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Ownership Structure, Board Size, and Firm Value: The Moderating Role of Dividend Policy

Reya Anandhita[1], Siti Ita Rosita[2], and Yuliandi[3]

[1, 3] Accounting Undergraduate Program, Faculty of Business, Institut Bisnis dan Informatika Kesatuan, Bogor, Indonesia;
[2] Business Digital Accounting Program, Vocational Program, Institut Bisnis dan Informatika Kesatuan, Bogor, Indonesia.

*Coressponding Authors: reyanndht@gmail.com

Abstract

Background: The property and real estate sector plays an important role in the Indonesian economy. However, during 2020-2024, the sector experienced declining property sales, reduced profitability, and unstable dividend distributions, which weakened investor confidence and affected firm value. **Objective:** This study aims to examine the effects of ownership structure, represented by managerial ownership and institutional ownership, and board size, represented by the board of commissioners size, on firm value, with dividend policy serving as a moderating variable. **Methods:** A quantitative research design was employed using secondary data from the annual reports and financial statements of 10 property and real estate companies listed on the Indonesia Stock Exchange during 2020-2024. The sample consisted of 50 firm-year observations selected through purposive sampling based on predetermined criteria. The data were analyzed using descriptive statistics and panel data regression with Moderated Regression Analysis (MRA) using EViews 12 software. **Result:** The results indicate that managerial ownership, board of commissioners size, and dividend policy have negative and significant effects on firm value, whereas institutional ownership has no significant effect. Dividend policy moderates the relationships between managerial ownership and firm value and between board of commissioners size and firm value but does not moderate the relationship between institutional ownership and firm value. **Editor:** These findings suggest that the effectiveness of corporate governance mechanisms in enhancing firm value depends on both governance structures and appropriate dividend policies, providing practical implications for corporate managers and investors.

Keywords: Managerial Ownership; Institutional Ownership; Board of Commissioners Size; Dividend Policy; Firm Value.

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INTRODUCTION

As business competition intensifies, companies are required to enhance firm value to ensure long-term business continuity. Firm value serves as a key indicator of operational performance and investors' perceptions of future prospects. It is reflected in stock prices, which signal market confidence in a company's ability to generate sustainable profitability and long-term growth [1]. Therefore, enhancing firm value has become one of the primary objectives for companies, particularly in the property and real estate sector, which relies heavily on investor confidence.

Playing a strategic role in Indonesia's economic development, the property and real estate sector contributes significantly through infrastructure development, housing provision, and investment enhancement. However, during the 2020-2024 period, this sector faced various challenges, such as a slowdown in property sales, declining corporate profits, and instability in dividend distribution, which adversely affected investor confidence and firm value. Several property issuers, such as PT Modernland Realty Tbk and PT Agung Podomoro Land Tbk, were reported to have incurred losses in the first half of 2024 due to weakening sales and increasing business pressures [2]. These conditions indicate that the sector's growth has not yet been fully accompanied by improvements in corporate performance or firm value.

These conditions are also reflected in the movement of the Price to Book Value (PBV), a common proxy for firm value. PT Agung Podomoro Land Tbk (APLN) recorded a generally declining PBV, from 0.3758 in 2020 to 0.1515 in 2024, despite a slight increase in 2022. Likewise, PT Modernland Realty Tbk (MDLN) experienced an increase in PBV from 0.1515 in 2020 to 0.2432 in 2022 before declining to 0.1887 in 2023, where it remained unchanged in 2024. These findings indicate that firm value in the property and real estate sector remained unstable throughout the observation period.

Agency Theory posits that conflicts of interest between management and shareholders may adversely affect firm value in the absence of effective monitoring mechanisms. Therefore, implementing corporate governance is essential to align the interests of both parties and mitigate agency conflicts. In this study, corporate governance is represented by ownership structure, comprising managerial ownership and institutional ownership, as well as board size, proxied by the size of the board of commissioners. Managerial ownership is expected to align the interests of management with those of shareholders [3], while institutional ownership functions as an oversight mechanism that can enhance the effectiveness of monitoring management [4]. In addition, board of commissioners size is expected to enhance the effectiveness of oversight through its monitoring function over management policies, although an excessively large number of board members may give rise to coordination problems and slow down the decision-making process [5].

In addition to corporate governance mechanisms, dividend policy is also considered an important determinant of firm value. Dividend policy provides signals regarding a company's financial condition to investors while simultaneously mitigating agency conflicts by limiting the free cash flow available to management [6]. Furthermore, dividend policy may strengthen or weaken the effectiveness of corporate governance mechanisms in enhancing firm value through its influence on investor confidence and its role in constraining managerial discretion. Accordingly, this study treats dividend policy as a moderating variable to examine whether it strengthens or weakens the relationships between ownership structure, board size, and firm value.

Previous studies have reported inconsistent findings regarding the effects of corporate governance mechanisms and dividend policy on firm value. Studies by [7]

and [8] found that managerial ownership positively affects firm value, whereas [9] reported a negative effect, and [10] found no significant effect. Similarly, evidence on institutional ownership remains inconclusive, with [11] and [12] reporting significant effects, while [13] found no significant relationship. Mixed findings are also reported for board of commissioners size, where [14] found significant effects, [15] reported a negative effect, and [16] found no significant effect. Likewise, [17] reported a significant effect of dividend policy on firm value, whereas [5] found no significant effect. Such inconsistencies in prior findings indicate the existence of a research gap, thereby underscoring the necessity for further investigation, particularly within the context of property and real estate companies listed on the Indonesia Stock Exchange during the 2020-2024 period.

In light of the research gap identified in prior studies and the phenomenon observed in Indonesia's property and real estate sector, this study aims to examine the effects of ownership structure represented by managerial ownership and institutional ownership and board size, proxied by the size of the board of commissioners, on firm value, with dividend policy serving as a moderating variable. Specifically, this study examines whether dividend policy moderates the relationships between ownership structure, board size, and firm value among property and real estate companies listed on the Indonesia Stock Exchange during the 2020-2024 period. The findings are expected to contribute to the corporate governance and Agency Theory literature while providing practical implications for corporate managers and investors seeking to enhance firm value.

Based on Agency Theory, the theoretical framework, and the research gap identified in prior studies, this study proposes that ownership structure, the size of the board of commissioners, and dividend policy influence firm value. Furthermore, dividend policy is expected to moderate the relationships between ownership structure, the size of the board of commissioners, and firm value. Accordingly, the hypotheses are formulated as follows:

H1: Managerial ownership has a positive effect on firm value.
H2: Institutional ownership has a positive effect on firm value.
H3: Board of commissioners size has a positive effect on firm value.
H4: Dividend policy has a positive effect on firm value.
H5: Dividend policy moderates the relationship between managerial ownership and firm value.
H6: Dividend policy moderates the relationship between institutional ownership and firm value.
H7: Dividend policy moderates the relationship between board of commissioners size and firm value.

METHODS

Study design and setting

This study employed a quantitative research design using secondary data obtained from the annual reports and financial statements of property and real estate companies listed on the Indonesia Stock Exchange (IDX) during the 2020-2024 period. The analysis was conducted to examine the effects of ownership structure and board of commissioners size on firm value, with dividend policy serving as a moderating variable.

Population, samples and sampling

The population of this study comprised all property and real estate companies listed on the Indonesia Stock Exchange (IDX) during the 2020-2024 period. The sample was determined through a purposive sampling technique, based on the following criteria:

Table 1. Sample Criteria

Criteria	Amount
Property and real estate sector companies listed on the Indonesia Stock Exchange for the period of 2020-2024.	92
Property and real estate sector companies that did not publish annual reports and financial statements consecutively during the 2020-2024 period.	(7)
Property and real estate sector companies that did not provide complete data on managerial ownership, institutional ownership, and board of commissioners size.	(15)
Property and real estate sector companies that did not distribute dividends during the 2020-2024 period.	(60)
Total Sample	10
Total Observations (Total Sample × Number of Research Periods) (10 × 5)	50

This study examines five variables. Managerial ownership, institutional ownership, and board of commissioners size are the independent variables, firm value is the dependent variable, and dividend policy serves as the moderating variable.

Instruments and criteria

The operational definitions, proxies, measurement formulas, and references for each variable are presented below:

Table 2. Operational Variables

Variable	Definition of Variable	Indicator	Scale
Firm Value (Y)	The value of a firm can be defined as the market's perception of its effectiveness in generating wealth for its shareholders [1].	$PBV = \frac{\text{Stock Price per Share}}{\text{Book Value per Share}} \times 100\%$	Ratio
Managerial Ownership (X1)	Managerial ownership refers to a situation in which members of management, including directors, commissioners, or managers, hold shares in the company [18].	$MO = \frac{\text{Managerial Shares}}{\text{Total Outstanding Shares}} \times 100\%$	Ratio

Institutional Ownership (X2)	Institutional ownership refers to the holding of company shares by financial bodies or institutions, such as pension funds, insurance companies, and banks [3].	$IO = \frac{\text{Institutional Shares}}{\text{Total Outstanding Shares}} x100\%$	Ratio
Board of Commissioners Size (X3)	The size of the board of commissioners is determined by the number of members comprising the board of commissioners within a company [15].	BCS = Number of Board of Commissioner Members	Nominal
Dividend Policy (Z)	Dividend policy refers to a company's strategic decision that determines whether the company's earnings will be distributed to shareholders or retained in order to finance investment and corporate growth [5]	$DPR = \frac{\text{Cash Dividend}}{\text{Net Income}} \times 100\%$	Ratio

Procedure and data collection

This study used secondary data obtained from the annual reports and financial statements of property and real estate companies listed on the Indonesia Stock Exchange. The data were identified, classified, and analyzed using the selected statistical methods, and the results were interpreted to examine the effects of ownership structure and board of commissioners size on firm value, with dividend policy serving as a moderating variable.

Statistical analysis

Data were analyzed using EViews 12 through descriptive statistics and panel data regression analysis. The appropriate panel data regression model was selected from the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM) using the Chow, Hausman, and Lagrange Multiplier tests. Classical assumption tests, including normality, multicollinearity, and heteroscedasticity tests, were then conducted before hypothesis testing. The hypotheses were tested using the t-test and the coefficient of determination (Adjusted R^2), while the moderating effect of dividend policy was examined using Moderated Regression Analysis (MRA).

ETHICAL CONCIDERATIONS

Ethical approval was not required because this study used publicly available secondary data without human participants.

RESULTS

Descriptive Statistics

Table 3. Descriptive Statistics

	PBV	MO	IO	BCS	DPR
Mean	1.043837	0.054511	0.793197	4.560000	0.346156
Median	0.844366	0.015125	0.909412	5.000000	0.189382
Maximum	3.481653	0.536942	0.999100	9.000000	1.221030
Minimum	0.103127	0.000162	0.002342	3.000000	0.019167
Std. Dev	0.711330	0.100964	0.247684	1.680136	0.333226

The descriptive statistics, based on 50 observations, indicate that firm value (PBV) has a mean of 1.043837, with values ranging from 0.103127 to 3.481653 and a standard deviation of 0.711330, reflecting considerable variation in firm value across the sample companies. Managerial ownership (MO) records the lowest average among the ownership variables, with a mean of 0.054511, ranging from 0.000162 to 0.536942, suggesting that management generally holds only a small proportion of company shares. Institutional ownership (IO), by contrast, exhibits a relatively high mean of 0.793197, with values ranging from 0.002342 to 0.999100, indicating that institutional investors own a substantial proportion of shares in most sample companies. Board of commissioners size (BCS) has an average of 4.560000 members, ranging from three to nine members, with a standard deviation of 1.680136, indicating moderate variation in board size across firms. Finally, dividend policy (DPR) records a mean of 0.346156, with values ranging from 0.019167 to 1.221030 and a standard deviation of 0.333226, suggesting differences in dividend distribution policies among the companies during the observation period.

Estimation Method Selection

Table 4. Recapitulation of Model Test Results

Test Name	Model Testing	Probability Value	Selected Models
Chow Test	CEM or FEM	0,0000	FEM
Hausman Test	REM or FEM	0,0000	FEM

The results of the panel data regression model selection reveal that the Chow test produced a probability value of 0.0000, which is below the 0.05 threshold, thereby indicating that the Fixed Effect Model (FEM) is preferred over the Common Effect Model (CEM). Similarly, the Hausman test yielded a probability value of 0.0000, also below 0.05, confirming that the Fixed Effect Model (FEM) is more appropriate than the Random Effect Model (REM). Taken together, the results of both the Chow and Hausman tests indicate that the Fixed Effect Model (FEM) constitutes the most suitable panel data regression model for this study.

Classical Assumption Tests

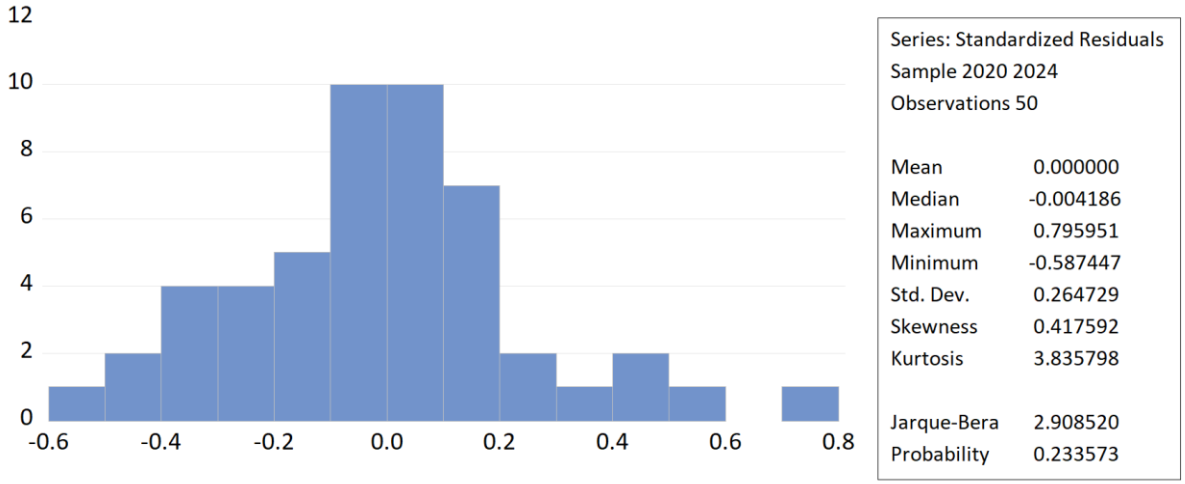

Figure 1. Normality Test (FEM) Result

The normality test results indicate a Jarque-Bera value of 2.908520, accompanied by a probability value of 0.233573 (> 0.05). This finding suggests that the residuals are normally distributed, thereby confirming that the normality assumption underlying the regression model has been satisfied and that the model is accordingly suitable for further analysis.

Table 5. Multicollinearitas (FEM) Test Result

	MO	IO	BCS	DPR
MO	1.000000	-0.206278	0.393661	-0.112424
IO	-0.206278	1.000000	0.052642	-0.078626
BCS	0.393661	0.052642	1.000000	-0.203173
DPR	-0.112424	-0.078626	-0.203173	1.000000

The multicollinearity test results reveal that all correlation values among the independent variables remain below 0.80, with the highest value of 0.393661 observed between managerial ownership and board of commissioners size. This finding indicates the absence of multicollinearity within the research model, thereby confirming its suitability for further analysis.

Table 6. Heteroscedasticity (FEM) Analysis Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.027166	0.332634	-0.081669	0.9354
MO	0.370718	0.535485	0.692302	0.4932
IO	0.103348	0.188862	0.547216	0.5876
BCS	0.009530	0.058356	0.163313	0.8712
DPR	0.219412	0.175557	1.249801	0.2194

The heteroscedasticity test conducted using the Glejser method reveals that all independent variables namely managerial ownership (0.4932), institutional ownership (0.5876), board of commissioners size (0.8712), and dividend policy (0.2194) yield probability values exceeding 0.05. This finding indicates that the

regression model is free from heteroscedasticity and is therefore appropriate for use in hypothesis testing.

Data Test Results

Table 7. Multiple Regression (FEM) Analysis Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.139383	0.610188	5.144941	0.0000
MO	-5.663724	0.982302	-5.765764	0.0000
IO	-1.076415	0.346451	-3.106976	0.0037
BCS	-0.235375	0.107049	-2.198758	0.0344
DPR	0.405339	0.322045	1.258639	0.2163

$$Y = 3{,}139383 - 5{,}663724X1 - 1{,}076415X2 - 0{,}235375X3 + 0{,}405339Z + e$$

The regression estimation yielded a constant of 3.139383, representing the estimated level of firm value when all independent variables are held constant. The coefficients for managerial ownership (-5.663724), institutional ownership (-1.076415), and board of commissioners size (-0.235375) are negative, indicating that increases in these variables tend to be associated with lower firm value, holding other variables constant. Conversely, dividend policy exhibits a positive coefficient (0.405339), suggesting that a higher dividend policy is associated with an increase in firm value.

Table 8. Statistical Test Results (FEM)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.139383	0.610188	5.144941	0.0000
MO	-5.663724	0.982302	-5.765764	0.0000
IO	-1.076415	0.346451	-3.106976	0.0037
BCS	-0.235375	0.107049	-2.198758	0.0344
DPR	0.405339	0.322045	1.258639	0.2163

The partial test results based on the Fixed Effect Model (FEM) indicate that managerial ownership (X_1) has a significant negative effect on firm value ($t = -5.765764$, $p < 0.001$). Similarly, institutional ownership (X_2) also has a significant negative effect on firm value ($t = -3.106976$, $p = 0.0037$), suggesting that higher institutional ownership is associated with lower firm value. Likewise, board of commissioners size (X_3) exhibits a significant negative effect on firm value ($t = -2.198758$, $p = 0.0344$), indicating that a larger board does not necessarily improve monitoring effectiveness and may instead be associated with lower firm value. In contrast, dividend policy (Z) has no significant effect on firm value ($t = 1.258639$, $p = 0.2163$). Although its regression coefficient is positive, the relationship is not statistically significant, indicating that dividend policy does not explain variations in firm value among property and real estate companies during the observation period.

Table 9. Determination Coefficient (FEM) Test Results

Weighted Statistics			
R-squared	0.861497	Mean dependent var	1.043837
Adjusted R-squared	0.811482	S.D. dependent var	0.711330
S.E. of regression	0.308850	Akaike info criterion	0.719576

Sum squared resid	3.433986	Schwarz criterion	1.254942
Log likehood	-3.989397	Hannan-Quinn criter	0.923446
F-statistic	17.22474	Durbin-Watson stat	2.069982
Prob(F-statistic)	0.000000		

The Adjusted R-squared value of 0.811482 indicates that managerial ownership, institutional ownership, and board of commissioners size collectively explain 81.14% of the variation in firm value, while the remaining 18.86% is attributable to variables outside the research model.

Table 10. Results of Moderation Regression (FEM) Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.155883	0.620720	5.084233	0.0000
MO	-7.360543	1.091844	-6.741389	0.0000
IO	-0,537595	0.493273	-1.089854	0.2837
BCS	-0.297843	0.101027	-2.948153	0.0058
DPR	-4.352826	1.799624	-2.418742	0.0213
MOD_MO	18.18459	7.385166	2.462313	0.0192
MOD_IO	1.134441	1.351503	0.839392	0.4073
MOD_BCS	0.682026	0.277503	2.457723	0.0194

Y=3,155883-7,360543X1-0,537595X2-0,297843X3-
4,352826Z+18,18469(X1_Z)+1,134441(X2_Z)+0,682026(X3_Z)+e

Firm value is proxied by Price to Book Value (PBV), while managerial ownership, institutional ownership, and board of commissioners size serve as the independent variables, with dividend policy as the moderating variable. The regression results show negative coefficients for managerial ownership (-7.360543), institutional ownership (-0.537595), board of commissioners size (-0.297843), and dividend policy (-4.352826). Furthermore, dividend policy strengthens the relationship between managerial ownership and firm value (18.18459), but does not moderate the relationship between institutional ownership and firm value, as the interaction coefficient (1.134441) is not statistically significant. In contrast, dividend policy strengthens the relationship between board of commissioners size and firm value (0.682026).

Table 11. Statistical Test Results (FEM)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.155883	0.620720	5.084233	0.0000
MO	-7.360543	1.091844	-6.741389	0.0000
IO	-0.537595	0.493273	-1.089854	0.2837
BCS	-0.297843	0.101027	-2.948153	0.0058
DPR	-4.352826	1.799624	-2.418742	0.0213
MOD_MO	18.18459	7.385166	2.462313	0.0192
MOD_IO	1.134441	1.351503	0.839392	0.4073
MOD_BCS	0.682026	0.277503	2.457723	0.0194

Based on the Moderated Regression Analysis (MRA), managerial ownership has a negative and significant effect on firm value (β = -7.360543; p = 0.0000). Institutional ownership exhibits a negative but insignificant effect (β = -0.537595; p = 0.2837), whereas board of commissioners size has a negative and significant effect (β = -0.297843; p = 0.0058). Dividend policy also has a negative and significant effect on firm value (β = -4.352826; p = 0.0213).

Regarding the moderating effects, dividend policy significantly moderates the relationship between managerial ownership and firm value (β = 18.184590; p = 0.0192). However, it does not moderate the relationship between institutional ownership and firm value (β = 1.134441; p = 0.4073). In contrast, dividend policy significantly moderates the relationship between board of commissioners size and firm value (β = 0.682026; p = 0.0194).

Table 12. Determination Coefficient (FEM) Test Results

Weighted Statistics			
R-squared	0.892704	Mean dependent var	1.043837
Adjusted R-squared	0.840681	S.D. dependent var	0.711330
S.E. of regression	0.283926	Akaike info criterion	0.584278
Sum squared resid	2.660260	Schwarz criterion	1.234366
Log likehood	2.393055	Hannan-Quinn criter	0.831835
F-statistic	17.15994	Durbin-Watson stat	2.391219
Prob(F-statistic)	0.000000		

The Adjusted R-squared value of the moderated model was 0.840681, indicating that managerial ownership, institutional ownership, board of commissioners size, dividend policy, and their interaction terms collectively explain 84.07% of the variation in firm value, with the remaining 15.93% attributable to factors outside the research model.

DISCUSSION

The Effect of Managerial Ownership on Firm Value

The research findings indicate that managerial ownership has a negative and significant effect on firm value. According to Agency Theory, managerial ownership is expected to align the interests of managers and shareholders, thereby reducing agency conflicts. However, when managerial ownership reaches a relatively high level, an entrenchment effect may arise, allowing managers to gain greater control over corporate decision-making while weakening the effectiveness of external monitoring. In the authors' opinion, property and real estate companies are characterized by capital-intensive projects, long investment horizons, and a high reliance on external financing. Under these conditions, investors place greater importance on effective corporate governance and transparent managerial oversight. A high concentration of managerial ownership may reduce the effectiveness of monitoring by concentrating decision-making authority in the hands of management, thereby increasing the risk of managerial entrenchment and reducing investor confidence. This finding is consistent with [9], [19], and [20], who also found that managerial ownership has a negative effect on firm value.

The Effect of Institutional Ownership on Firm Value

The research findings indicate that institutional ownership does not have a significant effect on firm value. According to Agency Theory, institutional ownership is expected to function as an effective monitoring mechanism that reduces agency conflicts by supervising managerial actions. However, the presence of institutional investors does not necessarily guarantee effective monitoring, as they may prioritize investment returns over direct involvement in corporate decision-making. In the authors' opinion, property and real estate companies are characterized by long-term investment projects, high capital requirements, and complex operational risks. Under these conditions, firm value is more likely to depend on management's ability to execute projects efficiently, manage financial resources, and achieve sustainable performance than on the proportion of institutional ownership alone. Consequently, institutional ownership is not sufficient to influence firm value significantly. This finding is consistent with [21], [22], [23] and [24], who also found that institutional ownership has no significant effect on firm value.

The Effect of Board of Commissioners Size on Firm Value

The research findings indicate that board of commissioners size has a negative and significant effect on firm value. According to Agency Theory, the board of commissioners serves as a monitoring mechanism that reduces agency conflicts by overseeing management's actions and decisions. However, an excessively large board may increase coordination and communication difficulties, slow decision-making processes, and give rise to free-rider problems, thereby reducing the effectiveness of corporate governance. In the authors' opinion, property and real estate companies operate in a dynamic business environment characterized by capital-intensive projects, long investment horizons, and rapidly changing market conditions. Under these circumstances, effective oversight depends not only on the number of commissioners but also on their ability to coordinate and make timely strategic decisions. A larger board may reduce decision-making efficiency and weaken governance effectiveness, ultimately leading to lower firm value. This finding is consistent with [15], [25], and [26] who also found that a larger board of commissioners reduces monitoring effectiveness and negatively affects firm value.

The Effect of Dividend Policy on Firm Value

The research findings indicate that dividend policy has a negative and significant effect on firm value. According to Agency Theory, dividend policy serves as a mechanism for reducing agency conflicts by providing positive signals to investors and limiting the free cash flow available to management. However, excessive dividend payments may reduce the internal funds available for investment and future business expansion. In the authors' opinion, property and real estate companies are characterized by capital-intensive projects, long investment horizons, and substantial financing requirements. Under these conditions, retaining sufficient internal funds is essential to support project development and maintain financial flexibility. High dividend distributions may increase the company's reliance on external financing, thereby raising investor concerns regarding its ability to finance future investments and sustain long-term growth. Consequently, firm value may decline. This finding is consistent with [27], [28], [29], and 30] who also found that higher dividend distributions reduce internal funds and negatively affect firm value.

The Moderating Effect of Dividend Policy on the Relationship between Managerial Ownership and Firm Value

The research findings indicate that dividend policy moderates the relationship between managerial ownership and firm value. The positive interaction coefficient suggests that dividend policy attenuates the negative effect of managerial ownership on firm value. According to Agency Theory, dividend policy serves as a control mechanism that reduces agency conflicts by limiting the free cash flow available to management, thereby reducing the likelihood of managerial entrenchment. In the authors' opinion, property and real estate companies require substantial capital investment and strong investor confidence to support long-term projects. Under these conditions, dividend policy signals the company's financial strength while restricting managerial discretion over corporate resources. Consequently, dividend policy enhances investor confidence and mitigates the adverse effect of managerial ownership on firm value. This finding is consistent with [30], and [31], who also found that dividend policy moderates the relationship between managerial ownership and firm value by reducing agency conflicts and enhancing investor confidence.

The Moderating Effect of Dividend Policy on the Relationship between Institutional Ownership and Firm Value

The research findings indicate that dividend policy does not moderate the relationship between institutional ownership and firm value. According to Agency Theory, both institutional ownership and dividend policy serve as mechanisms for reducing agency conflicts. However, the findings suggest that dividend policy neither strengthens nor weakens the effect of institutional ownership on firm value. In the authors' opinion, institutional investors generally base their investment decisions on fundamental factors, such as financial performance, growth prospects, and investment risk, rather than on dividend policy alone. In property and real estate companies, which are characterized by capital-intensive projects and long investment horizons, dividend policy is insufficient to enhance the monitoring role of institutional investors in improving firm value. Consequently, the interaction between institutional ownership and dividend policy does not significantly influence firm value.

The Moderating Effect of Dividend Policy on the Relationship between Board of Commissioners Size and Firm Value

The research findings indicate that dividend policy moderates the relationship between board of commissioners size and firm value. The positive interaction coefficient suggests that dividend policy attenuates the negative effect of board of commissioners size on firm value. According to Agency Theory, dividend policy serves as a control mechanism by reducing the free cash flow available to management, thereby mitigating agency conflicts and strengthening managerial discipline. In the authors' opinion, property and real estate companies are characterized by capital-intensive projects, long investment horizons, and substantial financing requirements, making effective oversight and investor confidence essential. Under these conditions, dividend policy signals the firm's financial strength while limiting managerial discretion over corporate resources. As a result, the monitoring role of the board of commissioners becomes more effective despite the coordination challenges associated with a larger board, thereby reducing the adverse effect of board size on firm value.

CONCLUSIONS

Based on the research objectives and statistical testing, this study concludes that managerial ownership has a significant negative effect on firm value, leading to the rejection of Hypothesis 1. Furthermore, institutional ownership does not have a

significant effect on firm value, resulting in the rejection of Hypothesis 2. Board of commissioners size also has a significant negative effect on firm value, thereby rejecting Hypothesis 3. Similarly, dividend policy has a significant negative effect on firm value, leading to the rejection of Hypothesis 4. Regarding the moderating effects, the analysis demonstrates that dividend policy moderates the relationship between managerial ownership and firm value, thereby supporting Hypothesis 5. However, dividend policy does not moderate the relationship between institutional ownership and firm value, leading to the rejection of Hypothesis 6. Furthermore, dividend policy moderates the relationship between board of commissioners size and firm value, thereby supporting Hypothesis 7. These findings collectively indicate that the effectiveness of corporate governance in enhancing firm value depends not only on governance mechanisms but also on the role of dividend policy in mitigating agency conflicts.

The practical implications of these findings suggest that companies should optimize their ownership structure, maintain an effective board of commissioners, and implement appropriate dividend policies to enhance firm value. Investors are also encouraged to consider corporate governance mechanisms and dividend policy alongside financial performance when making investment decisions. For future research, it is recommended to incorporate additional corporate governance and financial variables, extend the observation period, and examine other industrial sectors to provide a more comprehensive understanding of the determinants of firm value.

CONFLICT OF INTEREST

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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DECLARATION OF ARTIFICIAL INTELLIGENCE USE

This study used artificial intelligence (AI) tools and methodologies in the following capacities:

1. Manuscript writing support: AI-based language models, such as ChatGPT, was employed to:
    1. Language refinement to improving the grammar, sentence structure, and readability of the manuscript.
    2. Content summarization to assisting in summarizing the findings and conclusions concisely.
    3. Technical writing assistance to providing suggestions for structuring complex technical descriptions more effectively.
    4. Generate scientific content, interpret data, and draw conclusions.

PLUS

We confirm that all AI-assisted processes were critically reviewed by the authors to ensure the integrity and reliability of the results. The final decisions and interpretations presented in this article were solely made by the authors.

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