B. After the merger there is only one bank, namely bank A or bank B or a bank with a new name.

2. *Financial Merger* occurs if after the merger, the companies involved in the merger are maintained and operate independently as before the merger.

Judging from the process of doing, mergers can be categorized into two:

1. A voluntary merger (friendly merger) is a merger with terms that are acceptable to the management of both companies.
2. A forced merger (hostile merger) is a merger that is opposed by the management of the target company. The reasons are usually because the bid price is too low, management doesn't want to lose their job, or simply doesn't want to sell the company.

3) Merger and Acquisition Steps

In the process of conducting mergers and acquisitions, there are several steps that must be taken by the company before, during, and after the merger and acquisition occurs. According to Caves, the steps that must be taken can be divided into three parts (Estanol, B, 2004), namely:

a. Pre-merger

Pre-merger in this case is a situation before the merger where at this stage, it is the duty of the entire board of directors and management of both or more companies to collect competent and significant information for the benefit of the merger process of these companies.

b. Merger stage

When these companies decide to merge, the first thing they have to do in this stage is to adapt and integrate with their partners so that they can run according to their partners.

c. Post-merger

At this stage, there are several steps that must be taken by the company. The first step (1) that will be taken by the company is restructuring, where in mergers, leadership dualism often occurs which will have a bad influence on the organization. The second step (2) to be taken is to build a new culture where the company's new culture or culture or it can be a completely new culture for the company. The third step (3) that is taken is to smooth the transition, which must be done in this case is to build a collaboration, in the form of a joint team or mutual cooperation.

Decision-making

Decision making is a process of selecting the best alternative from a number of available alternatives in a complex situation. Investment decision making will be greatly influenced by the information received, as well as the level of ability and knowledge of investors about investment. (Puspitaningtyas: 2013). In the Theory of Planned Behavior (Theory of Reasoned Action) which was first put forward by Ajzwn (1991), this theory is a development of the previous theory, namely The Theory of Reactioned Action which assumes that a person behaves according to their conscious intention, which is based on rational calculations about the effects potential of their behavior, as well as about how others will perceive the behavior. This theory provides a framework for studying attitudes toward behavior.

According to Hasan (2002:10) Decision making is the most appropriate action, a systematic approach to the nature of being faced and taking action. Darmawan (2004:1) all actions are a reflection of the results of the decision-making process in his mind, so that in fact humans are very accustomed to making decisions. From the process of identifying the problem to selecting the best solution, this is what is called the decision-making process.

Conclusion

Management decisions related to Corporate Action, are an attempt by the company to filter funds from external parties or investors for capital so that the company can continue to grow and develop and become a driver of the country's economic development. There are several forms of Corporate Action, namely Dividend, Right Issue, Stock Split, Stock Repurchase, Acquisition and Merger. Management's decision to take Corporate Action on the Stock Exchange floor is nothing but attracting investors so that it affects stock prices in general.

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