



Do Dividends Always Strengthen Firm Value? Evidence of Asymmetric Moderation in the Governance–Performance Nexus

Siti Dzulyaikah^{1*}, Nurcahyono Nurcahyono², R. Ery Wibowo Agung Santosa³

^{1,2,3} Department of Accounting, Universitas Muhammadiyah Semarang, Indonesia

*Corresponding Author

Info Article

History Article:

Submitted: January 4, 2025

Revised: April 26, 2025

Accepted: June 30, 2025

Keywords:

Firm Value, Intellectual
Capital, Profitability,
Managerial Ownership,
Institutional Ownership,
Dividend Policy

Abstract

This study aims to empirically examine the effect of intellectual capital, profitability, managerial ownership, and institutional ownership on firm value, with dividend policy as a moderating variable. The research focuses on companies in the consumer non-cyclical sector listed on the Indonesia Stock Exchange (IDX) during the 2018–2022 period. A total of 30 firms were selected using purposive sampling. The data were analyzed using Moderated Regression Analysis (MRA) with the assistance of EViews 12 software. The results indicate that intellectual capital and profitability have a significant impact on enhancing firm value, whereas managerial and institutional ownership have no notable impact. Moreover, dividend policy amplifies the positive effects of intellectual capital and institutional ownership on firm value but diminishes the influence of profitability and managerial ownership. This study contributes to the literature by demonstrating the contingent role of dividend policy in moderating governance and performance signals, providing practical insights for investors and corporate decision-makers to optimize firm valuation strategies.

JEL Classification: G32, G35, M12, O34

How to Cite: Dzulyaikah, S., Nurcahyono, N., & Santosa, R. E. W. A. (2025). Do Dividends Always Strengthen Firm Value? Evidence of Asymmetric Moderation in the Governance–Performance Nexus. *Maksimum: Media Akuntansi Universitas Muhammadiyah Semarang*, 15(2), 184-195.

DOI: 10.26714/MKI.15.2.2025.184-195

Copyright © 2025 Authors. This work is licensed under a Creative Commons Attribution-Non-Commercial No Derivatives 4.0 International License (<https://creativecommons.org/licenses/by-nc-nd/4.0/>)

Introduction

In the current era of globalization and intensifying business competition, companies are compelled to continually enhance their performance to remain competitive in both domestic and international markets. One of the key indicators reflecting a company's success and long-term viability is firm value, which serves as a critical benchmark for investors in evaluating prospects and return expectations ([Suryati & Sutrisna, 2023](#)).

This study focuses on firms within the consumer non-cyclical sector, which is traditionally perceived as resilient to macroeconomic fluctuations due to the essential nature of its products. However, recent developments in the Indonesian capital market challenge this notion. Several listed companies in this sector—such as PT Sawit Sumbermas Sarana Tbk. (SSMS), PT GarudaFood Putra Putri Jaya Tbk. (GOOD), PT Cisarua Mountain Dairy Tbk. (CMRY), PT Matahari Putra Prima Tbk. (MPPA), and PT Triputra Agro Persada Tbk. (TAPG)—have experienced substantial declines in stock performance (Indonesia Stock Exchange, 2022). A particularly illustrative case is that of PT Unilever Indonesia Tbk. (UNVR), which has entered a prolonged bearish phase. Its share price decline is attributed to factors such as a sluggish Jakarta Composite Index (JCI), leadership turnover, weak financial performance, and reputational challenges stemming from geopolitical controversies ([A. R. Sari, 2023](#)). These dynamics have contributed to increased investor uncertainty, thereby diminishing firm value ([Aprilia et al., 2024](#)).

To investigate the factors influencing firm value, this study is grounded in signaling theory [Spence \(1973\)](#), which posits that firms transmit information to the market through observable signals. Financial indicators such as profitability, intellectual capital disclosures, and dividend policy serve as credible signals that reduce information asymmetry, enhance investor confidence, and increase firm valuation ([Wolk et al., 2016](#)).

In parallel, the study also draws on agency theory [Jensen and Meckling \(1976b\)](#), which emphasizes the agency conflict between principals (shareholders) and agents (managers). This conflict may lead to opportunistic behavior, such as earnings manipulation or inefficient resource allocation. The ownership structure, including both managerial and institutional ownership, is a key governance mechanism for mitigating such agency problems. Managerial ownership is expected to align the interests of managers with those of shareholders. At the same time, institutional investors serve as external monitors that can exert pressure on management to act in the best interests of the firm ([Budiharjo, 2020](#)). However, the effectiveness of these mechanisms may vary depending on other moderating factors, such as dividend policy.

The novelty of this study lies in its integrative approach to examining the governance–value nexus by introducing dividend policy as a moderating variable. This dimension remains underexplored, especially in the context of Indonesia's consumer non-cyclical sector. Previous studies have primarily focused on the direct effects of ownership structure or financial performance on firm value; few have considered how dividend policy might strengthen or weaken these relationships. For instance, unlike [Suzan and Ramadhani \(2023\)](#), who assessed intellectual capital, profitability, and managerial ownership in isolation, this study introduces institutional ownership as a core governance variable. It explicitly tests the interactive effect of dividend policy in shaping firm value.

The contributions of this study are threefold. First, it extends signaling and agency theories by incorporating dividend policy as a contingent governance mechanism in the ownership–value relationship. Second, it provides novel empirical insights from the under-researched yet economically significant non-cyclical consumer sector in Indonesia. Third, it presents a moderated regression model that integrates ownership structure, firm performance, and dividend policy—thus providing a more nuanced framework with practical implications for corporate governance reform and strategic investor decisions in emerging markets.

Literature Review

Hypothesis Development

Intellectual Capital and Firm Value

Intellectual capital (IC)—comprising human capital, structural capital, and relational capital—has become a pivotal intangible asset in today's knowledge-driven economy. Firms that effectively manage and disclose their intellectual capital are better positioned to gain competitive advantages, enhance operational performance, and attract investor interest. From the perspective of signaling theory [Spence \(1973\)](#), intellectual capital disclosures serve as credible signals to the market, shaping investor perceptions and, consequently, increasing firm value.

[Okte and Hasanah \(2023\)](#) argue that firms that transparently communicate their intellectual assets through financial and strategic disclosures foster greater investor confidence in their future growth. Similarly, [Rahayu \(2022\)](#) highlights the strategic role of intellectual capital in aligning intangible resources with long-term value creation. Empirical evidence supports these assertions. Studies by [Pangestuti et al. \(2022\)](#), [Dharmakeerthi and Ranjani \(2022\)](#), and [Indriastuti and Kartika \(2021\)](#) consistently find a positive relationship between intellectual capital and firm value, particularly in sectors where knowledge and innovation are key strategic assets.

H1: *Intellectual capital has a positive effect on firm value.*

Profitability and Firm Value

Profitability represents a firm's ability to efficiently utilize its resources to generate earnings, making it a fundamental indicator of financial performance and long-term growth potential. Within the framework of signaling theory, profitability serves as a credible signal of operational efficiency and financial soundness [\(Putra & Sunarto, 2021\)](#). Investors tend to interpret high profitability as evidence of effective management and a robust competitive position, thereby increasing firm value.

A growing body of empirical studies reinforces this theoretical proposition. [Dewi and Abundanti \(2019\)](#) and [Kammagi and Veny \(2023\)](#) suggest that profitable firms are more likely to gain investor trust and enjoy favorable stock valuations. Similarly, [Felicia et al. \(2022\)](#), [Ermia \(2021\)](#), and [Markonah et al. \(2020\)](#) find a significant positive relationship between profitability and firm value. These findings indicate that profitability is not only a financial outcome but also a strategic signal to the market about the firm's sustainability and investment attractiveness.

H2: *Profitability has a positive effect on firm value.*

Managerial Ownership and Firm Value

According to agency theory [Jensen and Meckling \(1976\)](#), conflicts of interest arise when there is a separation between ownership and control, leading managers to prioritize their objectives over those of shareholders. Managerial ownership is proposed as a key governance mechanism to mitigate these agency problems by aligning managerial incentives with the creation of shareholder value. When managers hold equity stakes in the company, their wealth becomes tied to the firm's performance, thereby encouraging decisions that enhance the firm's long-term value.

This theoretical foundation is supported by empirical evidence. Studies by [Ningrum and Khomsiyah \(2023\)](#), [Flabiya and Sunarto \(2022\)](#), and [Suryati and Sutrisna \(2023\)](#) report a positive association between managerial ownership and firm value, highlighting how ownership stakes can promote performance-enhancing behavior. Moreover, [Bagaskara et al. \(2021\)](#) emphasize that managerial ownership fosters more responsible and accountable decision-making, as managers internalize both the potential risks and rewards of their strategic choices.

H3: *Managerial ownership has a positive effect on firm value.*

Institutional Ownership and Firm Value

Institutional investors—such as mutual funds, pension funds, and insurance companies—typically possess the capacity, expertise, and motivation to monitor corporate management more effectively than individual shareholders. Within the agency theory framework, institutional ownership operates as a governance mechanism that reduces managerial opportunism by enhancing oversight and aligning managerial actions with the interests of shareholders (Sari & Wulandari, 2021).

Empirical research supports this theoretical proposition. Studies by Galuh et al. (2023), Widodo et al. (2023), and Sawitri and Wahyuni (2021) consistently find that institutional ownership contributes positively to firm value by improving the quality of corporate governance and enforcing accountability. Additionally, Hardiansyah and Laily (2020) emphasize that institutional monitoring leads to greater information transparency, which in turn enhances investor trust and ultimately improves firm valuation.

H4: *Institutional ownership has a positive effect on firm value.*

The Moderating Role of Dividend Policy

Dividend policy functions not only as a financial decision but also as a strategic communication tool between management and investors. Within the lens of signaling theory Spence (1973), dividend announcements convey important signals about a firm's current performance and future outlook. A consistent and credible dividend payout is often interpreted as an indication of profitability, operational stability, and managerial confidence in sustained earnings. When combined with other strategic attributes, such as intellectual capital, profitability, and ownership structure, dividend policy may influence how external parties interpret internal firm characteristics.

First, about intellectual capital, dividend policy can reinforce the market's perception of intangible assets. Because intellectual capital is difficult to quantify, its impact is often subject to skepticism among investors. However, the presence of a credible dividend policy helps substantiate the firm's underlying financial strength, thereby enhancing the signaling power of intellectual capital disclosures (Riyani et al., 2022; Darmawan et al., 2023). When dividend payouts accompany such disclosures, investors are more likely to perceive the firm as both innovation-driven and financially disciplined.

Second, concerning profitability, dividend policy enhances the credibility of reported earnings. A firm that is both profitable and able to distribute dividends is seen as financially sustainable. This dual signaling effect enhances investor confidence and reduces information asymmetry Chakraborty and Maruf (2023); Moridu et al. (2022), resulting in a more pronounced positive impact of profitability on firm value, particularly in emerging markets with lower financial transparency.

Third, in the case of managerial ownership, agency theory suggests that insider ownership can both align and potentially entrench managerial interests in scenarios where high managerial ownership risks entrenchment and dividend policy can serve as an external governance lever. The decision to consistently distribute dividends may signal that Managers are committed to returning value to shareholders rather than hoarding resources for private benefits Saputra et al. (2022), thus restoring investor trust and enhancing firm value.

Fourth, regarding institutional ownership, dividend policy complements the oversight function of institutional investors. These investors often prefer stable dividend-paying firms that signal financial discipline. A robust dividend policy, particularly under conditions of high institutional ownership, reinforces perceptions of managerial accountability and strengthens institutional trust Darmawan et al. (2023); Rismayanti et al. (2020), thereby supporting firm valuation.

Taken together, dividend policy acts as a contextual amplifier—a moderating variable that intensifies the effects of key internal drivers on firm value. By connecting internal capabilities with market perceptions,

dividend policy contributes to a synergistic signaling effect that elevates investor confidence and enhances firm valuation.

H5: *Dividend policy strengthens the effect of intellectual capital on firm value.*

H6: *Dividend policy strengthens the effect of profitability on firm value.*

H7: *Dividend policy strengthens the effect of managerial ownership on firm value.*

H8: *Dividend policy strengthens the effect of institutional ownership on firm value.*

Method

This study employs a quantitative research approach to investigate the impact of intellectual capital, profitability, and ownership structure on firm value, with dividend policy serving as a moderating variable. Data analysis is performed using EViews 12, which facilitates the estimation and interpretation of regression models. The study relies on secondary data derived from the annual reports of companies operating in the consumer non-cyclical sector and listed on the Indonesia Stock Exchange (IDX). Supplementary information is also obtained from the firms' official websites. The observation period spans five years, from 2018 to 2022.

The population of this study includes all publicly listed consumer non-cyclical companies on the IDX during the designated period. A purposive sampling technique is employed to select firms that meet the following criteria: (i) the company operates within the consumer non-cyclical sector, (ii) it has published complete and consistent annual financial statements for the years 2018–2022, and (iii) it did not report consecutive annual losses during the study period. Applying these criteria, a total of 30 companies are selected as the final sample. This sampling method ensures the inclusion of firms with relatively stable financial performance, thereby enabling more reliable inferences regarding the determinants of firm value within the consumer non-cyclical sector.

Table 1. Variable measures

Variable	Measures
Firm Value	Tobin's Q = (Equity Market Value + Debt) / (Total Assets)
<i>Intellectual Capital</i>	VAIC = (VA/CE) + (VA/HC) + (SC/VA) VA = Value Added CE = Capital Employed HC = Human Capital SC = Structural Capital
Profitability	ROA = Net Profit/total assets
Managerial Ownership	MB = $\sum \text{Shares Stuart T by management} / \sum \text{Outstanding shares}$
Institutional Ownership	IO = $\sum \text{Shares Stuart T by Institutional} / \sum \text{Outstanding shares}$
Dividend Policy	Total dividend distributed/net profit
Company Size	Size = LN (Total Assets)
Capital Structure	DER = Total debt/total assets

Result and Discussion

The descriptive statistics reveal considerable variation in firm value among firms in the consumer non-cyclical sector. The average firm value is closer to the minimum than the maximum, indicating that many firms remain undervalued or are experiencing persistent market pressures. Similarly, the average intellectual capital score remains suboptimal, suggesting that firms in this sector have not yet fully leveraged their intangible assets to enhance competitiveness and market appeal.

Profitability levels are generally low, reflecting limited capacity among firms to generate sustainable earnings during the observation period. Managerial ownership is also found to be relatively low, which may signal limited internal alignment between managers and shareholders. The relatively high standard deviation in ownership variables underscores significant disparities in governance structures across firms.

Conversely, institutional ownership tends to be high, implying stronger external monitoring and governance practices. The dividend policy variable shows moderate variation, with many firms adopting lower payout ratios—likely indicating either a preference for internal reinvestment or a cautious posture in response to uncertain market conditions.

Table 2. Descriptive Statistical Test Results

Variable	Min	Max	Mean	Std. Deviation
Company Values	0.1199	14.414	2.3752	2.3555
<i>Intellectual Capital</i>	1.0584	7.8719	3.2519	1.4988
Profitability	0.0001	0.4468	0.0996	0.0838
Managerial Ownership	0.0000	0.6315	0.0528	0.1177
Institutional Ownership	0.0000	0.9991	0.6633	0.3795
Company Size	26.533	32.826	29.642	1.4839
Capital Structure	0.0421	4.4131	1.0930	1.0166
Dividend Policy	0.0000	2.3970	0.4258	0.4182

Table 3. Moderated Regression Analysis Results

Variable	Coefficient	t-statistic	Prob
<i>Constant</i>	5.163671	2.856085	0.0050
IC	0.332589	2.031620	0.0441
ROA	0.207091	2.774085	0.0063
MO	0.016514	0.672147	0.5026
IO	0.032775	0.767193	0.4443
Size	-3.231907	-2.567907	0.0145
DER	0.245869	5.130084	0.0000
IC * DPR	0.453381	2.476035	0.0145
ROA* DPR	-0.017261	-0.338497	0.7355
MO*DPR	0.075318	1.556868	0.1218
IO* DPR	0.122045	2.068429	0.0405
Prob (F-Statistic)			0.000000
Prob (F-Statistic)			0.638147

The Effect of Intellectual Capital on Firm Value

The findings reveal that intellectual capital (IC) has a significant positive effect on firm value, thus confirming Hypothesis 1 (H1). This result aligns with signaling theory [Spence \(1973\)](#), which posits that firms mitigate information asymmetry and foster investor trust by conveying credible signals about their internal competencies. Intellectual capital—comprising human capital, structural capital, and relational capital—represents a bundle of strategic resources that are not always visible in traditional financial statements. When firms disclose these intangible assets through narrative reporting, sustainability disclosures, or strategic updates, they provide investors with a more holistic understanding of future performance prospects. This is particularly relevant in the consumer non-cyclical sector, where competitive advantage is often driven by brand strength, product innovation, customer loyalty, and internal expertise rather than price-based competition alone.

Empirical findings from prior studies reinforce this theoretical logic. [Suzan and Ramadhani \(2023\)](#) found that intellectual capital contributes positively to firm value through enhanced operational efficiency and market positioning. Similarly, [Suzan and Ardiasnyah \(2023\)](#) emphasize the innovation-generating role of IC, noting its impact on product development and organizational adaptability. [Affan and Puspitasari \(2023\)](#) demonstrate that high levels of IC disclosure attract long-term investors by signaling sustainable growth potential. In a broader context, [Pangestuti et al. \(2022\)](#) highlight that firms with more substantial intellectual capital tend to enjoy superior reputational capital, which further strengthens their valuation in the eyes of the market. These cumulative findings suggest that intellectual capital not only supports current

performance but also acts as a forward-looking indicator of strategic capacity—especially when reinforced by consistent disclosure practices. Therefore, managers should prioritize the development, measurement, and transparent communication of intellectual capital as a deliberate strategy to enhance firm value.

The Effect of Profitability on Firm Value

The results indicate that profitability has a significant positive effect on firm value, supporting Hypothesis 2 (H2). This finding aligns with signaling theory [Spence \(1973\)](#), which suggests that firms with strong financial performance send credible signals of stability, competence, and sustainability to the capital market. Profitability, commonly measured through indicators such as return on assets (ROA) or net profit margin, reflects a firm's efficiency in managing its resources to generate earnings. In the context of the consumer non-cyclical sector, where consistent earnings are often prioritized over aggressive growth strategies, profitability serves as a key indicator of a firm's ability to maintain operations, meet obligations, and distribute returns to shareholders—making it highly relevant to investor valuation.

This theoretical perspective is widely supported by empirical evidence. Studies by [Riki et al. \(2022\)](#), [Ermia \(2021\)](#), and [Felicia et al. \(2022\)](#) confirm that higher profitability is closely associated with enhanced firm valuation, as profitable firms are perceived to have lower risk, better dividend-paying capacity, and superior strategic positioning. Similarly, [Ermawati et al. \(2023\)](#) argue that profitability not only reflects financial strength but also strengthens investor perception regarding managerial competence and firm credibility in financial markets. In addition, [Dewi and Abundanti \(2019\)](#) emphasize that profitability acts as a buffer against macroeconomic uncertainty, particularly in emerging markets like Indonesia. These findings underscore the centrality of profitability as both a performance indicator and a market signal, reinforcing its role in influencing investor behavior and shaping firm value in a competitive environment.

The Effect of Managerial Ownership on Firm Value

Contrary to theoretical expectations, the findings indicate that managerial ownership does not have a significant effect on firm value, leading to the rejection of Hypothesis 3 (H3). According to agency theory [Jensen and Meckling \(1976\)](#), managerial ownership is expected to mitigate agency conflicts by aligning the interests of managers (agents) with those of shareholders (principals). When managers hold equity in the firm, they are presumed to make decisions that maximize shareholder value, as their wealth is tied to the firm's performance. However, in practice, this alignment may only materialize when ownership stakes reach a meaningful threshold. In the present study, the average proportion of managerial ownership is relatively low, suggesting that the incentive effect is insufficient to influence managerial behavior or strategic outcomes in a way that affects firm valuation.

These results are consistent with prior empirical studies. [Indy et al. \(2023\)](#) and [Setyasari et al. \(2022\)](#) both found that low levels of managerial ownership fail to enhance governance quality or performance outcomes. [Nursanita et al. \(2019\)](#) argue that ownership below a critical mass does not materially influence managerial commitment and may even result in symbolic ownership without accountability. Moreover, in contexts where external monitoring mechanisms (such as institutional ownership or board independence) are weak, the expected benefits of managerial ownership may be further diluted. It is also possible that in family-owned or state-influenced firms—common in emerging markets like Indonesia—managerial ownership may not function as a conventional governance tool, thereby weakening its impact on firm value. These findings suggest that robust corporate governance frameworks should complement ownership-based alignment mechanisms to be effective in enhancing firm valuation.

The Effect of Institutional Ownership on Firm Value

The findings reveal that institutional ownership does not have a significant impact on firm value, thereby rejecting Hypothesis 4 (H4). This result challenges the conventional proposition of agency theory [Jensen and Meckling \(1976\)](#), which suggests that institutional investors—by their expertise, access to information, and economic power—can serve as effective external monitors to discipline managerial behavior and protect

shareholder interests. However, the mere presence of institutional ownership may not translate into active governance if these investors adopt a passive investment approach. In the context of this study, the dominance of domestic institutional investors, such as pension funds or government-affiliated financial institutions, may lead to limited engagement or reluctance to challenge managerial decisions, thereby diminishing their potential to enhance firm value.

These findings are consistent with prior empirical studies. [Manurung \(2022\)](#) and [Setyasari \(2022\)](#) found that institutional ownership in Indonesia often fails to improve governance outcomes, particularly when institutions lack independence or align with controlling shareholders. [Nursanita et al. \(2019\)](#) further argue that excessive concentration of institutional ownership may create governance rigidity, constrain managerial autonomy, and reduce organizational agility—factors that could adversely affect firm performance and valuation. Additionally, without active involvement in decision-making processes, institutional investors may be unable to effectively influence strategic direction or mitigate agency problems. This suggests that the effectiveness of institutional ownership as a governance mechanism is highly context-dependent, relying not only on ownership percentage but also on the quality of engagement and oversight. Therefore, efforts to strengthen institutional governance must go beyond shareholding and focus on enhancing transparency, accountability, and investor activism.

The Moderating Role of Dividend Policy

The findings reveal that dividend policy has a positive moderating effect on the relationship between intellectual capital and firm value, thereby supporting Hypothesis 5 (H5). This result aligns with signaling theory [Spence \(1973\)](#), which posits that consistent dividend payouts serve as credible signals of financial health, stability, and managerial confidence. When firms with rich intellectual capital—often difficult to quantify—are also committed to regular dividend distributions, they present a powerful dual signal of innovation and financial discipline. This combination not only enhances investor perception but also helps reduce uncertainty about the firm's future cash flows and value creation potential. These findings are consistent with [Azharin and Ratnawati \(2022\)](#), [Ifada and Nurcahyono \(2024\)](#), and [Hansda and Bandopadhyay \(2020\)](#), who affirm that dividends can enhance the value relevance of intangible assets by assuring firm credibility and long-term strategic clarity.

Conversely, the study finds that dividend policy weakens the relationship between profitability and firm value, resulting in the rejection of Hypothesis 6 (H6). Although profitability is generally perceived as a robust indicator of firm performance, its value may diminish if dividend practices appear inconsistent or fail to align with a firm's sustainable earnings capacity. When dividends are distributed despite volatile or declining profits, investors may question the credibility and sustainability of earnings, thereby weakening the perceived signal of profitability. This suggests that dividends, when misaligned with operational realities, may distort rather than strengthen investor interpretation. Similar concerns are highlighted by [Munawar \(2019\)](#), [Marsiati et al. \(2024\)](#), and [Alfian and Ghozali \(2024\)](#), who emphasize the risk of using dividends as short-term appeasement strategies in place of sound long-term planning.

A parallel pattern is observed in the interaction between managerial ownership and dividend policy, where the moderation effect is not only insignificant but potentially counterproductive, leading to the rejection of Hypothesis 7 (H7). This result reflects a governance mismatch: when managerial ownership is low, managers lack substantial personal stakes in firm performance, and thus, the disciplinary role of dividends becomes ineffective. High dividend payouts under such weak internal ownership structures may constrain the firm's reinvestment capacity without offering offsetting governance benefits. These findings are consistent with [Olusegun \(2021\)](#), [Dirman et al. \(2020\)](#), and [Munawar \(2019\)](#), who argue that dividend policy cannot function as a substitute for strong internal alignment mechanisms, particularly in contexts where agency problems persist due to limited insider ownership.

In contrast, the study finds that dividend policy significantly strengthens the relationship between

institutional ownership and firm value, thereby supporting Hypothesis 8 (H8). This suggests a complementary relationship between external monitoring and financial signaling. Institutional investors, who often demand financial transparency and policy consistency, are more likely to reward firms that exhibit disciplined dividend behavior. The dual presence of institutional oversight and a credible dividend policy sends a reinforcing governance signal—suggesting that both financial resources and managerial actions are being appropriately stewarded. This result supports prior findings by [Darmawan et al. \(2023\)](#), [Anshori et al. \(2023\)](#), and [Azharin and Ratnawati \(2022\)](#), who highlight the importance of dividend strategies in enhancing institutional monitoring and sustaining long-term firm value.

Taken together, these results underscore that the moderating role of dividend policy is contingent and asymmetric in nature. While it enhances firm value when paired with credible intangible disclosures (intellectual capital) and strong external governance (institutional ownership), it may undermine value when internal alignment mechanisms—such as profitability and managerial ownership—are weak or inconsistent. These findings emphasize that dividend policy should not be applied uniformly across firms but must be strategically aligned with the firm's governance structure, performance profile, and investor expectations. A nuanced, context-specific approach to dividend policy can thus amplify its role as a credible signal in capital markets.

Conclusions and Recommendations

This study examined the determinants of firm value in the consumer non-cyclical sector, focusing on intellectual capital, profitability, ownership structure (managerial and institutional), and the moderating role of dividend policy. The results demonstrate that intellectual capital and profitability have a significant impact on enhancing firm value, whereas managerial and institutional ownership do not exhibit a significant influence. The moderation analysis reveals that dividend policy exerts asymmetric effects—it strengthens the positive impact of intellectual capital and institutional ownership on firm value. However, it weakens the influence of profitability and managerial ownership. These findings underscore the context-dependent nature of dividend signaling and suggest that its effectiveness varies across different internal firm attributes.

Theoretically, this study contributes to the literature by extending signaling and agency theories through the examination of dividend policy as a contingent moderator rather than a uniformly positive signal. It highlights how financial signaling tools interact with both performance-related and governance-related characteristics to shape investor perceptions. Practically, the findings encourage firms in the consumer non-cyclical sector to strengthen the strategic disclosure of intellectual capital and focus on maintaining profitability while ensuring that dividend policies are credibly aligned with long-term value creation rather than short-term appeasement.

This study is limited to a five-year observation period (2018–2022) and to firms within the consumer non-cyclical sector listed on the Indonesia Stock Exchange, which may limit the generalizability of the results to other sectors or timeframes. Future research is encouraged to incorporate additional explanatory variables (e.g., market share, ESG performance), expand the dataset to include more recent years, and extend the analysis across different industries and countries. Notably, this study is among the first to demonstrate that dividend policy may weaken the profitability–firm value relationship in an emerging market setting, challenging the common assumption that dividend distributions always enhance market valuation. Such context-specific insights contribute to a more nuanced understanding of governance and performance dynamics in emerging economies, offering a pathway for refining dividend strategies in alignment with firm fundamentals and investor expectations.

References

- Affan, M. W., & Puspitasari, D. (2023). Intellectual Capital, Corporate Sustainability Report, and Firm Size on Company Values : Empirical Study of Property Company. *Jurnal Akademi Akuntansi*, 6(3), 439–451. <https://doi.org/10.22219/jaa.v6i3.26471>
- Alfian, C. B., & Ghozali, I. (2024). Influence Capital Structure , Policy Dividends , Profitability and Tax Avoidance on Intrinsic Firm Value. *International Journal of Economics Development Research*, 5(1), 429–441.
- Anshori, S., Hapsari, D. A., & Giri, E. F. (2023). Pengaruh Kepemilikan Asing, Kepemilikan Manajemen, Kepemilikan Institusional terhadap Kebijakan Dividen yang Dimoderasi oleh Tingkat Leverage. *Kompartemen : Jurnal Ilmiah Akuntansi*, 21(2), 318. <https://doi.org/10.30595/kompartemen.v21i2.17981>
- Aprilia, T., Kufepaksi, M., & Hasnawati, S. (2024). The Effect of Profitability, Capital Structure and Operating Cash Flow on Company Dividend Policy (Case Study of Manufacturing Companies in the Consumer Goods Industry Sector Listed on the Indonesia Stock Exchange). *Journal of Economics, Finance and Management Studies*, 07(2), 220–226. <https://doi.org/10.47191/jeffms/v7-i1-23>
- Azharin, M. N., & Ratnawati, D. (2022). Pengaruh Kepemilikan Institusional, Kebijakan Dividen dan Kebijakan Hutang Terhadap Nilai Perusahaan. *Jesya*, 5(2), 1264–1278. <https://doi.org/10.36778/jesya.v5i2.726>
- Bagaskara, R. S., Titisari, K. H., & Dewi, R. R. (2021). Pengaruh profitabilitas , leverage , ukuran perusahaan dan kepemilikan manajerial terhadap nilai perusahaan The effect of profitability , leverage , firm size and managerial ownership on firm value. *Forum Ekonomi*, 23(1), 29–38.
- Budiharjo, R. (2020). Effect of Environmental Performance, Good Corporate Governance and Leverage on Firm Value. *American Journal of Humanities and Social Sciences Research*, 8, 455–464. www.ajhssr.com
- Chakraborty, B., & Maruf, M. Y. H. (2023). Are Liquidity, Dividend Policy, Leverage, and Profitability The Determinants of Firm Value. 12(1).
- Darmawan, A., Purwohedi, U., & Sariwulan, R. T. (2023). Pengaruh Intellectual Capital Disclosure, Keputusan Investasi, Struktur Modal, dan Kebijakan Dividen terhadap Nilai Perusahaan. *Jurnal Akuntansi, Perpajakan Dan Auditing*, 4(1), 266–282. <https://journal.uni.ac.id/uni/index.php/japa/article/view/37739/15583>
- Dewi, L. S., & Abundanti, N. (2019). Pengaruh Profitabilitas, Likuiditas, Kepemilikan Institusional Dan Kepemilikan Manajerial Terhadap Nilai Perusahaan. *E-Jurnal Manajemen Universitas Udayana*, 8(10), 6099. <https://doi.org/10.24843/eimunud.2019.v08.i10.p12>
- Dharmakeerthi, & Ranjani. (2022). The Impact of Intellectual Capital on Firm Value: a Comparative Study of Consumer Services Companies and Capital Goods Companies Listed in Cse. *Journal of Accountancy & Finance*, 9(1), 109–123. <https://doi.org/10.57075/jaf912207>
- Dirman, A., Wahyuni, P. D., Umam, D. C., & . H. (2020). Analysis of the Effect of Institutional Ownership, Independent Commisioners, Dividend Policy, Debt Policy, and Company Size on Firm Value. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 9(4), 228–240. <https://doi.org/10.6007/ijarafms/v9-i4/6840>
- Ermawati, D., Nurcahyono, N., Sari, D. N., & Fakhruddin, I. (2023). The Dynamic Impact of Intellectual Capital on Firm Value: Evidence from Indonesia (Vol. 1). Atlantis Press International BV. https://doi.org/10.2991/978-94-6463-154-8_23
- Ermia, P. (2021). The Influence of Profitability, Leverage and Good Corporate Governance on Company Value. *Jurnal RAK (Riset Akuntansi Keuangan)*, 6(1), 99–120. <https://doi.org/10.31002/rak.v6i1.4348>
- Felicia, Edward, Y. R., Simonrangkir, E. N., & Ginting, R. R. (2022). Analysis of the Effect of Profitability, Company Size and Growth Opportunity toward Firm Value with Capital Structure as Intervening Variable in Consumer Goods Companies Listed on Indonesia Stock Exchange period 2018-2020. *Journal of Economics, Finance And Management Studies*, 05(02), 335–345. <https://doi.org/10.47191/jeffms/v5-i2-12>
- Flabiya, A., & Sunarto, S. (2022). The Influence of Managerial Ownership, Profitability, On Company Value With Dividend Policy As Moderation. *Jurnal Akuntansi, Audit, Dan Sistem Informasi Akuntansi*, 6(2), 178–187.
- Galuh, Y., Safitri, N., Hasanah, N., & Dewi, U. (2023). The Effect of Corporate Governance, Resource and Development Intensity, Intellectual Capital and Managerial Ability on Firm Value With Political Relations As A Moderating Variable. *Jurnal Akuntansi Dan Perpajakan*, 9(1), 17–39.
- Hansda, S., & Bandopadhyay, K. (2020). Does Dividend Policy have Any Effect on Firm Value ? A Study on BSE 100 Companies. *Business Practices and Sustainability*, 63–83. <https://ssrn.com/abstract=3801325>
- Hardiansyah, M. Y., & Laily, N. (2020). Pengaruh Growth Opportunity, Kepemilikan Manajerial dan Kepemilikan Institusional Terhadap Nilai Perusahaan Sektor Otomotif Indonesia. *Jurnal Ilmu Dan Riset Manajemen*,

9(6), 1–20.

- Ifada, L. M., & Nurcahyono, N. (2024). Determinants of dividend policy: Evidence from the Nairobi Stock Exchange. 9(4), 13–23. <http://erepository.uonbi.ac.ke/handle/11295/23187>
- Indriastuti, M., & Kartika, I. (2021). Improving Firm Value through Intellectual Capital, Good Corporate Governance and Financial Performance. *Jurnal Ilmiah Akuntansi*, 6(1), 85. <https://doi.org/10.23887/jia.v6i1.30993>
- Indy, L. A., Uzliawati, L., & Yulianto, A. S. (2023). Managerial ownership profitability and firm value agency theory perspective. *Enrichment : Journal of Management*, 13(1), 619–626. <https://doi.org/10.35335/enrichment.v13i1.1224>
- Jensen, M. C., & Meckling, W. (1976a). Theory of The Firm : Managerial Behavior, Agency Costs and Ownership Structure. *Journal of Financial Economics*, 72(10), 305–360. <https://doi.org/10.1177/0018726718812602>
- Jensen, M. C., & Meckling, W. (1976b). Theory of the Firm, Managerial Behavior, Agency, and Ownership Structure. (pp. 305–360).
- Kammagi, N., & Veny, V. (2023). Pengaruh Struktur Modal, Profitabilitas, Ukuran Perusahaan Dan Pertumbuhan Perusahaan Terhadap Nilai Perusahaan. *Jurnal Akuntansi Bisnis*, 16(1), 41–55. <https://doi.org/10.30813/jab.v16i1.4030>
- Manurung, A. D. P. (2022). The Effect of Good Corporate Governance on Firm Value with Financial Performance As an Intervening Variable. *Neo Journal of Economy and Social Humanities*, 1(4), 242–254. <https://doi.org/10.56403/nejesh.v1i4.54>
- Markonah, M., Salim, A., & Franciska, J. (2020). Effect of Profitability, Leverage, and Liquidity To the Firm Value. *Dinasti International Journal of Economics, Finance & Accounting*, 1(1), 83–94. <https://doi.org/10.38035/dijefa.v1i1.225>
- Marsiati, L., Sari, P. P., & Kusumawardhani, R. (2024). the Influence of Growth Potential, Capital Structure and Profitability on Dividend Policy and Firm Value in Manufacturing Companies Listed on the Indonesia Stock Exchange. *Jurnal Ekonomi, Bisnis Dan Manajemen*, 17(8). <https://doi.org/10.24857/rgsa.v17n8-011>
- Moridu, I., Tomu, A., Risna Sari, A., Rahman, M. R. G., & Posumah, N. H. (2022). Analysis of The Effect Of Managerial Ownership And Financial Performance On Dividend Policy: Review Literature Analisis Pengaruh Kepemilikan Manajerial Dan Kinerja Keuangan Terhadap Kebijakan Dividen: Review Literature. *Management Studies and Entrepreneurship Journal*, 3(6), 3512–3518. <http://journal.yrpiiku.com/index.php/msej>
- Munawar, A. (2019). The Effect of Leverage, Dividend Policy, Effectiveness, Efficiency, and Firm Size on Firm Value in Plantation Companies Listed IDX. *International Journal of Science and Research (IJSR)*, 8(10 October 2019), 244–252. <https://doi.org/10.21275/ART20201693>
- Ningrum, G. M., & Khomsiyah, K. (2023). Does The Investment Opportunity Set Strengthen The Effect of Profitability, Managerial Ownership and Capital Structure on Firm Value? *Journal of Business Social and Technology*, 4(1), 152–168. <https://doi.org/10.59261/jbt.v4i1.130>
- Nursanita, Faruqi, F., & Rahayu, S. (2019). Pengaruh Kepemilikan Manajerial, Kepemilikan Institusional, Struktur Modal, Pertumbuhan Perusahaan Dan Profitabilitas Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur Di Indonesia Tahun 2015-2018. *Jurnal STEI Ekonomi*, 28(01), 153–171. <https://doi.org/10.36406/jemi.v28i01.273>
- Okte, M. R. M., & Hasanah, A. S. (2023). Pengaruh Intellectual Capital, Solvabilitas, dan Profitabilitas terhadap Nilai Perusahaan pada Industri Pariwisata dan Rekreasi. *Jurnal Bingkai Akuntansi*, 62–77. <http://www.itbsemarang.ac.id/sijies/index.php/jbe33>
- Olusegun, F. abidemi olufemi, Michael, N. F., & Omoleye, G. C. (2021). Managerial Ownership and Firm Value of Selected Nigeria Listed Manufacturing Companies: Does Dividend Payment Policy Really Mediate? *Noble International Journal of Economics and Financial Research*, 06(64), 78–90. <https://doi.org/10.51550/nijefr.64.78.90>
- Pangestuti, D. C., Muktiyanto, A., Geraldina, I., & Darmawan. (2022). Role of Profitability, Business Risk, and Intellectual Capital in Increasing Firm Value. *Journal of Indonesian Economy and Business*, 37(3), 311–338. <https://doi.org/10.22146/jieb.v37i3.3564>
- Putra, B. A. I., & Sunarto, S. (2021). Pengaruh Profitabilitas, Leverage, dan Kepemilikan Manajerial Terhadap Nilai Perusahaan dengan Corporate Social Responsibility Sebagai Variabel Moderasi. *Ekonomis: Journal of Economics and Business*, 5(1), 149. <https://doi.org/10.33087/ekonomis.v5i1.195>
- Rahayu, D. S. (2022). Pengaruh Intellectual Capital dan Kebijakan Dividen terhadap Nilai Perusahaan. *Bussiness Inovation & Entrepreneurship Journal*, 3(1), 8–15.

- Riki, M., Tubastuvi, N., Darmawan, A., & Rahmawati, I. Y. (2022). Struktur Modal, Profitabilitas, Dan Likuiditas Terhadap Nilai Perusahaan Dengan Kebijakan Dividen Sebagai Moderasi. *Jurnal Akademi Akuntansi*, 5(1), 62–75. <https://doi.org/10.22219/jaa.v5i1.19409>
- Rismayanti, E. M., Yusraini, Y., & Safitri, D. (2020). Struktur Kepemilikan, Kebijakan Hutang dan Nilai perusahaan: Kebijakan dividen sebagai variabel moderating. *Jurnal Kajian Akuntansi Dan Bisnis Terkini*, 1(1), 67–87.
- Riyani, D., Ardini, L., & Hermanto, S. B. (2022). Pengaruh manajemen risiko, modal intelektual dan inovasi terhadap nilai perusahaan dimediasi kinerja perusahaan. *Owner*, 6(4), 3670–3679. <https://doi.org/10.33395/owner.v6i4.1170>
- Saputra, R. B., Innayah, M. N., Purwianti, W., & Utami, R. F. (2022). Pengaruh Modal Intelektual, Kinerja Keuangan, Struktur Modal, Kebijakan Dividen Dan Kepemilikan Institusional Terhadap Nilai Perusahaan (Studi Pada Perusahaan Perbankan yang Terdaftar di Bursa Efek Indonesia Periode Tahun 2013-2020). *Master: Jurnal Manajemen Dan Bisnis Terapan*, 2(1), 85. <https://doi.org/10.30595/jmbt.v2i1.14091>
- Sari, A. R. (2023). Saham Unilever Indonesia Turun di Tengah Seruan Boikot Produk terkait Israel. <https://bisnis.tempo.co/read/1796297/saham-unilever-indonesia-turun-di-tengah-seruan-boikot-produk-terkait-israel>
- Sari, D. M., & Wulandari, P. P. (2021). Pengaruh Kepemilikan Institusional, Kepemilikan Manajerial, Dan Kebijakan Dividen Terhadap Nilai Perusahaan. *Tema*, 22(1), 1–18. <https://doi.org/10.21776/tema.22.1.1-18>
- Sawitri, N. K. U., & Wahyuni, M. A. (2021). Pengaruh Good Corporate Governance Dan Modal Intelektual Terhadap Nilai Perusahaan. *Jurnal Ilmiah Mahasiswa Akuntansi*, 12(1), 601–614. <https://doi.org/2614-1930>
- Setyasari, N., Rahmawati, I. Y., Naelati Tubastuvi, N., & Aryoko, Y. P. (2022). Pengaruh Kepemilikan Manajerial, Kepemilikan Institusional, Board Diversity, Profitabilitas Dan Ukuran Perusahaan Terhadap Nilai Perusahaan (Studi Empiris Pada Perusahaan Manufaktur Yang Listing Di Bursa Efek Indonesia Tahun 2016 - 2020). *Master: Jurnal Manajemen Dan Bisnis Terapan*, 2(1), 69. <https://doi.org/10.30595/jmbt.v2i1.14046>
- Spence, M. (1973). Job Market Signaling. *Geburtshilfe Und Frauenheilkunde*, 87(3), 374. <https://doi.org/10.1055/s-2004-820924>
- Suryati, O. M., & Sutrisna, D. S. K. (2023). The Effect of Intellectual Capital and Good Corporate Governance on Financial Performance and Firm Value. *Eurasia: Economics & Business*, 8(August), 1–14. <https://www.ncbi.nlm.nih.gov/books/NBK558907/>
- Suzan, L., & Ardiansyah, D. (2023). Good Corporate Governance, Intellectual Capital, And Operational Efficiency: Affect Company Value. *Jurnal Akademi Akuntansi*, 6(2), 294–311. <https://doi.org/10.22219/jaa.v6i2.27101>
- Suzan, L., & Ramadhani, N. I. (2023). Firm Value Factors: The Effect Of Intellectual Capital, Managerial Ownership, And Profitability. *Jurnal Akuntansi*, 27(3), 401–420. <https://doi.org/10.24912/ja.v27i3.1487>
- Widodo, S. H., Asyik, N. F., & Mildawati, T. (2023). The Effect Of Financial Performance, Institutional Ownership, And Intellectual Capital On Firm Value, With Corporate Social Responsibility Disclosure As Moderating Variable. *Paradoks: Jurnal Ilmu Ekonomi*, 6(2), 71–84. <https://doi.org/10.57178/paradoks.v6i2.631>
- Wolk, H. I., Dodd, J. L., & Rozycki, J. J. (2016). *Accounting theory: conceptual issues in a political and economic environment*. Sage Publications.