

FINANCIAL PERFORMANCE AND OWNERSHIP STRUCTURE EFFECTS ON DIVIDEND POLICY THROUGH FIRM VALUE

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Abstrak

Penelitian ini mengkaji pengaruh kinerja keuangan, kepemilikan institusional, dan kepemilikan manajerial terhadap kebijakan dividen dengan nilai perusahaan sebagai variabel intervening pada perusahaan sektor barang konsumen siklikal yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2020–2025. Pendekatan kuantitatif diterapkan dengan menggunakan data sekunder yang bersumber dari laporan keuangan yang telah diaudit dan laporan tahunan. Sampel 56 perusahaan dan 336 observasi awal (perusahaan-tahun); setelah mengeluarkan observasi yang tidak membagikan dividen serta data outlier sebanyak 127 observasi dianalisis. Analisis data dilakukan menggunakan statistik deskriptif, uji asumsi klasik, analisis jalur, uji Sobel, dan pengujian hipotesis dengan perangkat lunak IBM SPSS. Hasil penelitian menunjukkan bahwa kinerja keuangan berpengaruh signifikan terhadap kebijakan dividen. Kepemilikan institusional dan kepemilikan manajerial tidak berpengaruh signifikan terhadap kebijakan dividen, sementara nilai perusahaan juga tidak memiliki pengaruh langsung yang signifikan secara statistik terhadap kebijakan dividen. Uji Sobel menunjukkan bahwa nilai perusahaan tidak memediasi pengaruh kinerja keuangan, kepemilikan institusional, maupun kepemilikan manajerial terhadap kebijakan dividen. Temuan ini mengimplikasikan bahwa keputusan dividen pada perusahaan sektor barang konsumen siklikal lebih erat kaitannya dengan pertimbangan keuangan internal dibandingkan dengan struktur kepemilikan atau nilai perusahaan berbasis pasar.

Kata Kunci: kinerja keuangan, kepemilikan institusional, kepemilikan manajerial, nilai perusahaan, kebijakan dividen.

Abstract

This study examines the effects of financial performance, institutional ownership, and managerial ownership on dividend policy through firm value as an intervening variable in consumer cyclical companies listed on the Indonesia Stock Exchange (IDX) during 2020–2025. A quantitative approach was applied using secondary data from audited financial statements and annual reports. Purposive sampling produced 56 companies and 336 initial firm-year observations; after excluding non-dividend observations and outliers, 127 observations were analyzed. Data were

analyzed using descriptive statistics, classical assumption tests, path analysis, the Sobel test, and hypothesis testing with IBM SPSS. The results show that financial performance significantly affects dividend policy. Institutional ownership and managerial ownership do not significantly affect dividend policy, while firm value also does not have a statistically significant direct effect on dividend policy. The Sobel tests indicate that firm value does not mediate the effects of financial performance, institutional ownership, or managerial ownership on dividend policy. The findings imply that dividend decisions in consumer cyclical companies are more closely associated with internal financial considerations than with ownership structure or market-based firm value.

Keywords: *financial performance, institutional ownership, managerial ownership, firm value, dividend policy.*

A. INTRODUCTION

Dividend policy is an important corporate financial decision because it determines the proportion of earnings distributed to shareholders and the proportion retained to support future operations and investment. Investors may consider dividend payments as a source of investment return, while management must balance shareholder expectations with internal financing needs (Ramdani & Retnani, 2021; Chandra & Junita, 2021). Consequently, dividend policy is closely related to profitability, cash availability, investment opportunities, ownership structure, and the firm's long-term strategy.

Agency Theory explains the relationship between shareholders as principals and managers as agents and highlights the potential conflict arising from the separation of ownership and control. Institutional ownership can function as an external monitoring mechanism, while managerial ownership may align managerial and shareholder interests. Dividend payments can also reduce free cash flow under managerial control and thereby become one mechanism for limiting agency problems. Signaling Theory further suggests that financial information disclosed by management provides signals to investors regarding the firm's condition and prospects.

Consumer cyclical companies are particularly relevant for examining dividend policy because their performance is closely related to changes in consumer purchasing power and economic conditions. The thesis data show fluctuations in dividend distribution in the sector during the earlier observation period, indicating that dividend decisions may change with profitability,

liquidity needs, expansion plans, and broader economic uncertainty. Prior studies also report inconsistent findings concerning profitability, institutional ownership, managerial ownership, firm value, and dividend policy (Ramdani & Retnani, 2021; Monika et al., 2022; Praduana et al., 2024). This study therefore integrates financial performance, institutional ownership, and managerial ownership into a single model with firm value as an intervening variable. The novelty lies in examining whether improvements in financial performance and ownership structure are translated into dividend policy through market-based firm value, rather than testing only direct relationships. The study aims to analyze the direct effects of the three independent variables on dividend policy and to examine whether firm value mediates those relationships.

Based on the theoretical framework and previous findings, the hypotheses are formulated as follows:

H1: financial performance affects dividend policy;

H2: institutional ownership affects dividend policy;

H3: managerial ownership affects dividend policy; and

H4: firm value mediates the effects of financial performance, institutional ownership, and managerial ownership on dividend policy

B. METHOD

The study employed a quantitative research design. The population consisted of consumer cyclical companies listed on the Indonesia Stock Exchange during 2020–2025. Secondary data were obtained from audited financial statements and annual reports available through the IDX and company websites. The observation period covered six years. Purposive sampling was used according to the criteria stated in the thesis. From 140 listed consumer cyclical companies, 84 companies were excluded because the required annual reports were not available, leaving 56 companies. Six years of observation produced 336 initial firm-year observations. Observations from companies that did not pay dividends were excluded, resulting in 168 observations, and 41 outliers were subsequently removed. The final dataset therefore consisted of 127 observations.

Table 1. Sample Selection

Selection stage	Observations
Consumer cyclicals companies initially identified	140 companies
Companies without required annual reports	(84 companies)
Companies meeting sampling criteria	56 companies
Observation period	6 years
Initial firm-year observations	336
Non-dividend observations excluded	(168)
Observations after purposive sampling	168
Outliers excluded	(41)
Final observations	127

Source: Processed data from the thesis (2026).

Financial performance was measured using Return on Assets (ROA), representing the firm's ability to generate profit from its total assets. Institutional ownership was measured as the percentage of shares held by institutional investors relative to total outstanding shares. Managerial ownership was measured as the percentage of shares owned by management. Firm value was positioned as the intervening variable and measured using Tobin's Q in the empirical analysis. Dividend policy was measured using the Dividend Payout Ratio (DPR).

Data analysis consisted of descriptive statistics, classical assumption tests, path analysis, the Sobel test, and hypothesis testing using IBM SPSS. Path analysis used two regression equations: the first estimated the effects of financial performance, institutional ownership, and managerial ownership on firm value; the second estimated the effects of those variables and firm value on dividend policy. The Sobel test was used to assess indirect effects through firm value. Statistical significance was evaluated at the 5% level

C. RESULTS AND DISCUSSIONS**Table 2. Descriptive Statistics**

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Financial performance (ROA)	127	-0.20	0.24	0.0387	0.06959
Institutional ownership	127	0.00	0.97	0.6686	0.22784
Managerial ownership	127	0.00	0.84	0.0333	0.08966
Dividend policy (DPR)	127	-0.13	0.67	0.1781	0.17884
Firm value (Tobin's Q)	127	-3.85	13.30	1.2961	1.87073

Source: Processed data (2026).

The final dataset contains 127 observations. Financial performance has a mean of 0.0387, while institutional ownership has the highest average proportion at 0.6686. Managerial ownership is relatively low, with a mean of 0.0333. The mean dividend payout ratio is 0.1781, and firm value has a mean of 1.2961.

Classical Assumption Tests

The regression model met the main classical assumptions reported in the thesis. The Glejser test produced significance values of 0.371 for financial performance, 0.391 for institutional ownership, 0.366 for managerial ownership, and 0.943 for firm value, all above 0.05; therefore, no heteroscedasticity was detected. The Durbin–Watson statistic was 1.789, lying between the reported upper bound of 1.7589 and 4 – dU of 2.2411, indicating no autocorrelation. The multicollinearity diagnostics also showed tolerance and VIF values within the reported acceptable range.

Path Analysis

Table 3. Path Analysis Results

Relationship	B	Std. Error	Beta	t	Sig.
Financial performance → Firm value	6.282	3.019	0.234	2.081	0.040
Institutional ownership → Firm value	0.536	0.732	0.065	0.733	0.465
Managerial ownership → Firm value	4.950	1.864	0.237	2.655	0.009
Financial performance → Dividend policy	1.624	0.193	0.597	8.415	0.000
Institutional ownership → Dividend policy	0.040	0.060	0.048	0.668	0.506
Managerial ownership → Dividend policy	0.265	0.155	0.125	1.702	0.091
Firm value → Dividend policy	-0.014	0.007	-0.141	-1.953	0.053

Source: Processed data (2026).

The first path equation indicates that financial performance significantly affects firm value ($p = 0.040$), while institutional ownership does not ($p = 0.465$). Managerial ownership has a significant positive effect on firm value ($p = 0.009$). In the second equation, financial performance significantly affects dividend policy ($p < 0.001$), whereas institutional ownership ($p = 0.506$), managerial ownership ($p = 0.091$), and firm value ($p = 0.053$) do not reach the 5% significance level.

Sobel Test and Mediation

Table 4. Sobel Test Results

Indirect relationship	Z	p-value	Decision
Financial performance → Firm value → Dividend policy	-1.362	0.173	No mediation
Institutional ownership → Firm value → Dividend policy	-0.622	0.534	No mediation
Managerial ownership → Firm value → Dividend policy	-1.530	0.126	No mediation

Source: Processed data (2026).

All three indirect effects are statistically insignificant because the absolute Z values are below 1.96 and the p-values exceed 0.05. Thus, firm value does not mediate the relationships between financial performance, institutional ownership, or managerial ownership and dividend policy.

Model Fit

The F-test is significant ($F = 18.918$; $p < 0.001$), indicating that financial performance, institutional ownership, managerial ownership, and firm value jointly contribute to explaining dividend policy. The model reports an R Square of 0.375 and an Adjusted R Square of 0.355. Therefore, 35.5% of the variation in dividend policy is explained by the variables included in the model, while 64.5% is attributable to factors outside the model.

Discussion

Financial performance significantly affects dividend policy. The positive coefficient indicates that stronger financial performance is associated with greater dividend policy. This result is consistent with the argument that companies with stronger profitability have greater capacity to distribute earnings while maintaining operational needs. It is also consistent with prior findings reported by Ramdani and Retnani (2021), Shalini et al. (2024), and Khairi (2023). From the perspective of

Signaling Theory, stronger financial performance can provide a favorable signal concerning the firm's ability to generate earnings and meet shareholder return expectations.

Institutional ownership does not significantly affect dividend policy. A higher institutional ownership proportion does not necessarily lead to greater dividend payments because institutional investors may have different investment objectives, including long-term capital gains. Management may also prioritize internal financing, investment needs, cash-flow conditions, and growth strategies. This finding is consistent with several studies cited in the thesis, including Ramdani and Retnani (2021), Ahmad and Rasyid (2024), and Aritopan et al. (2024).

Managerial ownership does not significantly affect dividend policy. The relatively small proportion of managerial ownership in the sample may limit its ability to become a primary determinant of dividend decisions. Management may instead focus on investment requirements, internal funding, cash flow, and business growth. This result is consistent with Monika et al. (2022) and Praduana et al. (2024), which also report that managerial ownership does not significantly affect dividend policy.

Firm value does not significantly affect dividend policy at the 5% level ($p = 0.053$). The finding suggests that changes in market-based firm value are not sufficient to determine dividend payments. Companies may place greater emphasis on internal financial capacity, retained earnings, cash-flow conditions, and investment plans when deciding dividend distributions. Accordingly, firm value also fails to mediate the effects of the three independent variables on dividend policy, as confirmed by the Sobel tests.

D. CONCLUSIONS

The study concludes that financial performance is a significant determinant of dividend policy among consumer cyclicals companies listed on the Indonesia Stock Exchange during 2020–2025. In contrast, institutional ownership and managerial ownership do not significantly determine dividend policy. Firm value also does not have a statistically significant direct effect on dividend policy at the 5% level. Furthermore, firm value does not mediate the effects of financial

performance, institutional ownership, or managerial ownership on dividend policy. These findings indicate that dividend decisions in the observed companies are more closely associated with internal financial considerations than with ownership structure or market-based firm value. The study is limited to consumer cyclicals companies, the 2020–2025 observation period, the selected variables, and secondary data. The model explains 35.5% of dividend-policy variation, leaving substantial room for other determinants.

E. SUGGESTIONS

Future research may extend the observation period, compare consumer cyclicals with other sectors, and incorporate additional variables such as liquidity, leverage, firm size, free cash flow, investment opportunities, and growth. Researchers may also consider alternative measures of firm value and dividend policy and apply panel-data or other mediation approaches to test the robustness of the relationships.

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