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Exploring the Impact of Board Composition, Ownership Structure and Dividend Policy on IDX80 Companies: A Study of the Indonesian Stock Exchange

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Kata kunci: komposisi dewan, struktur kepemilikan, kebijakan dividen

ABSTRAK
Studi ini bertujuan untuk menganalisis pengaruh komposisi dewan direksi (ukuran dewan dan frekuensi rapat dewan) serta struktur kepemilikan (kepemilikan negara, kepemilikan institusional, kepemilikan manajerial, kepemilikan keluarga, dan kepemilikan asing) terhadap kebijakan dividen perusahaan yang terdaftar dalam indeks IDX80 di Bursa Efek Indonesia selama periode 2019-2022. Data yang digunakan adalah data sekunder berupa laporan tahunan perusahaan yang terdaftar, dengan sampel yang terdiri dari 117 perusahaan dan menggunakan data panel tak seimbang (4 tahun, 117 perusahaan). Metode analisis yang digunakan adalah regresi logistik dengan bantuan program EViews 10. Hasil penelitian menunjukkan bahwa ukuran dewan memiliki pengaruh positif terhadap kebijakan dividen perusahaan, sementara frekuensi rapat dewan, serta berbagai jenis kepemilikan (kepemilikan negara, institusional, manajerial, keluarga, dan asing) tidak berpengaruh signifikan terhadap kebijakan dividen. Temuan ini memberikan wawasan penting bagi investor dan pengambil keputusan perusahaan dalam merumuskan kebijakan yang berkaitan dengan pembagian dividen.

Keywords: board composition, ownership strucutres, dividend policy

ABSTRACT
This study examines the influence of board composition (board size and frequency of board meetings) and ownership structure (state, institutional, managerial, family, and foreign ownership) on dividend policy. The independent variables include board size, frequency of board meetings, and various ownership structures, while the dependent variable is dividend policy. The sample comprises companies listed on the IDX80 index of the Indonesia Stock Exchange from 2019 to 2022. Using unbalanced panel data, the analysis spans four years and includes 117 companies. The data is secondary, sourced from the annual reports of these companies. Logistic regression analysis, conducted using Eviews 10, was applied to test the hypotheses. The findings reveal that board size has a positive impact on dividend policy, whereas the frequency of board meetings, state ownership, institutional ownership, managerial ownership, family ownership, and foreign ownership do not significantly affect dividend policy.

Introduction

Dividends are one of the most important topics in corporate finance (Mihancea et al., 2021). Although research on dividend policy dividend policy has been extensively studied, it is difficult to understand the factors that that affect dividend policy and the relationship between these variables (Rajput & Jhunjhunwala, 2019) . Dividend policy can also be seen through the level of developmental investment in the capital market. This is because in the capital market there are large industries in which can control the country's economy so that they can affect all components of the the country's economy so that it can affect all components of the of the country's economy. Investing in the capital market is an opportunity to increase prosperity from the rate of return offered by the capital market as dividends and capital income (Praptapa et al., 2021).

The COVID-19 pandemic has swept the world and impacted the global economy and society. global economy and society. Despite this, the Indonesia Stock Exchange (IDX) in the midst of the outbreak in 2020 recorded a significant growth in the number of investors compared to the previous year. number of investors was significant compared to the previous year. KSEI noted that the number of capital market investors in Indonesia shot up by 56% in 2020 where the number of investors in stocks, bonds and mutual funds, reached 3.88 million Single Investor Identification (SID) investors. This increase is the highest since the highest since 2016, while in 2021 the growth reached 93% (Prayoga, 2022). The increase in the number of equity investors is driven by their motive to get maximum returns. Investors are motivated to achieve investment success by using various strategies, including the strategy of of dividend yield. This strategy focuses on dividends received as an indicator of investment success (Amin & Soekarno, 2023).

The role of the board in determining the amount of dividend distribution is very influential through the General Meeting of Shareholders (Thompson & Adasi Manu, 2020).The board of directors determines whether to pay dividends and determines the level of dividend payments paid. These decisions are influenced by the ownership structure of the company, as a control mechanism that determines how ownership is divided between institutional and retail investors, managers, governments, and families, and thus how ownership can be concentrated or dispersed (Boshnak, 2021). In agency theory, the manager-owner relationship is described as a relationship between an agent and a principal. Managers function as agents and shareholders as principals. In order to increase shareholder wealth, managers must strive to provide the best business results (Reysa et al., 2022).

Until now, there have been many studies on board composition, ownership structure, and dividend policy (Boshnak, 2021; Indrati & Pangestu, 2022; Khan, 2022; Obaidat, 2018; Serly & Susanti, 2021; Setiawan et al., 2016) but the research results are still diverse. Based on the inconsistencies in previous research and the phenomena described above, the researchers are interested in conducting research with the title "Board Composition, Ownership Structure, and Dividend Policy in IDX80 Companies Listed on the IDX 2019-2022 Period". This study aims to analyze the effect of board composition (board size and frequency of board meetings) and ownership structure (state ownership, institutional ownership, managerial ownership, family ownership, and foreign ownership).

LITERATURE REVIEW

Board Size

From an agency cost perspective, board size is important because of the board's supervisory role. oversight role of the board. A larger board is likely to reduce agency conflicts because large board members will try to satisfy a large number of shareholders (Hussain et al., 2017). And also increases the size of the board by increasing the skills and diverse management skills and expertise it can minimize agency costs (Pahi & Yadav, 2018).

Empirically, most previous studies support positive relationship between board size and dividend payout Roy, (2016) stated that board size has a significant impact on company's dividend policy. A larger board offers better oversight expertise and knowledge that is beneficial to the company. The results of research shows that when shareholders are protected capital can be allocated more efficiently. In line with research (Ahmad et al., 2019; Khan, 2022; Serly & Susanti, 2021). From some of the above, it can be seen that the size of the board through increased expertise and diverse skills can reduce agency costs, and will ultimately affect agency costs, and will ultimately have an effect on increasing dividend payments. Based on the description above, the hypothesis is formulated as follows:

H_1: There is a positive relationship between board size and dividend policy.

Frequency of Board Meetings

Shamsabadi et al., (2016) reveal that outcome theory shows dividend payments are the result of effective governance. Where frequency of board meetings is one of the variables that represent corporate governance, when the board often conducts meetings, it can indicate that dividend payments are the result of effective governance. When the board often holds meetings, it can be indicated that corporate governance is effective. And this can be drawn conclusion that the frequency of board meetings encourages a high dividend policy. In addition, such effective governance uses dividends to signaling the safeguarding of shareholders' interests (Boshnak, 2021).

Boshnak, (2021) in his research found that the frequency of board meetings has a positive influence on dividend policy. has a positive influence on dividend policy. In line with research (Dewasiri et al., 2018). From some of the foregoing, it can be concluded that the frequency of board meetings as corporate governance if carried out effectively is in line with the outcome theory, and in the end will have an effect on increase in dividend payments. Based on the description above, the hypothesis formulated as follows:
H_2: There is a positive relationship between the frequency of board meetings and dividend policy. dividend policy.

State Ownership

In reducing agency costs, the existence of state ownership can be used to resolve conflicts of interest between management and shareholders by implementing control mechanisms that limit management intervention in company management because there is potential for management to maximize its interests which are not in line with company goals (Sutrisno & Annisa Ulfah, 2020). State ownership is a party that can control the administration and regulate the organization so that it has an influence in making decisions regarding dividend policy. Institutions claimed by the state also have a primary obligation to increase government assistance to society. To be able to improve the welfare of society, companies with state ownership will influence the policies that will be produced by the company (Ibrahim et al., 2023). State ownership is controlled by the government to control shareholders to maximize shareholder wealth and is more likely to pay sufficient dividends to shareholders (Effendi et al., 2021). State ownership has a significant impact on dividend policy. The state plays a full role in strengthening the economy and consolidating its position in its performance, one of which is by distributing higher dividends (Putri & Yulianto, 2020).

Ahmad et al., (2019) in their research stated that state ownership has a positive influence on dividend policy. Companies controlled by the state provide by paying higher dividends to attract capital market investors. This research is in line with research conducted by (Bataineh, 2021; Boshnak, 2021). From some of the above, it can be seen that state ownership with a high level of supervision which plays a role in reducing agency costs and plays a full role in strengthening the economy and consolidating its position in its performance has an effect on increasing dividend payments. Based on the description above, the hypothesis is formulated as follows:
H_3: There is a positive relationship between the level of state ownership and dividend policy.

Institutional Ownership

From an agency perspective, an increase in institutional investors is predicted to contribute to effective monitoring under a stakeholder-oriented system. Where, institutional investors help reduce information asymmetry among investors (Sakawa & Watanabel, 2020). The advantage of the institutional ownership structure is the reliability of news in analyzing information, which can increase the motivation to exercise tighter control over company activities so as to reduce agency problems in the company. The higher the institutional ownership in a company, the tighter the control will be so that management can provide the best possible performance, which will increase company profits (Melina, 2022). This will attract institutional investors to participate in the company's strategic decisions so that it affects the level of dividends to be received (Cahyadi & Banani, 2019).

Rahayu & Rusliati, (2019) in their research found that institutional ownership has a positive and significant effect on dividend policy. Institutional ownership has a positive influence on dividend policy. When the institution has a large stake in the company, the greater the dividend policy. This research is in line with research conducted by (Indrati & Pangestu, 2022; Utami & Erawati, 2021). From some of the above, it can be seen that institutional ownership with an accurate level of information and strict supervision can reduce agency problems, and ultimately will have an effect on increasing dividend payments. Based on the description above, the hypothesis is formulated as follows:

H_4: There is a positive relationship between the level of institutional ownership and dividend policy.

Managerial Ownership

Managerial ownership is ownership where there is involvement between shareholders, namely commissioners and directors who play an active role in decision making to obtain equality with other shareholders (Sumanti & Mangantar, 2015). When managerial parties own company shares, their interests are aligned with shareholders, this will reduce agency costs. When insider ownership increases the conflict of interest between managers and shareholders will decrease, this will reduce agency costs (Juhmani, 2020). The existence of company management has different backgrounds: first, institutional shareholder representatives, second, professionals appointed by shareholders in general meetings and, third, people who are part of the company's management because they also own shares. The existence of share ownership by management causes control over the policies taken by company management (Roos & Manalu, 2019).

Vo & Nguyen, (2014) found that managerial ownership has a positive effect on dividend policy where in the context of control, the role of managerial ownership can be a mechanism for controlling agency conflicts. In line with research (Obaidat, 2018). From some of the above, it can be seen that managerial ownership when owning shares in the company their interests will be aligned with shareholders, this will reduce agency costs, and ultimately will have an effect on increasing dividend payments. Based on the description above, the hypothesis is formulated as follows:

H_5: There is a positive relationship between managerial ownership and dividend policy.

Family Ownership

Dividends Family-controlled firms have a strong role in most emerging market economies due to high ownership concentration (Rajverma et al., 2019). It should be noted that previous studies on family firms and dividend policy depend mainly on agency theory, some studies indicate that agency theory has a mixed perspective on agency issues in family firms (Charitou et al., 2016). Since family firms usually involve family members with a large portion of ownership and direct or indirect involvement in the management of the firm, it is believed that this structure helps to resolve the agency problems that exist in the firm, thereby reducing the classic owner-manager conflict (Michiels et al., 2013).

Subramaniam, (2018) family ownership was found to be significantly positive in influencing dividend policy. The positive relationship between family ownership and dividend policy involves family members with a large portion of ownership and direct or indirect involvement in company management, with the belief that this structure helps solve agency problems that exist in widely owned companies, thereby reducing the classic conflict between owners and managers. In line with research (Benjamin et al., 2016). Through the explanation above, it can be seen that family ownership with direct or indirect involvement in company management is believed to help solve agency problems, and will ultimately have an effect on increasing dividend payments. Based on the description above, the hypothesis is formulated as

follows:
H_6: There is a positive relationship between family ownership and dividend policy.

Foreign Ownership

Dividends In the view of agency theory, companies with foreign ownership shares have better governance mechanisms that make them pay higher dividends and these companies have more incentives to monitor company activities to protect their investments (Musallam & Lin, 2019). Many studies have examined the motivations of foreign investors involved in stock market transactions. They can be classified into two broad categories: strategic investors with long-term interests, and financial buyers with short-term interests in holding company shares. As strategic investors, they are interested in improving company performance by performing a control function (Moin et al., 2020). Jeon et al., (2011) argue that foreign investors have more effective control and supervision due to their global standards and practices, which allow companies to promote better governance practices. However, due to higher information asymmetry compared to domestic investors, foreign investors require higher dividends to compensate for the additional risk.

From research of Setiawan et al., (2016) it is proven that there is a positive influence of foreign ownership on dividend payments. The research is also supported by (Boshnak, 2021; Obaidat, 2018). Through the explanation above, it can be seen that foreign ownership in the view of agency theory makes the company have a better governance mechanism, and in turn will affect the increase in dividend payments. Based on the description above, the hypothesis is formulated as follows:
H_7: There is a positive relationship between the level of foreign ownership and dividend policy.

Method

This study is a quantitative research that uses data from companies listed on the IDX80 index of the Indonesia Stock Exchange for the period 2019-2022. The sampling technique employed in this study is nonprobability sampling, which refers to a sampling method that does not give all elements or members of the population an equal chance of being selected (Sugiyono, 2019). The data used in this study is unbalanced panel data, as it consists of a number of time-series observations (4 years) and cross-sectional units from 117 companies. Unbalanced panel data refers to a situation where the cross-sectional units have an unequal number of time-series observations. A total of 320 observations were made over the 2019-2022 period.

The dependent variables examined in this study are dividend policy, which is measured in two ways: the propensity to pay dividends (a dichotomous variable), where firms that declare and pay dividends are coded as 1, and those that do not are coded as 0. The second variable is calculated by dividing the level of cash dividends paid by the number of shares outstanding, assuming a zero value where the firm does not pay dividends (Al-Najjar & Kilincarslan, 2016). The independent variables in this study include corporate board and ownership structure characteristics: board size, frequency of meetings, and the degree of state, institutional, managerial, foreign, and family ownership.

Table 1. Measurement of the Variables

Variable	Symbol	Measurement
Dependent Variables		
Propensity to pay dividends	PPD	Dummy variable coded as 1 for firms which declared and paid dividends and 0 for those that did not
Independent Variables		
Board size	BS	Total number of board directors members
Board meetings	BM	Number of board directors meetings held during the year
State ownership	SOWN	Proportion of shares held by government shareholders
Institutional ownership	INSOWN	Proportion of shares held by institutions' shareholders

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Managerial ownership	MANOWN	Proportion of shares held by managers
Family ownership	FAMOWN	Proportion of shares held by family members
Foreign ownership	FOROWN	Proportion of shares held by foreign shareholders
Control Variables		
Firm size	SIZE	Natural logarithm of total assets
Firm leverage	LEV	Total debt to total assets
Firm profitability	ROA	Net income to total assets
Firm age	AGE	Number of years since incorporation

(Source: Data proceed, 2024)

Result and Discussion

Table 2 provides descriptive statistics for 320 observations of IDX80 during 2019-2022 from Indonesian Stock Exchange.

Table 2. Desctiptive Statistics

Date: 04/30/24 Time: 06:40
Sample: 1 320

	PPD	BS	BM	SOWN	INSOWN	MANOWN	FAMOWN	FOROWN	FIRMSIZE	LEVERAGE	PROFITABIL...	FIRMAGE
Mean	0.562500	6.687500	28.00937	0.138640	0.857462	0.023675	0.260150	0.276256	31.24917	0.492074	0.063329	43.51250
Median	1.000000	6.000000	16.00000	0.000000	0.931600	0.000220	0.000000	0.218540	31.06128	0.480240	0.048275	42.00000
Maximum	1.000000	24.00000	282.0000	0.900250	0.999230	0.718230	0.827240	0.987710	35.22819	0.899110	0.454270	127.0000
Minimum	0.000000	3.000000	6.000000	0.000000	0.022100	0.000000	0.000000	0.000000	27.46694	0.033130	-0.450860	1.000000
Std. Dev.	0.496855	2.660962	28.85424	0.258957	0.193390	0.091004	0.284279	0.261321	1.446137	0.226605	0.082097	22.46948
Skewness	-0.251976	1.875562	4.405431	1.420097	-2.523505	5.686952	0.372600	1.235328	0.418704	0.045993	0.424604	1.124569
Kurtosis	1.063492	9.477951	31.58136	3.220617	9.500063	38.70150	1.462018	3.546394	3.461342	1.952667	11.06208	5.278480
Jarque-Bera	53.38708	747.1304	11927.01	108.2050	902.9751	18719.51	38.94282	85.36922	12.18786	14.73824	876.2429	136.6679
Probability	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.002257	0.000630	0.000000	0.000000
Sum	180.0000	2140.000	8963.000	44.36477	274.3878	7.576070	83.24803	88.40189	9999.733	157.4638	20.26534	13924.00
Sum Sq. Dev.	78.75000	2258.750	265589.0	21.39168	11.93053	2.641892	25.77985	21.78412	667.1283	16.38057	2.150036	161056.0
Observations	320	320	320	320	320	320	320	320	320	320	320	320

(Source: Data proceed, 2024)

Presents the variable descriptive statistics. The propensity to pay dividends (PPD) dichotomous variable shows that 56% of sample firms pay dividends. Boards have an average board size (BS) of around 6 directors, with a range of 3 to 24 directors, Firms conduct around 16 board meetings (BM) per year on average, though this varies considerably from 6 to 282 meetings. In terms of firm ownership, institutional investors own 85% of outstanding shares, government agencies own 13%, foreign investors own 27%, families and management both own around 26% and 2%. Average (log) firm size is 31.24917, and ranges from 27.46694 to 35.22819. Mean firm leverage is 49%, ranging from 3% to 89%, and mean profitability (ROA) is 6% and ranges from -45% to 45%. Mean firm age is 43.51 years and ranges from 1 to 127 years.

The research model test includes several key evaluations. The Hosmer and Lemeshow Goodness of Fit Test shows a Chi-Square probability of 0.0816, indicating that the model is a good fit as the predicted values align with the observed data. The Determination Coefficient Test reveals a McFadden R-Squared value of 0.079497 (7%), meaning the model explains 7% of the variation in dividend payment decisions, with the remaining 93% influenced by other factors. Lastly, the Classification Matrix Test shows an accuracy of 66.88%, suggesting the model has a reasonable level of prediction accuracy.

The multicollinearity test shows whether or not there is a correlation between the independent variables, namely board size, frequency of board meetings, state ownership, institutional ownership, managerial ownership, family ownership, and foreign ownership. There is no correlation as indicated by the coefficient value of each variable whose number is more than 0.8. Therefore in this study it can be concluded that there is no multicollinearity problem.

Table 3. Overall Model Fit Test

McFadden R-squared	0.079497	Mean dependent var	0.562500
S.D. dependent var	0.496855	S.E. of regression	0.476734
Akaike info criterion	1.336667	Sum squared resid	70.00093
Schwarz criterion	1.477979	Log likelihood	-201.8668
Hannan-Quinn criter.	1.393096	Deviance	403.7335
Restr. deviance	438.6011	Restr. log likelihood	-219.3005
LR statistic	34.86757	Avg. log likelihood	-0.630834
Prob (LR statistic)	0.000261		

(Source: Data proceed, 2024)

In the Overall Model Fit Test table 3 shows that the probability value (LR statistic) is 0.000261 <0.05. so it can be concluded that Ha is accepted and H0 is rejected, which means that there is a simultaneous influence between the independent variables of board size, frequency of board meetings, state ownership, institutional ownership, managerial ownership, family ownership, and foreign ownership on the dependent variable dividend policy and there is no difference between the research model and the research data.

Table 4. Partial Test (T-Test)

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	3.143289	3.570155	0.880435	0.3786
BS	0.142116	0.067398	2.108613	0.0350
BM	0.011444	0.006842	1.672494	0.0944
SOWN	-0.249515	0.671933	-0.371339	0.7104
INSOWN	0.874834	0.764685	1.144045	0.2526
MANOWN	0.169711	1.556867	0.109008	0.9132
FAMOWN	-0.205775	0.529683	-0.388486	0.6977
FOROWN	0.483099	0.567434	0.851373	0.3946
FIRMSIZE	-0.187454	0.129444	-1.448148	0.1476
LEVERAGE	0.160308	0.682509	0.234880	0.8143
PROFITABILITY	5.381637	2.159632	2.491923	0.0127
FIRMAGE	0.012069	0.006592	1.830886	0.0671

(Source: Data proceed, 2024)

Board Size.From table 4, it is known that the probability value of the board size variable is 0.0350> 0.05 with a regression coefficient value of 0.142116. These statistics show that dividend policy will increase if there are many boards of directors. From these results it can be seen that board size has a significant positive effect on dividend policy or (H1) is supported.

This study supports agency theory, which posits that larger boards enhance governance by reducing agency costs and improving oversight, thus fostering better outcomes. Larger boards can minimize conflicts between shareholders and stakeholders and ensure managers act in investors' best interests (Čalopa et al., 2020; Aksoy & Yilmaz, 2022). Consistent with prior studies (Ahmad et al., 2019; Juhmani, 2020; Khan, 2022; Serly & Susanti, 2021), this research finds that board size positively influences dividend policy. Larger boards improve governance by managing performance effectively and reducing conflicts of interest, which correlates with higher dividend payments (Tahir et al., 2020). For instance, Sentul City Tbk (2019), with a small board of three members, paid no dividends, whereas Bank Negara Indonesia (Persero) Tbk (2020), with 24 board members, distributed dividends. Larger boards also drive innovation and strengthen governance through diverse expertise (Nawaz Khan et al., 2019). Directors ensure financial accuracy, compliance with regulations, and ethical management, safeguarding assets and boosting performance (Febriyani et al., 2022). This study concludes that larger boards, with their broad skillsets, enhance corporate performance and lead to higher dividend payments.

Board Meeting Frequency. Table 4 shows that the probability value of the board meeting frequency variable is 0.0944> 0.05 with a regression coefficient value of 0.011444. These statistics show that the dividend policy of a company will decrease or increase is not influenced by the high or low frequency of board meetings. From these results it can be seen that the frequency of board meetings has no effect on dividend policy or (H2) is not supported.

This study contradicts outcome theory, which suggests that frequent board meetings improve governance and increase dividends, as more meetings are often needed to address poor governance and thus require higher dividends (Boshnak, 2021). The findings align with research by Juhmani (2020) and Serly & Susanti (2021), which found no significant relationship between the frequency of board meetings and dividend policy. Board meetings often focus on liquidity, strategy, and future planning rather than dividend decisions, making their frequency unrelated to dividend distribution. Previous studies (Connor, 2013; Yarram & Dollery, 2015) also found no empirical evidence linking meeting frequency to dividends, suggesting that agency problems and meeting duration play a larger role. Board meetings primarily aim to monitor corporate performance and ensure alignment with long-term goals, rather than directly influencing dividend outcomes. For example, even in financially stable companies, profits may be reinvested in growth rather than distributed as dividends. Conversely, firms facing financial constraints may forgo dividends to preserve liquidity. Illustrative cases highlight this conclusion. Medco Energi Internasional Tbk held six board meetings in 2019 and paid no dividends, reflecting low meeting frequency. Similarly, Bank Tabungan Negara (Persero) Tbk held 227 meetings in 2020 but also did not distribute dividends. These examples reinforce that meeting frequency alone does not drive dividend decisions.

State Ownership. From table 4, it is known that the probability value of the state ownership variable is 0.7104> 0.05 with a regression coefficient value of -0.249515. This statistic shows that the dividend policy of a company will decrease or increase not influenced by the level of state share ownership. From these results it can be seen that state ownership has no effect on dividend policy or (H3) is not supported.

This study challenges agency theory, which suggests government ownership reduces agency issues between minority shareholders and management, leading to higher dividend payouts. State-owned enterprises (SOEs) often benefit from easier access to debt financing, enabling larger dividends (Hasan et al., 2023). Consistent with findings by Effendi et al. (2021), Bataineh (2021), and Anwar & Purbawati (2018), the study concludes that government ownership does not influence dividend policy. The government tends to trust company management to act in shareholders' best interests, and dividends are distributed only when performance meets expectations and internal financial needs are fulfilled. For example, in 2019, Bank CIMB Niaga Tbk, with negligible government ownership (0.00001), paid dividends, whereas Waskita Karya (Persero) Tbk, with significant government ownership (0.82481) in 2021, did not. These cases highlight that government ownership levels do not directly determine dividend payouts. Ultimately, this research shows that government ownership does not guarantee increased dividends. Decisions on dividend distribution are influenced more by company performance and strategic priorities than by ownership structure.

Institutional Ownership. From table 4 it is known that the probability value of the institutional ownership variable is 0.2526> 0.05 with a regression coefficient value of 0.874834. This statistic shows that the dividend policy of a company will decrease or increase is not influenced by whether or not institutional ownership is large. From these results it can be seen that institutional ownership has no effect on dividend policy or (H4) is not supported.

This study challenges agency theory, which posits that institutional shareholders can reduce agency problems by monitoring management and influencing dividend policies (Ayoib Che Ahmad, 2014). Higher institutional ownership often leads to stricter control, improving management performance and increasing company profits (Melina, 2022), potentially influencing dividend decisions (Cahyadi & Banani, 2019). However, in practice, institutional ownership does not guarantee dividend payments, as institutional investors prioritize investment growth over dividend distribution (Napitupulu & Djajanti, 2021). The findings align with studies by Zultilisna et al. (2023), Napitupulu & Djajanti (2021), and Santoso et al. (2021), which also found no significant impact of institutional ownership on dividend policies. In growth-stage companies with high institutional ownership (averaging 85.7%), the focus is on reinvestment rather than dividend payouts. Large shareholders may prioritize long-term growth over immediate dividend returns (Napitupulu & Djajanti, 2021). For example, Wismilak Inti Makmur Tbk in 2021 had low institutional ownership (0.04012) but paid dividends, while Mitra Adiperkasa Tbk, with high institutional ownership (0.99923) in 2022, did not distribute dividends. These examples show that institutional ownership does not necessarily influence dividend decisions.

Managerial Ownership. From table 4, it is known that the probability value of the managerial ownership variable is 0.9132> 0.05 with a regression coefficient value of 0.169711. This statistic shows that the dividend policy of a company will decrease or increase is not influenced by whether or not managerial ownership is large. From these results it can be seen that managerial ownership has no effect on dividend policy or (H5) is not supported.

This study challenges agency theory, which suggests that management, as agents, should maximize company profits and distribute dividends to shareholders, while shareholders, as principals, monitor performance (Zainuddin et al., 2020). The findings align with studies by Zainuddin et al. (2020), Widiatmoko et al. (2021), and Praduana et al. (2024), which found that managerial ownership does not affect dividend policy. Even with higher managerial ownership, companies often allocate profits to retained earnings rather than dividends, as internal funding is more efficient than external funding (Praduana et al., 2024). For example, Ace Hardware Indonesia Tbk in 2019 had minimal managerial ownership (0.00001) but paid dividends, while Barito Pacific Tbk had higher managerial ownership (0.71823) but did not. This indicates that managerial ownership size does not directly influence dividend decisions.

Family Ownership. From table 4, it is known that the probability value of the family ownership variable is 0.6977> 0.05 with a regression coefficient value of -0.205775. This statistic shows that the dividend policy of a company will decrease or increase is not influenced by whether or not family ownership is large. From these results it can be seen that family ownership has no effect on dividend policy or (H6) is not supported.

This study contradicts agency theory, which suggests that family-controlled firms may pay higher dividends to satisfy minority shareholders and enhance their reputation, particularly when raising capital. Higher dividends can also serve as a governance mechanism to resolve agency conflicts by limiting management's discretionary cash use (Bataineh, 2021a). The results align with Yusnita & Patrisia (2020), Bataineh (2021), and Alhileen (2020), who found that family ownership does not influence dividend policy. Family investors prioritize business growth over dividends, meaning increased family ownership does not affect dividend distribution (Yusnita & Patrisia, 2020). For instance, Matahari Department Store Tbk (2021) had low family ownership (0.32016) but paid dividends, while Agung Podomoro Land Tbk (2020) had high family ownership (0.82724) but did not. This demonstrates that family ownership size does not impact dividend decisions.

Foreign Ownership. From table 4, it is known that the probability value of the foreign ownership variable is 0.3946> 0.05 with a regression coefficient value of 0.483099. This statistic shows that the dividend policy of a company will decrease or increase is not influenced by the size of foreign ownership. From these results it can be seen that foreign ownership has no effect on dividend policy or (H7) is not supported.

This study contradicts agency theory, which posits that foreign ownership improves management oversight and performance, reducing agency conflicts (Anshori et al., 2023). Consistent with Alhileen (2020), Al-Najjar & Kilincarslan (2016), and Febrianti & Zulvia (2020), the findings show foreign ownership does not influence dividend policy. Foreign investors often prefer lower dividends in emerging markets, using their expertise to curb managerial opportunism. They also prioritize retaining earnings for long-term growth rather than seeking immediate returns (Bataineh, 2021a). For example, Wijaya Karya Beton Tbk (2020), with low foreign ownership (0.1962), paid dividends, while Bank Permata Tbk (2020), with high foreign ownership (0.98771), did not. This highlights that foreign ownership does not dictate dividend decisions.

Conclusion

This study concludes that board size has a significant positive impact on dividend policy in IDX80 companies listed on the Indonesia Stock Exchange from 2019 to 2022, indicating that larger boards are associated with higher dividend distributions. However, the frequency of board meetings shows no effect, suggesting that the number of meetings held does not influence a company's decision to increase or reduce dividend payouts. Similarly, ownership structure variables, including state, institutional, managerial, family, and foreign ownership, have no significant impact on dividend policy, implying that changes in ownership levels do not alter dividend distribution decisions.

Despite its contributions, the study has limitations. The main model explains only 7% of the variation in dividend policy, leaving 93% attributable to factors outside the model. This underscores the need for further research to identify additional determinants of dividend policy.

Future studies could expand on this research by incorporating alternative proxies for dividend policy, such as Dividend Yield, to confirm and extend the findings. Including variables like board gender diversity and broader ownership structures, such as concentrated and public ownership, could provide a more nuanced understanding of their roles in dividend decisions. Moreover, examining companies outside the IDX80 index would allow for comparisons across different industries and contexts, enhancing the generalizability of the results. These advancements would build on the current study's findings and deepen insights into the dynamics of dividend policy.

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