AKRUAL: Jurnal Akuntansi *Vol 17, issue 1, October 2025*
p-ISSN: 2085-9643 DOI: 10.26740/jaj.v17n1.p.126-137
e-ISSN: 2502-6380 https://journal.unesa.ac.id/index.php/aj

Can Ownership Structure, Capital Structure, and Company Value Determine a Company's Dividend Policy?

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ABSTRACT

Backgrounds: Inconsistency or inaccuracy in dividend payments can undermine investor confidence in managers. Companies that implement a dividend policy are those with adequate financial performance, performance prospects, and capital structure. **Objectives:** This study was conducted to determine the effect of managerial ownership, institutional ownership, capital structure and firm value on dividend policy as well as the moderating effect of firm value on the relationship between managerial ownership, institutional ownership and capital structure with dividend policy. **Method:** Based on quantitative research methods with purposive sampling techniques, 10 companies in the manufacturing sector of the consumer goods industry sub-sector were obtained on the IDX in the 2018-2022 period. **Results:** The results showed that there is an influence between institutional ownership, capital structure and firm value on dividend policy, while managerial ownership has not been able to influence dividend policy, and firm value can moderate the relationship between institutional ownership and capital structure on dividend policy **Conclusion:** Companies should maintain their management performance to attract investors and consistently distribute dividends to their shareholders. Furthermore, companies must also determine an appropriate dividend policy, as it will impact the well-being of the company and its shareholders. Furthermore, investors should consider the percentage of institutional share ownership before investing, as this study demonstrates that higher institutional ownership leads to higher dividends. Finally, academics should conduct similar research with different subjects to support previous research.

Keywords: Managerial Ownership; Institutional Ownership; Debt to Asset Rasio; Price Book Value; Dividend Payout Ratio

JEL Classification: M40; M41.

Article History: Received: May, 25th 2024 Revised: March, 15th 2025 Accepted: August, 20th 2025 Published: October, 1st 2025
How to cite: Asrini & Muasnaini. (2025). Can Ownership Structure, Capital Structure, and Company Value Determine a Company's Dividend Policy?. *AKRUAL: Jurnal Akuntansi*, *17*(1). DOI: 10.26740/jaj.v17n126.p.1-137
Conflict of Interest Statement: here is no conflict of interest in the articles resulting from this research

INTRODUCTION

Dividend policy is a crucial element in corporate financing decisions (Setiyawati et al., 2017). Inconsistency or inaccuracy in dividend payments can undermine investor confidence in managers. Companies that implement a dividend policy are those with adequate financial performance, performance prospects, and capital structure (Fasridon, 2022). A company's dividend policy can be determined by using the Dividend Payout Ratio (DPR), a percentage of profits that indicates the relationship between dividend payments and net income (Setiyawati et al., 2017). Dividend policy decisions can impact both the company and investors, including the company's financial condition, which can be affected by dividend policy. Jensen & Meckling (1976) stated that dividends serve as a means to monitor the behavior of company

management and can also reduce agency costs arising from agency conflicts between principals and agents.

A company's dividend policy can be influenced by various factors, including ownership structure and capital structure (Jensen & Meckling, 1976). The amount of ownership held by directors, commissioners, and managers can indicate ownership. The existence of ownership structures can give rise to agency conflicts in companies (Silaban & Purnawati, 2016). These conflicts arise between shareholders and managers, managers and creditors, and result in differing goals between management and shareholders. This occurs because managers minimize dividend distributions because they retain profits for future reinvestment. According to Bataineh (2021), ownership structure is estimated to have a significant impact on the outcome of a company's dividend policy.

Ownership structure can be defined as the distribution of ownership in a company, where the company acts as the management, and shareholders are those who provide capital to the company. According to Al-Gharaibeh et al. (2013), the ownership structure provides insight into the composition of share ownership, consisting of insider and outsider ownership. Insider ownership includes managerial ownership (managers, commissioners, and directors), while outsider ownership includes financial institutions, insurance companies, investment companies and pension funds, the government, and individuals, both domestic and foreign. Mauliddina (2017) found that high managerial and institutional ownership can reduce agency costs.

Several previous studies have demonstrated the influence of managerial ownership structure on corporate dividend policy. However, these studies have yielded varying results. Sumartha's (2016) study concluded that managerial ownership can influence dividend policy (dividend payout ratio), which aligns with Abdullah et al.'s (2012) study, which found that managerial ownership negatively impacts dividend policy. These research findings align with agency theory. According to Jensen & Meckling (1976), managerial ownership structure is a way to minimize agency costs and also improve company performance. Meanwhile, research by Mauliddina (2017) explains that managerial ownership structure has no impact on dividend policy. This is because the dividend policy adopted by manufacturing companies takes into account not only ownership structure but also other factors.

Institutional ownership refers to share ownership by parties external to the company. Institutional ownership includes share ownership by financial institutions, governments, corporations, trusts, foreign institutions, and other entities (Jatmiko & Kusumastuti, 2017). In his research, Sumartha (2016) explained that institutional ownership negatively impacts the dividend policy of companies without managerial ownership. Meanwhile, institutional ownership positively impacts the dividend policy of companies with managerial ownership. The higher the institutional ownership, the stronger the company's external control, which can reduce agency costs and enable the company to distribute higher dividends. Therefore, the results of this study align with the agency theory proposed by Jensen & Meckling (1976).

According to Jensen & Meckling (1976), in addition to ownership structure, capital structure can also influence dividend policy. Capital structure is the balance between long-term debt and short-term debt, preferred stock, and common stock. According to Mudjijah et al. (2019), capital structure is the balance between equity and debt used to finance a company. When a company's capital structure increases, its situation worsens because it relies heavily on external funding or loans. This means that if a company increasingly finances itself through

p-ISSN: 2085-9643 DOI: 10.26740/jaj.v17n1.p.126-137
e-ISSN: 2502-6380 https://journal.unesa.ac.id/index.php/aj

loans, profits are used to repay these loans, resulting in a decrease in the amount of profit paid (Yuniati et al., 2016). HS's (2015) research explains that capital structure significantly influences a company's dividend policy. This contrasts with Mauliddina's (2017) research, which explains that capital structure has no impact on dividend policy. This is because investors no longer pay attention to a company's debt; they only monitor whether the company's funds are being used efficiently. Therefore, capital structure can influence the amount of risk borne by shareholders and the amount of expected returns.

The relationship between managerial ownership structure, institutional ownership structure, and capital structure has led the authors to investigate the influence of these three structures on dividend policy. The authors also provide innovation or novelty in this research by adding firm value as a moderating variable. In this study, the authors use firm value as a moderator of the influence of managerial ownership structure, institutional ownership structure, and capital structure on dividend policy.

Firm value is the value given to potential buyers when selling a company. A high firm value makes the company more favorable in the eyes of buyers. In other words, firm value is investors' opinion of a company's success. This value is generally related to stock price. The higher the firm value, the more favorable investors will view the company (Paulina et al., 2020). This means that if the firm value is good, the stock price will rise. Conversely, if the firm value is low, the stock price will decrease and become cheaper.

Firm value is attractive as a moderating variable because it is a consideration for investors when investing their funds in a company. According to Jensen & Meckling (1976), firm value determines the level of welfare of the company and its shareholders. Firm value, as a moderating variable, influences the dependent variable, namely dividend policy. According to Brigham & Houston (2014), investors pay close attention to dividends and their growth, as well as other related factors, such as firm value. This research aligns with agency theory by Jensen & Meckling (1976), which states that firm value influences dividend policy. If a company's value is high, it means the company has optimal management performance, resulting in high profits. High profits mean the company will pay high dividends to its shareholders.

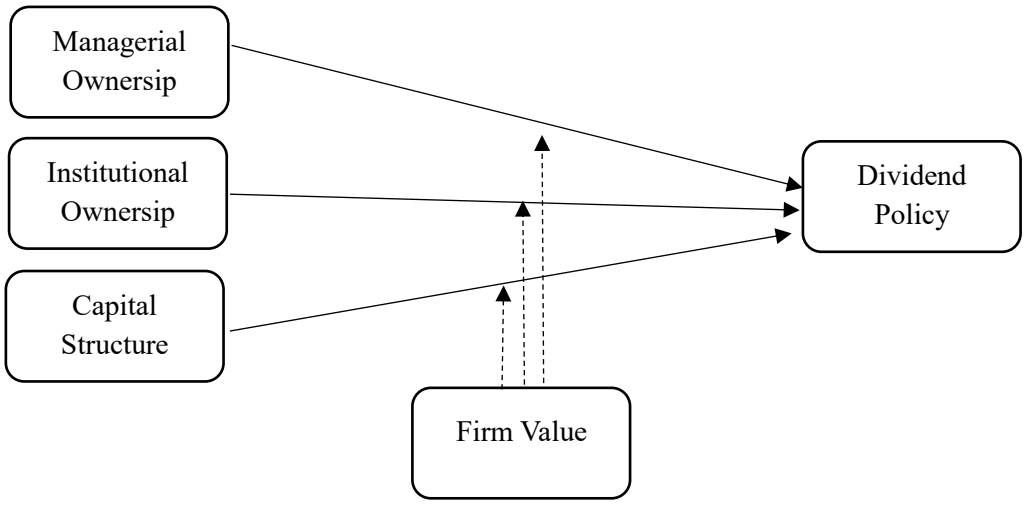

Figure 1. Research Model

METHOD

This research is an associative research study, aiming to examine the relationship between two or more variables in the form of a causal relationship, as the relationship in this study is causal. Furthermore, based on the data source, this research is quantitative, as it consists of the company's annual financial reports. This study will examine the effect of ownership structure and capital structure on company dividend policy, using firm value as a moderating variable.

This study utilizes documentary data. The data used is secondary data taken from the financial statements and annual reports of manufacturing companies in the consumer goods sector listed annually on the Indonesia Stock Exchange (IDX) for the 2018-2022 period. Companies in the consumer goods subsector are the focus of this study because they are a frequently used industry subsector by the public. Furthermore, stocks in this consumer goods subsector are the most resilient to crises compared to other industries (Istiqomah & Rusli, 2020). Therefore, this study aims to prove this argument in the 2018-2022 period, as these years represent the years before, during, and after the COVID-19 outbreak, which are related to a company's success.

The data for this study was obtained from the Indonesia Stock Exchange (IDX), specifically from company financial reports and annual reports on the official Indonesia Stock Exchange website (www.idx.co.id) and alternative official company websites. The sampling technique used in this study was purposive sampling, a data collection method that considers certain aspects in selecting samples from a representative population based on the desired characteristics.

The dependent variable (bound variable) is a variable that can be influenced by the independent variable (free variable). In this study, the researcher used dividend policy as the dependent variable, measured using the dividend payout ratio (DPR). The dividend payout ratio (DPR) is a percentage of profit used to measure dividend policy. The higher the DPR, the smaller the amount of funds to be reinvested as retained earnings. According to Bansaleng et al. (2014), dividend policy can be measured using the following formula:

$$\text{Dividend Payout Ratio} = \frac{Dividend\ per\ share}{Earning\ per\ share}\ x\ 100\%$$

An independent variable (free variable) is a variable that can explain and influence other variables. The independent variables used in this study are as follows.

Managerial Ownership

In this type of ownership, managers have the opportunity to participate in the company's share ownership, which is intended to align with investor objectives. According to Bansaleng et al. (2014), managerial ownership can be measured using the following formula:

$$\text{Managerial Ownership} = \frac{Number\ of\ shares\ owned\ by\ directors,commissioners\ and\ managers}{Number\ of\ shares\ outstanding}\ x\ 100\%$$

Institutional Ownership

Institutional ownership refers to share ownership held by external parties or institutions, such as government, private, domestic, or foreign institutions. According to Bansaleng et al. (2014), institutional ownership can be measured using the following formula:

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e-ISSN: 2502-6380 https://journal.unesa.ac.id/index.php/aj

$$\text{Instutional Ownership} = \frac{Number\ of\ shares\ owned\ by\ the\ institution}{Number\ of\ shares\ outstanding}\ x\ 100\%$$

Capital Structure

A good capital structure is one where a company can maximize its share price. In this case, the company requires a low leverage ratio, not a ratio that maximizes the desired profit per share (Brigham & Houston, 2014). The leverage ratio is measured using the debt-to-asset ratio (DAR). According to Bansaleng et al. (2014), the leverage ratio is measured using the following formula:

$$\text{DAR} = \frac{Total\ Debt}{Total\ Asset}\ x\ 100\%$$

Firm Value

In this study, price-book value (PBV) was used to assess firm value. This is because book value is a stable measure that can be used to compare stock prices. According to Ginting (2021), firm value can be tested using the following formula:

$$\text{PBV} = \frac{Market\ price\ per\ share}{Book\ Value\ per\ share}\ x\ 100\%$$

The data analysis process in this study was conducted using the Moderated Regression Analysis (MRA) model. The MRA model used in this study consists of several statistical tests, such as descriptive statistical tests, classical assumption tests, research hypothesis tests, simultaneous tests, and coefficient of determination tests. The MRA testing process in this study was conducted using SPSS version 25.0 software. The MRA regression equation model in this study is as follows.

$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$..... (1)

$Y = \alpha + \beta_1X_1 + \beta_2Z + \beta_3X_1*Z + e$.....(2)

$Y = \alpha + \beta_1X_2 + \beta_2Z + \beta_3X_2*Z + e$.....(3)

$Y = \alpha + \beta_1X_3 + \beta_2Z + \beta_3X_3*Z + e$.....(4)

Where: Y = Dividend payout ratio (DPR); α = Constant; β = Regression Coefficient; X_1 = Managerial Ownership (MNGR); X_2 = Institutional Ownership (INST); X_3 = Debt to asset ratio (DAR); Z = Price book value (PBV); e = Eror

RESULTS AND DISCUSSION

The first step in this research was to determine the companies that would serve as the sample. This research used purposive sampling. The sampling process is presented in Table 1 below.

Table 1. Research Sampling Process

Information	Total
Manufacturing sector companies in the consumer goods industry sub-sector listed on the Indonesia Stock Exchange (IDX) in the 2018-2022 period	70
Companies in the manufacturing sector of the consumer goods industry sub-sector whose financial reports cannot be accessed	(6)
Manufacturing sector companies in the consumer goods industry sub-sector experienced losses during the 2018-2022 period	(7)

Information	Total
Companies in the manufacturing sector of the consumer goods industry sub-sector that did not distribute dividends during the 2018-2022 period	(40)
Manufacturing sector companies in the consumer goods industry sub-sector that did not have managerial ownership during the 2018-2022 period	(10)
Companies used as samples	10
Number of observations (over 5 years)	50

Source: data processed

This study uses manufacturing companies in the consumer goods industry listed on the Indonesia Stock Exchange (IDX) during the 2018-2022 period as its object. The data were obtained from the official website of the Indonesia Stock Exchange (IDX), www.idx.co.id. Using a purposive sampling method, 10 samples of manufacturing companies in the consumer goods industry listed on the IDX during the 2018-2022 period were obtained. After obtaining the samples, the next step was to search for and analyze the data according to the formula for each variable studied. Table 2 below shows the sample data that has been subjected to descriptive statistical tests.

Table 2. Descriptive Statistical Test Results

	N	Min.	Max.	Mean	Std. Deviation
Managerial Ownership	50	4,06	9,60	6,6466	1,50672
Instutional Ownership	50	52,74	92,01	73,1320	12,17695
Capital Structure	50	13,03	78,18	37,6408	18,50068
Dividend Payout Ratio	50	12,00	124,36	44,4546	30,81247
Firm Value	50	2,99	19993,03	4940,1214	6785,09186
Valid (N)	50				

Source: Output SPSS

Table 4.2 shows that the dividend policy value, as measured by the DPR, ranges from 12.00 to 124.36, with a mean of 44.4546 and a standard deviation of 30.81247. The highest DPR value was found in Unilever Indonesia Tbk (UNVR) at 124.36 in 2019, while the lowest DPR value was found in Ultra Jaya Milk Industry and Trading Company (ULTJ) at 12.00 in 2020.

Table 4.2 shows that the managerial ownership value, as measured by MNGR, ranges from 4.06 to 9.60, with a mean of 6.6466 and a standard deviation of 1.50672. The highest MNGR value was from Unilever Indonesia Tbk (UNVR) at 9.60 in 2018, while the lowest MNGR value was from Buyung Poetra Sembada Tbk (HOKI) at 4.06 in 2021.

Table 4.2 shows that institutional ownership, as proxied by INST, ranges from 52.74 to 92.01, with a mean of 73.1320 and a standard deviation of 12.17695. The highest INST value is from Wilmar Cahaya Indonesia Tbk (CEKA) at 92.01 in 2018 and 2019, while the lowest INST value is from Ultra Jaya Milk Industry and Trading Company (ULTJ) at 52.74 in 2018 and 2019. Based on table 4.2, it can be seen that the capital structure value proxied by DAR ranges from 13.03 to 78.18, the average value (mean) is 37.6408 and the standard deviation is 18.50068. The highest DAR value was from Industri Jamu dan Pharmaceutical Sido Tbk (SIDO) at 13.03 in 2018, while the lowest DAR value was from Unilever Indonesia Tbk (UNVR) at 78.18 in 2022.

p-ISSN: 2085-9643 DOI: 10.26740/jaj.v17n1.p.126-137
e-ISSN: 2502-6380 https://journal.unesa.ac.id/index.php/aj

Table 4.2 shows that company value, as proxied by PBV, ranged from 2.99 to 19,993.03, with a mean of 4940.1214 and a standard deviation of 6785.09186. The highest PBV value was from Industri Jamu dan Pharmaceutical Sido Tbk (SIDO) at 19,993.03 in 2018, while the lowest PBV value was from Tempo Scan Pacific Tbk (TSPC) at 2.99 in 2022.

The next test conducted after the descriptive statistical test was the classical assumption test. The classical assumption test was conducted using four stages: the normality test, the autocorrelation test, the multicollinearity test, and the heteroscedasticity test. Table 3 below presents the results of the first classical assumption test, the normality test.

Table 3. Normality Test Results

	Unstandardized Residual
N	50
Asymp. Sig. (2-tailed)	0.200

Soruce: Output SPSS

Based on the Kolmogorov-Smirnov (K-S) normality test in Table 4.3 above, the Unstandardized Residual value at asymp. Sig. (2-tailed) is 0.200, which is greater than α: 0.05, or 0.200 > 0.05. In addition to the Kolmogorov-Smirnov (K-S) test,

The second test is the autocorrelation test, which aims to identify the presence of autocorrelation by analyzing the correlation between residuals at observation time t and t-1 in the time series. The autocorrelation test in this study is based on the Durbin-Watson (DW) value. The Durbin-Watson test results show a statistical value of 1.855, which lies within the acceptance range (du = 1.799 < DW < 4 - du = 2.201). This finding confirms the absence of autocorrelation in the model, as evidenced by the independent nature of the residuals. Thus, the regression model meets the non-autocorrelation assumption and is valid for inferential analysis.

The third test is the multicollinearity test, which aims to verify the absence of multicollinearity among the independent variables. Diagnostic criteria indicate that multicollinearity can be ignored if the following conditions are met: (1) Variance Inflation Factor (VIF) <10, and (2) Tolerance value >0.1. Table 4 below presents a summary of the results of the multicollinearity tests conducted in this study.

Table 4. Multicollinearity Test Results

Variable	Tolerance	VIF
Managerial Ownership	0.865	1.156
Institutional Ownership	0.971	1.030
Capital Structure	0.856	1.169
Firm Value	0.959	1.043

Source: Output SPSS

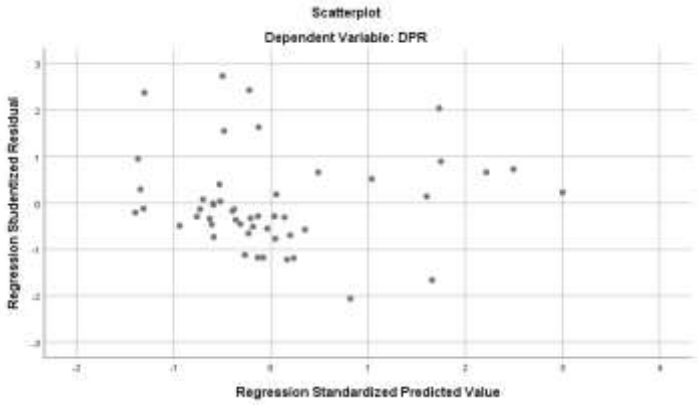

Figure 2. Scatterplot

The results of the multicollinearity test showed that all variables met the diagnostic criteria (Tolerance > 0.10; VIF < 10), confirming the absence of significant linear correlation between the predictor variables. This finding demonstrates that each independent variable makes a unique contribution to explaining variation in the dependent variable without any statistical interference.

The final test is the heteroscedasticity test, which is conducted to examine whether there are differences in variance between residuals from various observations. The heteroscedasticity test in this study was conducted using a scatterplot test. Figure 2 below presents the results of the scatterplot test.

Based on the scatterplot results in Figure 2 above, it can be seen that the points are randomly distributed both above and below 0 on the Y-axis and do not form a wavy, widening, or narrowing pattern. Based on the scatterplot results, the regression model is declared free from heteroscedasticity.

The statistical testing stage following the classical assumption test involves testing the research hypothesis and the coefficient of determination. Hypothesis testing in this study was conducted using Moderated Regression Analysis (MRA). The complete data processing results for the hypothesis testing and coefficient of determination in this study are presented in Table 5 below.

Table 5. Summary of Research Hypothesis Test Results

Correlation	Coefficient	Sig	Hypothesis
Managerial Ownership → Dividend Policy	-3,553	0,083	H_1 rejected
Institutional Ownership → Dividend Policy	0,682	0,012	H_2 accepted
Capital Strcuturel→ Dividend Policy	0,413	0,025	H_3 accepted
Firm Value → Dividend Policy	0,002	0,000	H_4 accepted
Managerial Ownership* Firm Value → Dividend Policy	-	-	H_5 rejected
Institutional Ownership* Firm Value → Dividend Policy	0.427	0,024	H_6 aceepted
Capital Structure*Firm Value → Dividend Policy	0.278	0,137	H_7 rejected
Coefficient Determination (R^2)			0.356
F-Test Result			0.000

Source: Output SPSS

Table 5 above shows that, based on significance values less than 0.05, institutional ownership, capital structure, and firm value have a positive effect on dividend policy.

p-ISSN: 2085-9643 DOI: 10.26740/jaj.v17n1.p.126-137
e-ISSN: 2502-6380 https://journal.unesa.ac.id/index.php/aj

Meanwhile, managerial ownership has no effect on dividend policy. Therefore, Hypothesis H1 is rejected in this study, while H2 through H4 are accepted. Furthermore, because managerial ownership has no effect on dividend policy, it is automatically excluded from the moderation test model. Therefore, Hypothesis H5 is directly rejected. Institutional ownership and capital structure are then included in the moderation test, indicating that firm value only moderates institutional ownership. Therefore, Hypothesis H6 is accepted, while Hypothesis H7 is rejected.

Based on the data analysis, it is clear that managerial ownership has not yet influenced dividend policy. The reason managerial ownership failed to influence dividend policy is because the level of managerial ownership during the study period was relatively low compared to other share ownership in the sample companies, such as institutional ownership. The study sample data shows that managerial ownership values ranged from 4.06 to 9.60, while institutional ownership values ranged from 52.74 to 92.01. Because managerial ownership shares are small, managers simply act as agents or managers of the company.

These research findings align with Mauliddina's (2017) study, which found that managerial ownership structure has no influence on dividend policy. This is because dividend policy issued by manufacturing companies takes into account not only ownership structure but also other factors besides the variables studied. These findings contradict the agency theory of Jensen & Meckling (1976), which states that managerial ownership structure can improve a company's dividend policy because dividends function as a supervisor of management performance, thus maximizing the company's profits. This also contradicts research by Muhtarom (2021) which states that managerial ownership has an influence on dividend policy (dividend payout ratio), research by Sumartha (2016) which states that managerial ownership has a positive influence on dividend policy, and research by Abdullah et al. (2012) which states that managerial ownership has a negative influence on dividend policy.

Based on the results of the data analysis, it is known that institutional ownership has a positive influence on dividend policy. This is because the sample companies during the study period had a high percentage of shares compared to other share ownership in the sample companies, such as managerial ownership, which ranged from 52.74 to 92.01, while managerial ownership only ranged from 4.06 to 9.60. The results of this study are in line with the agency theory by Jensen & Meckling (1976), which states that institutional ownership has an influence on dividend policy. The role of institutional ownership is to control management performance to maximize profits. Therefore, the company will be controlled directly by external parties. When external parties monitor management performance, management will continue to improve their performance so that the company obtains maximum profits. Thus, the rights of shareholders will be fulfilled, namely receiving dividends. This study is also in line with the research of HS (2015), which states that institutional ownership has a positive and significant influence on dividend policy in food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX). This is supported by research by Reyna (2017) and Bataineh (2021), which found that institutional ownership significantly and positively influences dividend policy due to increased shareholder ownership, which in turn leads to higher dividend payments.

Meanwhile, research by Mauliddina (2017) found that institutional ownership significantly negatively influences dividend policy in manufacturing companies listed on the Indonesia Stock Exchange (IDX). The presence of an institutional ownership structure indicates the presence of outside ownership by non-independent parties, as the majority of

companies in Indonesia are still related to family relationships, even within the company's management.

Based on the data analysis, it was found that capital structure, as proxied by the Debt to Equity Ratio (DAR), positively influences dividend policy. This research aligns with agency theory. According to Jensen & Meckling (1976), capital structure, reflected in debt, influences dividend policy. This is because companies with a higher capital structure tend to have a more favorable view of the company, as they are believed to be able to manage capital effectively. This aligns with Modigliani & Miller's (1958) theory, which explains that a company's value will be high if it has high debt. Therefore, the company will use external funding to finance its operational activities, while internal funding is used to pay its obligations, such as paying off debt and paying dividends to shareholders.

This research contradicts research by Bansaleng (2014) and Ismiati & Yuniati (2017), which found that capital structure, with its Debt-to-Debt Ratio (DAR), negatively and significantly impacts dividend policy. Companies with low debt are more likely to meet their obligations to both creditors and shareholders. Furthermore, research by Mauliddina (2017) also suggests that capital structure cannot yet influence dividend policy because dividend policy is not solely influenced by capital structure.

Based on the data collected, firm value, as proxied by PBV, can positively influence dividend policy. This is because the firm value percentage of the sample companies during the study period was high, ranging from 2.99 to 199.93. Therefore, the sample companies in this study are favorably viewed by investors due to their consistent growth, consistent with the phenomenon outlined in the background in chapter 1 above.

These research findings align with the agency theory of Jensen & Meckling (1976), which posits that firm value can influence a company's dividend policy. A high corporate value leads to optimal company performance, enabling the company to maximize profits. This allows the company to distribute dividends to its shareholders. This also relates to research by Brigham & Houston (2014), which states that investors pay close attention to dividends, their growth, and other related factors, such as company value.

Based on the results of the tests conducted, it was found that corporate value, as proxied by PBV, acts as a moderating variable, strengthening the influence of institutional ownership (INST) on dividend policy (Y). Prior to testing using moderating variables, the results of the institutional ownership test showed a positive influence on dividend policy. When external parties monitor management performance, management will continuously improve its performance to maximize the company's profits. This can be reinforced by a high corporate value, as the company will also maximize profits from strong management performance, thereby fulfilling shareholder rights.

This research aligns with the agency theory by Jensen & Meckling (1976), which states that firm value can influence a company's dividend policy. This relates to research by Brigham & Houston (2014), which states that investors pay close attention to dividends and their growth, as well as other related factors, such as firm value.

Based on the results of the tests conducted, firm value (PBV) acts as a moderating variable, strengthening the influence of capital structure (DAR) on dividend policy (Y). Prior to testing using moderating variables, the results of the capital structure test showed a positive

p-ISSN: 2085-9643 DOI: 10.26740/jaj.v17n1.p.126-137
e-ISSN: 2502-6380 https://journal.unesa.ac.id/index.php/aj

influence on dividend policy. Companies use debt to fund operational activities, while profits are used to pay off liabilities, such as debt repayment and dividend payments to shareholders. A high firm value (PBV) can strengthen this relationship because a high firm value can lead to good management, maximizing profits, and ultimately leading to high dividend distributions.

This research aligns with the agency theory by Jensen & Meckling (1976), which states that firm value can influence a company's dividend policy. This is related to research by Brigham & Houston (2014) which states that investors pay close attention to dividends and their growth as well as other things related to them, such as company value.

CONCLUSION

This study aims to determine the effect of ownership structure and capital structure on corporate dividend policy, with firm value as a moderating variable, on companies in the manufacturing sector, within the consumer goods subsector, listed on the Indonesia Stock Exchange (IDX) during the 2018-2022 period. The results indicate that institutional ownership structure, capital structure, and firm value have a positive effect on dividend policy, while managerial ownership does not. Furthermore, this study also demonstrates that firm value can strengthen the influence of institutional ownership and capital structure on corporate dividend policy.

The results of this study are acceptable, while still considering its limitations. A limitation of this study is that it failed to detect any effect of managerial ownership on corporate dividend policy. This is likely due to inaccurate measurement of managerial variables, which resulted in the results not reflecting the actual situation.

This study provides recommendations to both academics and practitioners based on the results and limitations. Companies should maintain their management performance to attract investors and consistently distribute dividends to their shareholders. Furthermore, companies must also determine an appropriate dividend policy, as it will impact the well-being of the company and its shareholders. Furthermore, investors should consider the percentage of institutional share ownership before investing, as this study demonstrates that higher institutional ownership leads to higher dividends. Finally, academics should conduct similar research with different subjects to support previous research.

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