

**THE EFFECT OF DIVIDEND POLICY AND DEBT POLICY ON FIRM  
VALUE WITH CEO CHARACTERISTICS AS A  
MODERATING VARIABLE**

Nirma Kusuma Ningtyas<sup>1)</sup>, Anggita Langgeng Wijaya<sup>2)</sup>, Sedy Dwi Haryanto<sup>3)</sup>.

<sup>1</sup>Faculty of Economics and Business, Universitas PGRI Madiun  
email: [nirmakusuma1@gmail.com](mailto:nirmakusuma1@gmail.com)

<sup>2</sup>Faculty of Economics and Business, Universitas PGRI Madiun  
email: [gonggeng14@unipma.ac.id](mailto:gonggeng14@unipma.ac.id)

<sup>3</sup>Faculty of Economics and Business, Universitas PGRI Madiun  
email: [sedy.dh@unipma.ac.id](mailto:sedy.dh@unipma.ac.id)

**ABSTRAK**

Penelitian ini bertujuan untuk menguji secara empiris pengaruh kebijakan dividen dan kebijakan hutang terhadap nilai perusahaan dengan karakteristik CEO sebagai variabel moderasi pada perusahaan konstruksi dan bangunan yang terdaftar di Bursa Efek Indonesia periode tahun 2020-2024. Dalam penelitian ini terdapat 29 populasi perusahaan sektor konstruksi dan bangunan tahun 2020-2024. Pengambilan sampel dengan menggunakan metode teknik *purposive sampling*, sehingga diperoleh sampel 20 perusahaan sesuai dengan kriteria dan memiliki data yang tersedia untuk diteliti. Teknik analisis data menggunakan analisis regresi linier berganda dan analisis regresi moderasi. Hasil penelitian ini adalah kebijakan dividen berpengaruh positif dan signifikan terhadap nilai perusahaan, kebijakan hutang berpengaruh negatif dan signifikan terhadap nilai perusahaan, latar belakang pendidikan CEO tidak mampu memoderasi pengaruh antara kebijakan dividen dan nilai perusahaan, masa jabatan CEO tidak mampu memoderasi pengaruh antara kebijakan dividen dan nilai perusahaan, latar belakang pendidikan CEO tidak mampu memoderasi pengaruh antara kebijakan hutang dan nilai perusahaan, masa jabatan CEO tidak mampu memoderasi pengaruh antara kebijakan hutang dan nilai perusahaan.

**Kata Kunci:** Kebijakan Dividen, Kebijakan Hutang, Nilai Perusahaan, Karakteristik CEO

**Abstract**

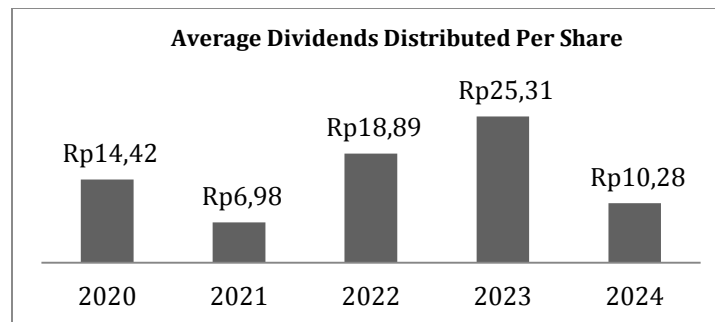
*This study aims to empirically test the effect of dividend policy and debt policy on firm value with CEO characteristics as a moderating variable in construction and building companies listed on the Indonesia Stock Exchange for the period 2020-2024. In this study, there are 29 companies in the construction and building sector in 2020-2024. Sampling using a purposive sampling technique method, so that a sample of 20 companies was obtained according to the criteria and had available data for research. Data analysis techniques used multiple linear regression analysis and moderated regression analysis. The results of this study are dividend policy has a positive and significant effect on firm value, debt policy has a negative and significant effect on firm value, CEO educational background is unable to moderate the effect*

*between dividend policy and firm value, CEO tenure is unable to moderate the effect between dividend policy and firm value, CEO educational background is unable to moderate the effect between debt policy and firm value, CEO tenure is unable to moderate the effect between debt policy and firm value.*

**Keywords:** *Dividend Policy, Debt Policy, Firm Value, CEO Characteristics*

## A. INTRODUCTION

The construction and building sector in Indonesia it has developed alongside growing regional activities and improvements over time. This growth has intensified competition among companies, prompting them to implement various strategies to achieve their desired outcomes. Therefore, established companies must have relevant goals in order to maximize their corporate value. Sustainable finance is a key foundation in the effort to enhance a company's value (Murtadho et al., 2024) The implementation a company's value, several financial policies need to be implemented. Not distributing dividends can affect a company's dividend policy, which will impact investor confidence in the company's value. Furthermore, large debt can reduce a company's value in long term.



**Picture 1 Diagram of Average Dividends Per Share**

Figure 1.1 shows a diagram of the average dividend distribution per share of construction and building companies in 2020-2024. In 2020, construction and building companies distributed an average dividend per share of IDR 14.42. In 2021, the company experienced a decrease, so that only a dividend per share was distributed of IDR 6.98, the decrease occurred due to the impact of Covid-19. However, in 2022 the dividend distribution per share increased by IDR

18.89. The company began to improve its performance, entering its peak year in 2023, with an average dividend distribution per share reaching IDR 25.31. The increase that occurred in two consecutive years suddenly showed that there was a positive company trend in construction and building companies. In 2024, there was another fluctuation, so that the average dividend distributed was only IDR 10.28 per share. With this trend, construction and building companies faced up and downs in the company.

Dividend policy refers to the strategic choice regarding the allocation of net income which will be distributed to shareholders as dividends or retained for reinvestment, such as in operational assets or bond purchases (Aryanda, 2024). Sutisna & Suteja, (2020) and Herawati *et al.* (2022) stated in his research that dividend policy has no influence on firm value. Hamdani *et al.* (2020) found dividend policy did not effect on firm value. Alongside dividend policy, effective debt policy management is essential in increasing a company's value. An increase in the proportion of debt can lead to a rise in stock prices, however, if debt continues to grow without being supported by strong performance, it may ultimately reduce the company's value (Masril *et al.*, 2021). Research result (Salmah & Anggraini, 2022), stated that debt policy has a significant impact on company's value. Differences research results (Satria & Widyawati, 2023) states that debt policy has no effect and is not significant on company value.

In previous research, many have examined the influence of dividend policy and debt policy on company value, but still show conflicting results, this is an opportunity to explore more deeply, one of which is by considering CEO characteristics as a moderating variable, this has not been studied in previous studies. Thus, this study offers novelty by introducing CEO characteristics as a moderating variable, proxied by two indicators: educational background and tenure. These factors may influence the company's strategic decision-making, particularly regarding dividend and debt policy.

This study attempts to empirically analyze the moderating effect of CEO characteristics, as reflected in their educational background and tenure, examining the interplay between

dividend and debt policy and firm value in Indonesian construction and building companies, enhancing understanding decision makers alike.

## 1. Theoretical Review

### a. Signalling Theory

Signaling theory states that managers provide information to shareholders about the company's future performance chances. If the signal is positive, investors are more likely to invest, however if the signal is negative the opposite effect occurs. With the signalling theory, the market is expected to assess whether a company's performance is effective or not (Pratiwi & Mertha, 2017).

### b. Upper Echelon Theory

Upper echelon theory states that the diversity top management structure can guide manager in developing their skills to address complex company problems, particularly those related to strategic changes. This theory also states that as decisions become more complex, the role of individual CEO characteristics, such as expertise and tenure, becomes increasingly important and necessary (Tran, 2022).

### c. Dividend Policy

Dividend policy is one of the core components of a company's financing activities. In signalling theory, a surge in stock valuation (Nainggolan & Listiadi, 2014). Regular dividend payments can reduce investor's negative perceptions of the company's financial condition. Additionally, consistent dividend payments can build trust in the effectiveness of the firm's leadership.

### d. Debt Policy

Debt policy is an important consideration for companies, as it is also a component of the company's financing policy (Rismayanti *et al.*, 2020). Firm value is influenced by how the company manages to maximize shareholder wealth and control the debt used support business activities that can increase profits (Laksmi & Budiarta, 2020).

**e. Firm Value**

Companies that can increase their firm value will provide profits to shareholders in the following year. Investments distributed to shareholders send a positive signal to managers about the company's potential outlook progress, as evidenced due to rise in stock value indicated by the firm's value (Azharin & Ratnawati, 2022). In addition, an increase in firm value is also supported by the optimization of company's policies.

**f. CEO Educational Background**

The CEO's educational background can influence their mindset and serve as a foundation for decision making in company policy (Jusuf et al., 2024). A CEO with relevant educational background will likewise contain significant bearing on managing the company's policies. CEO with an educational background in economics or business is generally considered to have a better understanding of the company's financial condition compared to a CEO without such a background.

**g. CEO Tenure**

CEO tenure is an indicator of the CEO's experience. Therefore, a CEO who has served for a longer period is likely to have gained more experience and is expected to possess greater skills and knowledge (Guizani & Larabi, 2025). CEO with a long tenure is expected to manage the company more effectively.

**2. Research Hypothesis**

Based on the theories used in this study, the hypotheses proposed are as follows:

H1 Dividend policy has an effect on firm value.

H2 Debt policy has an effect on firm value.

H3 The CEO's educational background moderates the effect of dividend policy and firm value.

H4 The CEO's tenure moderates the effect of dividend policy and firm value.

H5 The CEO's educational background moderates the effect of debt policy and firm value.

Value.

H6 The CEO's tenure moderates the effect of debt policy and firm value.

## B. METHOD

This study employed a quantitative methodology. Financial report and annual report data were obtained from the Indonesia Stock Exchange (IDX) and the official websites of construction and building sector companies for the period 2020-2024 as secondary data. Sampling was conducted using a purposive sampling method. Data analysis employed multiple linear regression and moderated regression analysis, utilizing SPSS version 24.

## C. RESULTS AND DISCUSSIONS

### 1 Research Data Description

This study uses financial information from construction and building corporate listed on the Indonesia Stock Exchange for the 2020-2024 period. Purposive sampling was used to select companies that met the specified criteria. These standars criteria include:

**Table 1. Criteriya Purposive Sampling**

No	Description	Amount
1.	Construction & building companies enteroris included in the Indonesia stock exchange listings during the period 2020-2024.	29
2.	Companies that do not have available data are studied based on research variables..	9
3	Research period	5 years
Total number of research samples		20
Quantity of observational data from the past 5 years		100

Source: Data processed 2025

As per purposive sampling results, 20 companies were selected that met the criteria and had available data for this study. The observational data spanning a five-year timeframe were obtained 100 research observations, as shown in Table 1.

## 2 Descriptive Statistics

**Table 2. Descriptive Statistics Analysis  
Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Dividend Policy	100	-1,5516	2,8006	0,166938	0,4420966
Debt Policy	100	-20,9495	26,6544	1,909561	3,8671381
Tobin's Q	100	0,0000	314,272	6,176821	33,8105717
SIZE	100	22,7003	32,2906	28,58847	2,2214324
ROA	100	-3,3851	0,2604	-0,053573	0,3753496
Operating Cash Flow	100	-3,3664	1,5832	0,083795	0,4707272
CEO Education	100	0,0000	1	0,50	0,503
CEO Tenure	100	0,0000	1	0,55	0,500
Valid N (listwise)	100				

Source: Data processed 2025

As per the finding of the descriptive test, it can be seen that the total number of sample data or N for each variable is 100.

### 3. Normality Test

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		57
Normal Parameters <sup>a,b</sup>	0,0000000	0,0000000
	0,11384438	30,63080171
Most Extreme Differences	0,076	0,284
	0,076	0,284
	-0,048	-0,204
Test Statistic		0,076
Asymp. Sig. (2-tailed)		0,200 <sup>c</sup>

Source: [Data processed 2025]

The normality test was carried out and obtained a can be concluded that the data is normally distributed significance value of more than  $0.200 > 0.50$ , it may be inferred that the data follows a normal distribution.

### 4. Multicollinearity Test

Table 4. Multicollinearity Test

Coefficients <sup>a</sup>			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Dividend Policy	0,851	1,174
	Debt Policy	0,718	1,393
	Tobin's Q	0,798	1,254
	SIZE	0,698	1,433
	ROA	0,897	1,115

Source: [Data processed 2025]

The outcome of this reserach show that there are no multicollinearity between the independent and dependent variables.

## 5. Heteroskedasticity Test

**Table 5. Heteroskedascity Test**

Model	Coefficients <sup>a</sup>					Sig.
	Unstandardized Coefficients		Standardized Coefficients		t	
	B	Std. Error	Beta			
1	(Constant)	-0,276	0,479		-0,576	0,567
	Dividend Policy	0,051	0,028	0,248	1,836	0,072
	Debt Policy	0,063	0,104	0,089	0,606	0,547
	Tobin's Q	0,032	0,018	0,245	1,761	0,084
	SIZE	0,195	0,169	0,172	1,154	0,254
	ROA	-0,095	0,078	-0,16	-1,219	0,228

Source: [Data processed 2025]

Significance value > 0.05, no signs of heteroscedasticity are present.

## 6. Autocorrelation Test

**Table 6. Autocorrelation Test**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,804 <sup>a</sup>	0,646	0,611	0,11929	1,963

Source: [Data processed 2025]

Autocorrelation was absent in the research regression model.

## 7. Multiple Linear Regression Analysis

**Table 7. Multiple Linear Regression Analysis**

Model	Coefficients <sup>a</sup>					Sig.
	Unstandardized Coefficients		Standardized Coefficients		t	
	B	Std. Error	Beta			
1	(Constant)	1,417	0,906		1,563	0,124
	Kebijakan Dividen	0,298	0,053	0,509	5,633	0,000
	Kebijakan Hutang	-0,53	0,196	-0,265	-2,697	0,009
	SIZE	0,144	0,034	0,392	4,205	0,000

ROA	1,463	0,320	0,457	4,577	0,000
Arus Kas Operasi	-0,063	0,147	-0,038	-0,431	0,668

Source: [Data processed 2025]

### 8. F Test

Table 8. F Test

ANOVA <sup>a</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1,323	5	0,265	18,599	0,000 <sup>b</sup>
Residual	0,726	51	0,014		
Total	2,049	56			

Source: [Data processed 2025]

The F-test showed a calculated F-value of 18.599, and a significance of 0.000. In conclusion, all variables have a simultaneous influence.

### 9. Partial Test (t)

Table 9. T Partial Test

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,417	0,906		1,563	0,124
	Dividend Policy	0,298	0,053	0,509	5,633	0,000
	Debt Policy	-0,53	0,196	-0,265	-2,697	0,009
	SIZE	0,144	0,034	0,392	4,205	0,000
	ROA	1,463	0,320	0,457	4,577	0,000
	Operating Cash Flow	-0,063	0,147	-0,038	-0,431	0,668

Source: [Data processed 2025]

As shown by the result of partial test (T), it is evident that dividend policy and debt policy have a significance value of  $< 0.000$ . Thus, (H1) and (H2) **are accepted**.

### 10. Moderated Regression Analysis (MRA)

Table 10. Equation 1 (MRA)

Model		Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.462	1.111		3.116	0.003
	Dividend Policy	0.302	0.118	0.314	2.550	0.013
	Debt Policy	-0.280	0.072	-0.111	-0.383	0.703
	SIZE	-0.089	0.038	-0.406	-2.345	0.023
	ROA	-0.924	0.612	-0.212	-1.509	0.137
	Operating Cash Flow	0.199	0.164	0.146	1.211	0.231
	Background	0.099	0.149	0.136	0.665	0.508
	Dividend Policy*Educational Background	0.076	0.288	0.036	0.263	0.793
	Debt Policy*Educational Background	0.016	0.088	0.073	0.180	0.858

Source: [Data processed 2025]

The significance of dividend policy and CEO educational background is 0.793, and debt policy and CEO educational background is 0.858. These results indicate that the significance exceeds 0.010, thus **rejecting the hypothesis**.

Table 11. Equation 2 (MRA)

Model		Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.836	0.776		3.654	0.001
	Dividend Policy	.0256	0.126	0.267	2.029	0.047
	Debt Policy	-0.032	0.037	-0.128	-.851	0.398
	SIZE	-0.065	0.028	-0.295	-2.320	0.024
	ROA	-1.181	0.574	-0.271	-2.058	0.044
	Operating Cash Flow	0.318	0.172	0.233	1.850	0.069
	Tenure	-0.153	0.149	-0.213	-1.028	0.308
	Dividend Policy*Tenure	0.172	0.256	0.089	0.675	0.502
	Debt Policy*Tenure	0.071	0.065	0.217	1.079	0.285

Source: [Data processed 2025]

The results of equation 2 show that dividend policy\*CEO tenure has a significance value of 0.502, and debt policy has a significance value of 0.285. These significance values exceed the 0.10 limit, so the **hypothesis is rejected**.

## D. CONCLUSIONS

This study has identified the effect of dividend policy and debt policy on firm value, with CEO characteristics as a moderating variable. The results indicate that dividend policy has a positive and significant influence on firm value, while debt policy has a negative and significant effect on firm value. Furthermore, the CEO's educational background does not moderate the between dividend policy and firm value, nor does CEO tenure. Similarly, CEO educational background and tenure do not moderate the effect between debt policy and firm value. The limitation of this study lies in the relatively small sample size, which includes only 20 companies. Additionally, previous research linking CEO characteristics with dividend and debt policies in relation to firm value remains limited. Suggestions for future research include extending the research period and incorporating additional indicators of CEO characteristics.

## E. SUGGESTIONS

Future studies are encouraged to expand the number of company samples and to extend the research period. Additionally, it is recommended to include other CEO characteristic indicators such as age, work experience, and share ownership.

## REFERENCES

- Aryanda, D. A. (2024). Pengaruh Kebijakan Dividen, Kebijakan Utang, dan Kinerja Keuangan terhadap Nilai Perusahaan (Studi Empiris Perusahaan Teknologi dan Transportasi yang Terdaftar di Bursa Efek Indonesia Tahun 2018-2022 ). *Jurnal Akuntansi Dan Keuangan*, 3(3), 141–152. <https://doi.org/10.54259/akua.v3i3.2714>
- Azharin, N. M., & Ratnawati, D. (2022). Pengaruh Kepemilikan Institusional, Kebijakan Dividen dan Kebijakan Hutang terhadap Nilai Perusahaan Dividen. *Jurnal Ekonomi & Ekonomi Syariah*, 5(2), 1264–1278. <https://doi.org/https://doi.org/10.36778/jesy.v5i2.726>

- Guizani, M., & Larabi, C. (2025). Exploring the Nexus Between CEO Characteristics and the Value of Excess Cash Holdings Through the Lens of the Resource-Based View Theory. *The International Journal of Business in Society*, 25(3), 586–605. <https://doi.org/10.1108/CG-01-2024-0059>
- Hamdani, Hamdani, M., Yulia, E. I., & Indrawati, N. (2020). Pengaruh Kinerja Keuangan, Kebijakan Dividen dan Umur Perusahaan terhadap Nilai Perusahaan di Moderasi Ukuran Perusahaan. *Jurnal Akuntansi & Ekonomika*, 10(2), 189–197. <https://doi.org/10.37859/jae.v10i2.2042>
- Herawati, H., Minovia, A. F., Luthfi, E. H., Akuntansi, P. S., & Hatta, U. B. (2022). Keputusan Investasi, Keputusan Pendanaan, Kebijakan Dividen dan Nilai Perusahaan. *Jurnal Kajian Akuntansi Dan Bisnis Terkini*, 3(2), 124–132.
- Jusuf, A. A. A., Sebastian, N., & Sutrisno, M. (2024). Pengaruh Gender, Usia, dan Pendidikan Direktur Utama terhadap Kinerja Perusahaan Sektor Industri di Bursa Efek Indonesia. *Jurnal Bisnis Terapan*, 08(01), 90–101. <https://doi.org/https://doi.org/10.24123/jbt.v8i1.6269>
- Laksmi, I. A. S. D., & Budiarta, I. K. (2020). Pengaruh Kebijakan Dividen terhadap Nilai Perusahaan dengan Kebijakan Hutang sebagai Variabel Moderasi. *E-Jurnal Akuntansi*, 30(12), 3040–3051. <https://doi.org/10.24843/EJA.2020.v30.i12.p04>
- Masril, Yusridawati, & Jefriyanto. (2021). Faktor-Faktor yang Mempengaruhi Kebijakan Hutang. *Jurnal Ilmiah Akuntansi Kesatuan*, 9(3), 545–552. <https://doi.org/10.37641/jiakes.v9i3.901>
- Murtadho, M., Ratnawati, T., & Pristiana, U. (2024). Dividend Policy to Improve Firm Value, Financial Sustainability Moderating Variable. *Financial and Credit Activity*, 6(59), 283–292. <https://doi.org/10.55643/fcaptp.6.59.2024.4591>
- Nainggolan, S. D. A., & Listiadi, A. (2014). Pengaruh Kebijakan Hutang terhadap Nilai Perusahaan dengan Kebijakan Dividen sebagai Variabel Moderasi. *Jurnal Ilmu Manajemen*, 2(3), 868–879.
- Pratiwi, N. P. D., & Mertha, M. (2017). Pengaruh Kebijakan Hutang dan Profitabilitas pada Nilai Perusahaan dengan Kebijakan Dividen sebagai Variabel Pemoderasi. *E-Jurnal Akuntansi Universitas Udayana*, 20(2), 1446–1475.
- Rismayanti, E. M., Yusralaini, Y., & Devi Safitri. (2020). Struktur Kepemilikan, Kebijakan Hutang dan Nilai Perusahaan: Kebijakan Dividen sebagai Variabel Moderasi. *Jurnal Kajian Akuntansi Dan Bisnis Terkini*, 1(1), 67–87.
- Salmah, N. N. A. M. V., & Anggraini, N. (2022). Pengaruh Kebijakan Dividen dan Kebijakan Hutang terhadap Nilai Perusahaan yang Terdaftar pada Jakarta Islamic. *Jurnal Media Wahana Ekonomika*, 19(3), 467–479.

Satria, R., & Widyawati, T. (2023). Pengaruh Kepemilikan Institusional dan Kebijakan Hutang terhadap Nilai Perusahaan (Studi Empiris pada Perusahaan Manufaktur Sub Sektor Food and Beverage yang terdaftar di BEI Periode 2012-2021). *Scientific Journal of Reflection*, 6(1), 13–20.

Sutisna, P., & Suteja, J. (2020). Kebijakan Dividen, Hutang, dan Profitabilitas terhadap Nilai Perusahaan. *Jurnal Riset Akuntansi Kontemporer*, 12(1), 31–36.

Tran, N. M. (2022). CEO and Chairperson Characteristics and Corporate Environmental Performance : A Study of Cooperatives in Vietnam. *Sage Open*, 12(4), 1–15. <https://doi.org/10.1177/21582440221129241>