

## The Effect of Capital Structure and Dividend Policy on Company Value with Family Ownership as A Moderating Variable

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### Article history

Submitted: 2026/04/01; Revised: 2026/05/11; Accepted: 2026/06/20

### Abstract

The primary objective of every company is to maximize firm value because higher firm value reflects better company performance and increases shareholder wealth. The purpose of this study was to determine the effect of capital structure and dividend policy on firm value, as well as the role of family ownership in moderating these two relationships in Salim Group companies for the 2019–2023 period. The research method used was a quantitative approach with panel data regression analysis techniques and SPSS version 25 statistical analysis tools to determine the influence and relationship of each variable. The analysis revealed that capital structure had no significant effect on firm value ( $p\text{-value } 0.196 > 0.05$ ), while dividend policy had a significant positive effect on firm value ( $p\text{-value } 0.005 < 0.05$ ). Furthermore, family ownership did not moderate the effect of capital structure on firm value ( $p\text{-value } 0.409 > 0.05$ ) or the effect of dividend policy on firm value ( $p\text{-value } 0.466 > 0.05$ ).

### Keywords

Capital Structure, Dividend Policy, Firm Value, Family Ownership



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## INTRODUCTION

The primary objective of every company is to maximize firm value because higher firm value reflects better company performance and increases shareholder wealth. Firm value is commonly associated with stock prices, where a higher stock price indicates greater market confidence in the company's future prospects. In today's increasingly competitive business environment, companies must formulate effective financial strategies to maintain sustainable growth and enhance firm value. Among the financial decisions that significantly influence firm value are capital structure and dividend policy. These decisions become even more important in family-controlled corporations, where ownership concentration may affect managerial behavior, corporate governance, and strategic decision-making. Therefore, understanding how

capital structure and dividend policy influence firm value, particularly in family-owned business groups, remains an important area of corporate finance research (Brigham & Houston, 2022).

Capital structure refers to the proportion of debt and equity used by a company to finance its operations and investments. According to the trade-off theory, an optimal capital structure can enhance firm value by balancing the benefits of debt, such as tax shields, against the costs associated with financial distress. Companies that successfully manage their debt levels are often able to improve profitability and increase market valuation. However, excessive debt may expose firms to financial risks, ultimately reducing investor confidence and firm value. Empirical studies have shown mixed results regarding the relationship between capital structure and firm value, indicating that contextual factors such as ownership structure may play a crucial role in explaining these differences (Modigliani & Miller, 1963; Myers, 2001).

Dividend policy is another important determinant of firm value. Dividend policy concerns management decisions regarding the proportion of earnings distributed to shareholders and the amount retained for future investment. According to signaling theory, dividend payments convey information about a company's financial health and future prospects. Investors often interpret stable or increasing dividends as positive signals regarding future earnings, which can positively affect stock prices and firm value. Conversely, firms that reduce dividends may create uncertainty among investors and negatively impact market valuation. Previous studies have demonstrated that dividend policy can significantly influence investor perceptions and corporate value, although the magnitude and direction of this relationship may vary across industries and ownership structures (Lintner, 1956; Bhattacharya, 1979).

The role of ownership structure has received considerable attention in corporate governance literature. Family ownership represents one of the most prevalent forms of ownership concentration, particularly in emerging economies. Family-controlled firms often exhibit unique characteristics because controlling families actively participate in strategic decision-making and possess long-term investment horizons. Family ownership may reduce agency conflicts between managers and shareholders because family members often occupy managerial positions and closely monitor business operations. However, high ownership concentration can also create conflicts between controlling and minority shareholders, potentially affecting corporate financial policies and firm value. Consequently, family ownership may serve as an important moderating variable in the relationship between financial decisions and firm value (Anderson & Reeb, 2003).

Indonesia provides an interesting context for examining the interaction between financial policies and family ownership because many large business conglomerates remain family-controlled. One of the most prominent examples is the Salim Group, one of Indonesia's largest and most diversified conglomerates. The Salim Group controls numerous publicly listed companies operating in sectors such as food and beverages, telecommunications, infrastructure, retail, and financial services. Despite being publicly traded, many of these companies maintain substantial family ownership, allowing the controlling family to influence strategic and financial decisions. This ownership structure creates a unique setting to investigate how capital structure and dividend policy affect firm value under the influence of family ownership.

During the 2019–2023 period, companies affiliated with the Salim Group experienced significant economic challenges and opportunities. The COVID-19 pandemic disrupted global business activities in 2020 and 2021, affecting corporate performance, financing decisions, and dividend distributions. Subsequently, economic recovery and changing market conditions required companies to adapt their financial strategies to maintain competitiveness and shareholder confidence. Variations in debt utilization, dividend payments, and market valuations among Salim Group companies during this period provide valuable insights into the effectiveness of financial management practices in family-controlled firms. Consequently, examining the relationship between capital structure, dividend policy, and firm value within this context can contribute to a deeper understanding of corporate finance behavior in emerging markets.

Several previous studies have investigated the impact of capital structure and dividend policy on firm value; however, their findings remain inconclusive. Some researchers found that capital structure positively affects firm value, while others reported negative or insignificant relationships. Similar inconsistencies have been observed regarding dividend policy and firm value. These conflicting findings suggest that additional variables may influence the relationship between financial policies and firm value. Family ownership is considered one of the most relevant moderating variables because it affects monitoring mechanisms, risk preferences, investment horizons, and corporate governance practices. Therefore, integrating family ownership into the analysis may provide a more comprehensive explanation of how financial decisions influence firm value (Jensen & Meckling, 1976; Villalonga & Amit, 2006).

From a theoretical perspective, this study is grounded in agency theory, signaling theory, and trade-off theory. Agency theory explains how ownership structures influence managerial behavior and corporate decision-making. Signaling theory suggests that financial policies, particularly dividend distributions, communicate information to investors regarding firm prospects. Trade-off theory emphasizes the importance of balancing debt benefits and costs to achieve an optimal capital structure. By combining these theoretical perspectives, the study seeks to explain the mechanisms through which capital structure and dividend policy affect firm value and how family ownership may strengthen or weaken these relationships.

This research is expected to contribute to both academic literature and managerial practice. Academically, it extends previous studies by examining the moderating role of family ownership within a major Indonesian family-controlled conglomerate. Practically, the findings may provide valuable insights for corporate managers, investors, and policymakers regarding the effectiveness of financing and dividend decisions in enhancing firm value. Given the significant role of family ownership in Indonesian corporations, understanding its interaction with financial policies is essential for promoting sustainable corporate growth and protecting shareholder interests. Therefore, this study aims to analyze the effect of capital structure and dividend policy on firm value with family ownership as a moderating variable in companies affiliated with the Salim Group during the 2019–2023 period.

## **METHODS**

This study employs a quantitative research approach with an explanatory design to examine the effect of capital structure and dividend policy on firm value, with family ownership serving as a moderating variable. The research focuses on companies affiliated with the Salim Group listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. Secondary data are collected from annual reports, audited financial statements, and other relevant disclosures published by the companies and the IDX. The sampling technique uses purposive sampling based on predetermined criteria, including the availability of complete financial data and ownership information throughout the observation period. Capital structure is measured using the Debt-to-Equity Ratio (DER), dividend policy is proxied by the Dividend Payout Ratio (DPR), firm value is measured using Tobin's Q, and family ownership is measured by the percentage of shares held by the controlling family. Data analysis is conducted using panel data regression and Moderated Regression Analysis (MRA) to determine both the direct effects of capital structure and dividend policy on firm value and the moderating effect of family ownership. Statistical analysis is

performed using appropriate software, with hypothesis testing conducted at a 5% significance level to ensure the reliability and validity of the findings.

## FINDINGS AND DISCUSSION

### **The Effect of Capital Structure on Firm Value in the Salim Group (2019–2023)**

The empirical results indicate that capital structure, proxied by the Debt-to-Equity Ratio (DER), does not have a significant effect on firm value, which is measured by Price-to-Book Value (PBV). The regression results show a significance value of 0.196, which is greater than the 0.05 threshold, leading to the conclusion that capital structure does not significantly influence firm value in the Salim Group during the 2019–2023 period. Furthermore, the regression coefficient (B) of  $-0.254$  indicates a negative relationship, suggesting that an increase of one unit in DER tends to reduce PBV by 0.254 units, although the effect is statistically insignificant. This finding implies that variations in debt levels among Salim Group companies were not sufficient to explain changes in market valuation.

The absence of a significant relationship may be attributed to the characteristics of large conglomerate firms within the Salim Group. Investors may not view debt utilization as the primary determinant of firm value because these companies generally possess strong business fundamentals, diversified revenue streams, and established market positions. As a result, investors are more likely to focus on profitability, operational efficiency, growth prospects, and managerial performance rather than on the proportion of debt relative to equity. Consequently, changes in leverage do not necessarily alter investors' perceptions regarding the future prospects of the company.

From the perspective of signaling theory, capital structure is expected to provide information regarding management confidence and future growth opportunities. Higher leverage can theoretically signal that management expects future cash flows to be sufficient to meet debt obligations while generating returns for shareholders. However, in the context of the Salim Group, this signal appears to be weak. Investors may perceive debt as a normal financing instrument rather than a special indicator of superior future performance. Therefore, the information conveyed through leverage decisions is not strong enough to affect market valuation significantly. This phenomenon is consistent with the argument that financial structure decisions do not always translate into changes in shareholder wealth, especially in mature firms with stable reputations (Ross, 1977).

Another explanation can be found in the Trade-Off Theory. According to this theory, firms attempt to balance the tax benefits of debt against the costs of financial

distress. Large corporations such as those within the Salim Group often have already achieved an optimal debt level. Consequently, marginal changes in DER during the study period may not significantly alter firm value because the companies are operating within an acceptable leverage range. Investors may therefore consider existing debt levels as normal and not sufficiently risky to influence stock prices or PBV ratios (Myers, 1984).

The finding also reflects the economic conditions experienced between 2019 and 2023. During this period, businesses faced the COVID-19 pandemic, global economic uncertainty, and subsequent recovery. Under such circumstances, investors may have prioritized corporate resilience, liquidity, and profitability over financing structure. Companies capable of maintaining operations and generating earnings despite economic disruptions were likely rewarded by the market regardless of their leverage levels. This may explain why debt-related indicators failed to exert a significant impact on firm value.

The result is consistent with the findings of Apriliawati and Shinta (2022), who reported that capital structure did not significantly affect firm value among ESG Sector Leaders listed in the IDXKEHATI Index. Similarly, Sintyana and Luh (2019) found no significant influence of capital structure on firm value in Indonesian property and real-estate companies. These studies suggest that investors increasingly focus on broader performance indicators rather than solely on debt composition. However, the finding contradicts Arianti and Riya (2022), who documented a significant relationship between capital structure and firm value in mining companies, indicating that industry characteristics may influence how leverage is interpreted by investors.

Overall, the rejection of the first hypothesis indicates that the capital structure of Salim Group companies was not a decisive factor in determining market valuation during the observation period. Instead, investors appeared to emphasize the effectiveness of management in utilizing financial resources rather than the specific mix of debt and equity employed by the firms (Modigliani & Miller, 1963).

### **The Effect of Dividend Policy on Firm Value in the Salim Group (2019–2023)**

The results demonstrate that dividend policy, measured using the Dividend Payout Ratio (DPR), has a positive and statistically significant effect on firm value. The significance value of 0.005 is below the 0.05 level, indicating strong statistical evidence supporting the influence of dividend policy on PBV. Additionally, the regression coefficient (B) of 1.675 suggests that a one-unit increase in DPR increases firm value by approximately 1.675 units, assuming other variables remain constant. These findings

indicate that dividend distributions play an important role in shaping investors' perceptions of Salim Group companies.

The positive relationship supports signaling theory, which argues that dividend payments convey information regarding a company's future prospects. Managers generally possess superior information about future earnings and cash flows compared to external investors. Therefore, when companies distribute dividends consistently or increase dividend payments, investors interpret such actions as signals of strong financial performance and confidence in future profitability. Consequently, demand for the company's shares increases, leading to higher stock prices and greater firm value (Bhattacharya, 1979).

The significance of dividend policy is particularly relevant in the context of Indonesian capital markets, where many investors value cash dividends as tangible returns on their investments. Unlike capital gains, which depend on future stock price appreciation, dividends provide immediate and certain benefits. As a result, firms that maintain stable dividend policies are often perceived as less risky and more financially sound. This perception enhances investor confidence and contributes positively to market valuation.

The findings also support the Bird-in-the-Hand Theory proposed by Gordon (1963) and Lintner (1962). According to this theory, investors prefer current dividends over uncertain future capital gains because dividends reduce uncertainty and investment risk. In the Salim Group context, the significant positive coefficient suggests that investors assign greater value to companies that distribute a larger proportion of earnings as dividends. The market appears to reward firms that demonstrate a commitment to shareholder wealth through regular dividend payments.

Furthermore, the characteristics of the Salim Group provide an additional explanation for this result. The Group includes several mature and well-established companies such as Indofood and Indomobil, which generally generate stable cash flows. For such firms, dividend payments signal not only profitability but also financial stability and effective cash management. Investors may interpret higher dividend payouts as evidence that management has confidence in future earnings and does not require excessive retained earnings to finance operations or expansion.

The study period from 2019 to 2023 also adds relevance to the significance of dividend policy. During periods of economic uncertainty, including the COVID-19 pandemic and the subsequent recovery phase, investors often become more risk-averse and seek investments offering predictable returns. Companies that maintained

or increased dividend distributions during these challenging years likely gained greater investor trust, thereby increasing firm value. Thus, dividend policy became an important mechanism through which companies communicated financial strength and stability to the market.

These findings are consistent with previous empirical studies. Riyanti and Azizatul (2021) found that dividend policy significantly influences firm value in Indonesian mining companies. Likewise, Oktaviani et al. (2019) reported a positive effect of dividend policy on firm value among manufacturing firms. These studies suggest that dividend decisions remain one of the most influential corporate financial policies affecting investor perceptions and market valuation. However, the findings differ from Siregar et al. (2023), who found no significant relationship between dividend policy and firm value in consumer goods companies. Such inconsistencies may be explained by differences in industrial characteristics, ownership structures, and investor preferences across sectors.

From a practical perspective, the acceptance of the second hypothesis implies that dividend policy serves as an effective strategy for enhancing firm value within the Salim Group. Consistent and sustainable dividend payments strengthen investor confidence, increase stock demand, and ultimately improve market valuation. Consequently, management should carefully balance dividend distributions with investment needs to maximize shareholder wealth while maintaining long-term growth opportunities.

In conclusion, the study reveals contrasting effects of the two financial policies examined. Capital structure, represented by DER, does not significantly affect firm value because investors appear to focus more on operational performance and profitability than on leverage levels. Conversely, dividend policy, represented by DPR, significantly enhances firm value because dividend payments provide a strong positive signal regarding financial health, profitability, and future prospects. These findings highlight that investors in Salim Group companies place greater emphasis on realized shareholder returns than on financing decisions when assessing corporate value during the 2019–2023 period (Gordon, 1963; Bhattacharya, 1979; Brigham & Houston, 2022).

### **The Moderating Effect of Family Ownership on the Relationship Between Capital Structure and Firm Value in the Salim Group (2019–2023)**

The third research objective was to examine whether family ownership moderates the relationship between capital structure and firm value among companies within the Salim Group during the 2019–2023 period. The Moderated Regression

Analysis (MRA) results reveal that the interaction variable between Debt-to-Equity Ratio (DER) and Family Ownership (DER\*FO) has a significance value of 0.409, which is greater than the significance threshold of 0.05. Furthermore, the regression coefficient for the interaction term is 1.420, with a t-statistic of 0.841. These findings indicate that family ownership does not significantly moderate the relationship between capital structure and firm value. Therefore, the third hypothesis (H3), which proposed that family ownership strengthens the influence of capital structure on firm value, is rejected.

The absence of a moderating effect suggests that family ownership within the Salim Group does not alter investors' perceptions regarding the impact of debt utilization on corporate value. Although family-controlled firms are generally expected to exercise stronger monitoring and governance over managerial decisions, the empirical evidence demonstrates that such ownership structures do not significantly influence how leverage affects market valuation. Investors appear to evaluate financing decisions primarily based on economic fundamentals rather than ownership concentration. As a result, regardless of whether family ownership is high or low, the relationship between debt policy and firm value remains relatively unchanged.

From the perspective of Agency Theory, family ownership is often viewed as a mechanism capable of reducing agency conflicts between managers and shareholders because family members usually possess substantial ownership stakes and actively participate in corporate governance. Under this framework, family shareholders are expected to monitor management more effectively and ensure that debt financing decisions are aligned with shareholder interests. However, the findings of this study indicate that such monitoring mechanisms were insufficient to significantly influence the market's assessment of capital structure decisions. Investors may believe that debt-related risks and benefits are determined more by operational performance and financial capability than by ownership arrangements (Jensen & Meckling, 1976).

The result may also be explained by the unique characteristics of the Salim Group as one of Indonesia's largest conglomerates. Companies within the group have established reputations, diversified business portfolios, and extensive access to capital markets. Consequently, investors may perceive financing decisions as being driven by strategic corporate considerations rather than family influence. In such circumstances, family ownership becomes less relevant in explaining how capital structure affects firm value because investors focus on the overall financial strength and competitive position of the firms. The market may assume that large conglomerates possess

sufficient managerial expertise and institutional governance mechanisms regardless of family ownership levels.

Moreover, the insignificant moderating effect can be interpreted through the lens of Stewardship Theory. This theory suggests that managers and controlling shareholders may act as stewards whose interests are aligned with the long-term success of the organization. In family-controlled firms, family members often prioritize business continuity and sustainable growth over short-term gains. Consequently, financing decisions may already reflect long-term strategic objectives, reducing the need for family ownership to act as an additional moderating factor. Investors may therefore evaluate capital structure based on expected future cash flows rather than ownership concentration (Davis, Schoorman, & Donaldson, 1997).

The period of observation from 2019 to 2023 also provides important context. During these years, companies faced substantial economic uncertainty due to the COVID-19 pandemic, supply chain disruptions, inflationary pressures, and global economic recovery efforts. Under such conditions, investors were likely more concerned with liquidity management, profitability, and business resilience than with ownership structures. Consequently, family ownership may have become a secondary consideration in determining whether leverage contributed positively or negatively to firm value.

The findings further suggest that debt financing decisions within the Salim Group are likely governed by professional financial considerations rather than by family control. Investors may believe that the effectiveness of leverage depends on management's ability to allocate borrowed funds efficiently and generate profitable returns. Therefore, even when family ownership is substantial, it does not necessarily enhance or weaken the impact of capital structure on market valuation. This indicates that the market places greater emphasis on corporate performance indicators than on ownership characteristics when evaluating leverage-related decisions.

These findings are consistent with previous studies that reported an insignificant moderating role of family ownership in financial policy relationships. Anderson and Reeb (2003) argue that family ownership does not automatically improve firm performance unless supported by effective governance mechanisms and strategic decision-making processes. Similarly, Villalonga and Amit (2006) found that the benefits of family ownership depend largely on how ownership is exercised rather than on ownership concentration itself. Therefore, family control alone may not be sufficient to strengthen the effect of capital structure on firm value.

In conclusion, the statistical evidence demonstrates that family ownership does not moderate the relationship between capital structure and firm value within the Salim Group during the 2019–2023 period. The insignificant interaction coefficient ( $p\text{-value} = 0.409 > 0.05$ ) indicates that investors evaluate leverage decisions independently of family ownership considerations. Instead, firm value appears to be influenced more strongly by operational performance, profitability, and the effectiveness of financial management than by the ownership structure itself (Anderson & Reeb, 2003; Villalonga & Amit, 2006).

#### **The Moderating Effect of Family Ownership on the Relationship Between Dividend Policy and Firm Value in the Salim Group (2019–2023)**

The fourth research objective was to determine whether family ownership moderates the relationship between dividend policy and firm value in the Salim Group during the 2019–2023 period. Based on the Moderated Regression Analysis (MRA), the interaction variable between Dividend Payout Ratio (DPR) and Family Ownership (DPR\*FO) produced a significance value of 0.466, which exceeds the 0.05 significance level. In addition, the regression coefficient for the interaction term is 2.451, with a  $t$ -statistic of 0.740. These results indicate that family ownership does not significantly moderate the effect of dividend policy on firm value. Consequently, the fourth hypothesis (H4), which proposed that family ownership strengthens the influence of dividend policy on firm value, is rejected.

This finding implies that the positive effect of dividend policy on firm value operates independently of family ownership. Investors appear to respond similarly to dividend distributions regardless of whether a company has high or low levels of family ownership. Dividend payments themselves serve as a direct signal of financial performance and shareholder commitment, making ownership structure less relevant in shaping investor reactions. As a result, family ownership does not amplify or weaken the influence of dividend policy on market valuation.

According to Signaling Theory, dividend payments provide information regarding a company's financial condition and future prospects. Investors often interpret stable or increasing dividends as indicators of strong profitability and confidence in future earnings. Because dividends already serve as a powerful signal, the presence of family ownership may not provide additional information capable of influencing investor perceptions. In other words, the informational content of dividend policy is sufficiently strong to affect firm value directly, reducing the necessity for family ownership to function as a moderating variable (Bhattacharya, 1979).

The result can also be analyzed through Agency Theory. Family ownership is commonly expected to reduce agency conflicts and encourage shareholder-oriented decision-making. Consequently, family-controlled firms may be expected to use dividend policy more effectively to align management interests with those of shareholders. However, the insignificant moderating effect found in this study suggests that investors do not view family ownership as an important factor when evaluating dividend decisions. Rather, investors focus on the size, consistency, and sustainability of dividend payments regardless of who controls the company (Jensen & Meckling, 1976).

Another possible explanation relates to investor behavior in emerging capital markets such as Indonesia. Many investors prioritize cash returns in the form of dividends because they provide immediate and tangible benefits. Therefore, dividend policy itself becomes the primary determinant of investor satisfaction and market valuation. Whether dividends are distributed by family-controlled firms or non-family-controlled firms may be of secondary importance compared with the actual dividend payout received. This may explain why family ownership fails to significantly alter the relationship between dividend policy and firm value.

The findings also indicate that the governance advantages typically associated with family ownership may not be sufficiently visible to investors. While family-controlled firms are often characterized by long-term orientation and concentrated ownership, these characteristics do not necessarily translate into stronger market reactions to dividend payments. Investors may assume that dividend policy reflects broader corporate financial strategies rather than ownership interests. Consequently, the value-enhancing effect of dividend distributions remains direct and independent of family ownership.

Furthermore, the Salim Group consists of mature and well-established corporations with strong reputations in the Indonesian market. Investors may already possess high confidence in the group's financial stability and governance practices. Therefore, ownership concentration may not significantly affect how dividend policies are interpreted. The market may perceive dividend payments as credible signals regardless of whether family ownership is high or low, thereby reducing the moderating role of family ownership.

The period from 2019 to 2023 also coincided with heightened economic uncertainty and recovery. During such periods, investors tend to value stable dividend payments as evidence of resilience and financial strength. Consequently, dividend policy itself becomes the dominant factor influencing firm value, while ownership

characteristics become less relevant. This may explain why family ownership was unable to strengthen the positive relationship between dividend policy and market valuation.

These findings are consistent with research suggesting that ownership concentration does not always influence the effectiveness of dividend policy. La Porta et al. (2000) argue that dividend payments are primarily determined by investor protection mechanisms and corporate financial conditions rather than ownership concentration alone. Similarly, Faccio, Lang, and Young (2001) found that dividend policies in family firms do not necessarily differ in their impact on shareholder value compared to non-family firms when governance quality is already strong.

In summary, the empirical evidence demonstrates that family ownership does not moderate the relationship between dividend policy and firm value in the Salim Group during the 2019–2023 period. The insignificant interaction effect ( $p\text{-value} = 0.466 > 0.05$ ) indicates that investors evaluate dividend distributions primarily based on their financial benefits rather than on ownership characteristics. Consequently, dividend policy directly enhances firm value regardless of the degree of family ownership, highlighting the dominant role of dividend signals in influencing investor perceptions and market valuation (La Porta et al., 2000; Faccio, Lang, & Young, 2001).

## CONCLUSION

Based on the results of the Moderated Regression Analysis (MRA), this study concludes that family ownership was unable to moderate the relationship between capital structure and firm value, as indicated by the interaction variable DERFO, which produced a significance value of  $0.409 > 0.05$ . This finding suggests that the level of family ownership in Salim Group companies during the 2019–2023 period did not strengthen or weaken the influence of capital structure on firm value. Investors tended to assess leverage decisions based on the company's financial performance, profitability, and risk management rather than ownership concentration. Furthermore, family ownership was also unable to moderate the relationship between dividend policy and firm value, as evidenced by the interaction variable DPRFO with a significance value of  $0.466 > 0.05$ . This result indicates that investors responded positively to dividend distributions regardless of the proportion of family ownership because dividend policy itself served as a direct signal of financial strength and shareholder returns. Therefore, although family ownership is often considered an important governance mechanism in family-controlled firms, the empirical evidence from the Salim Group demonstrates that it did not play a significant moderating role in the relationship between either capital structure or dividend policy and firm value

during the 2019–2023 period. Instead, firm value was influenced more directly by the effectiveness of financial policies and overall corporate performance than by the ownership structure itself.

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