

THE EFFECT OF BOARD CHARACTERISTICS AND OWNERSHIP STRUCTURE ON DIVIDEND PAYMENT POLICY: EVIDENCE FROM CONSUMER NON-CYCLICALS COMPANIES ON THE IDX 2021-2024

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Abstract

Such research has the purpose of analyzing the impact of the council characteristics also the ownership structure in dividend policy towards Indonesia. The population consists of 128 consumer non-cyclicals sector business organizations listed on the Indonesian Stock Exchange for the time 2021-2024. The mechanism used in research to take specimens is purposive sampling with a final taste of 69 business institutions and 276 observations. Then analysis the procedure in which it is carried out balanced panel data regression together a fixed effect model (FEM) thru Eviews 13. The dependent variable, namely dividend policy, was measured using the dividend payout ratio (DPR). Dependent variable, namely board characteristics, were proxied by board size, board gender, board meetings, also ownership structure consisting of institutional, managerial, also foreign ownership. Then control variable are firm measure and leverage. Research findings show that institutional ownership has a positive impact on dividend policy. Conversely, board size, board gender, board meetings, managerial ownership, also foreign ownership has no impact in dividend policy. This study enriches literacy regarding functions board characteristics and ownership structure at determining dividend policy. Empirically, these findings show that board characteristics are not yet sufficient to determine dividend policy, while ownership structure needs attention because it by now proven so impact the current function improving dividend policy.

Keywords: dividend payout ratio, board characteristic, ownership structure, agency theory.

1. INTRODUCTION

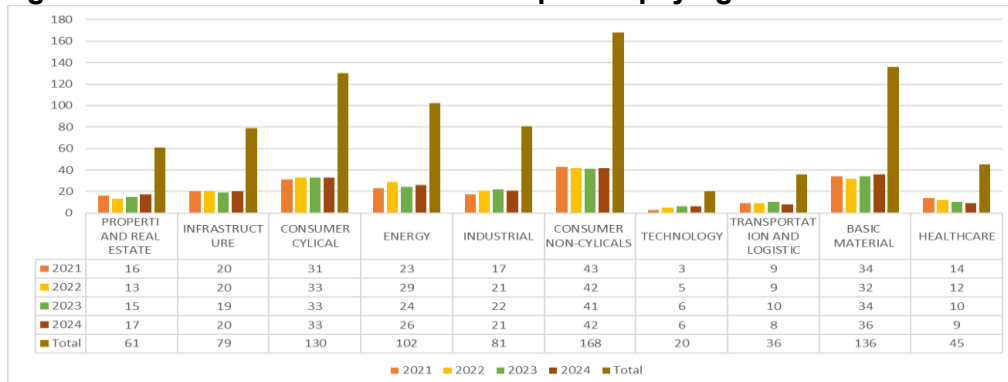
Dividends payment regulations as part of strategic financial such determination cannot be separated from a company's business operations (Tayachi et al., 2021). Dividend payment regulations on generally represented at dividend payout ratio (DPR) (Tawfik et al., 2024). Then dividend payout ratio is a business institution decision for distribute a certain amount of its profit on something in the form of share distribution rather than having funds (Widodo et al., 2021). This policy has a huge impact on the sustainability of the company and also on investor confidence in the protection of their wealth, so it must be implemented with caution (Aleksnevičienė & Vilimaitė, 2023).

Dividends are returns paid off to the owner of the funds rather than capital they of capital at business (Kaur & Kaur, 2024). Dividends among them is the temporary distribution paid off before tax due date-end and final dividends paid after this fiscal year-end and the General Meeting for Shareholders (GMS). Then amount for dividends received by investors is proportional to their share ownership (Leonardo &

Mayangsari, 2024). Therefore, dividend payments require companies to record profits as a reflection of positive financial performance (Syahtri, 2023).

Consumer non-cyclicals companies are business entities engaged in the production of goods and services that no impact on seasonal, financial round, as well as even crisis term, such as food and beverage businesses, retail, and various household products (Utami, 2020). This sector is projected to have good prospects due to high and stable demand in line with income growth and population growth (Dewi, 2018).

Figure 1. Number of non-financial companies paying dividends 2021-2024



Source: Stockbit Sekuritas Data Processing (2025)

Based on data from non-financial sectors in Indonesia, the consumer non-cyclicals sector is the most dominant sector in paying dividends in 2021-2024, with a total of 168 companies. This is followed by the basic materials sector with 136 companies, followed by the consumer cyclicals sector with 130 companies, and the energy sector with 102 companies.

Although business organizations in the non-cyclical food product sector as the sector there highest number of dividend payers, featureless annual dividend payout ratio (DPR) from all business organizations is still relatively lower than several other non-financial sectors (Stockbit Sekuritas, 2024). The average dividend payout ratio for this sector was 51.8% in 2021, 51.4% in 2022, 19.9% in 2023, and 41.7% in 2024. When compared to the infrastructure sector, the difference is significant, with a dividend payout ratio of 114.42% in 2021, 69.00% in 2022, 53.48% in 2023, and 66.09% in 2024. In addition, the healthcare sector also performed better with an average of 60.90% in 2021, 60.68% in 2022, 63.09% in 2023, and 58.52% in 2024. Overall, the average dividend payout ratio trend for the consumer non-cyclicals sector over the past four years has fluctuated and declined, with the deepest decline occurring in 2023 (Stockbit Sekuritas, 2024)

One of the business institutions in the non-cyclical consumption food product sector where has experienced fluctuations on its DPR ratio is PT Indofood Sukses Makmur Tbk (INDF). The company recorded dividend payments with a dividend payout ratio (DPR) of 32% in 2021, then rose to 35% in 2022, then in 2023 to 29%,

which shows a sharp decline and then increased again in 2024 to 38% (PT Indofood Sukses Makmur Tbk, 2024). Meanwhile, based on its annual report, PT Unilever Indonesia Tbk (UNVR) experienced the opposite, namely a consecutive decline in net profit throughout the 2021–2024 period, namely IDR 5.75 trillion with a DPR of 99.9% in 2021, IDR 5.36 trillion with a DPR of 99.5% in 2022, Rp4.80 trillion with a DPR of 111% in 2023, and Rp3.36 trillion with a DPR of 99.6% in 2024. Despite the decline in net profit, UNVR competent in maintain this stability of its dividend ratio over this past four years, even increasing it in 2023.

This study through the distributor concept framework to understand also explain this role The characteristics of the board of directors and the ownership structure also influence dividend policy. The definition of distributor explains the relationship between capital owners and the distribution system in company. Information asymmetry between the two parties causes conflicts of interest due to different orientations (type I agency conflict). This conflict arises from opportunistic actions by management in using company resources that are not in line with shareholder objectives (Jensen & Meckling, 1976).. In addition, exemplar II distributor problem occur in the midst of the leaders also at least shareholders. This conflict is triggered by controlling shareholders exploiting company resources for their own interests and sacrificing minimum number of capital owners (Porta et al., 2000).

Within this framework in agency theory, dividend policy is seen as one effective measure to equalize needs management together with the group of capital owners, including minority shareholders. Then existence of this problem incurs agency costs, so that dividend policy is seen as being able to control agency conflict together lowering company's independent cash flow, which has this potential to be misused by management, by distributing profits to shareholders on the old division size (Mai et al., 2023).

The old division rules have an impact on several aspects, including first of which is the characteristics through images, consisting of image scale, board gender, also board meetings. Then characteristics through the body that is an important element in internal corporate governance, which serves so that it aligns with the needs of capital owners as well supervision, including dividend policy (Mrad & Kacem, 2024). According to previous research, Image dimensions have a good impact than the DPR, because large peactures size consists of various educational backgrounds and competencies, thereby encouraging high dividends as a solution to prevent agency conflicts and signal good governance (Khan, 2022). However, other studies show a negative effect on the DPR, because a large board complicates communication and coordination, resulting in conservative dividend policies (Tawfik et al., 2024).

Gender representation on boards has internal negative influence in DPR, as female board tend towards avoid risk by prioritizing financial stability, resulting in low dividend policies (Sbai, 2024). However, different results show that there is no effect on DPR, because in the governance of developing countries, many lady involved in

this board directors constitute still minimal, so their role is only symbolic and does not yet have a significant contribution in determining dividends (Adhimukti & Lestari, 2022); (Yasin & Dogukanli, 2022). Furthermore, board associations have a good influence effect on the DPR; increasingly abundant often the board holds meetings, the more it will improve the quality of governance, thereby encouraging high dividend payments (Mai et al., 2023). Conversely, there are previous findings negative effect on DPR, where frequent board meetings actually improve corporate governance, thereby reducing the role of dividends in resolving agency conflicts (Yasin & Dogukanli, 2022).

The second factor is ownership structure among them institutional, managerial, and other's property. Ownership structure plays very necessary function in share distribution regulations because owners have their own power, incentives, and preferences in monitoring management and controlling decisions on the distribution of company profits to shareholders. Institutional ownership already found have is good impact effect on DPR, because they generally starting in funding organizations including money offices, insurance organizations, mutual funds, and others that have the means too expertise at effectively monitoring regulations and encourage high dividend payments (Boshnak, 2021). However, other studies show a negative effect on DPR, because when institutional ownership exercises effective supervision, the role of dividends as a controller of agency conflicts is reduced and they prefer long-term growth (Hasan et al., 2020).

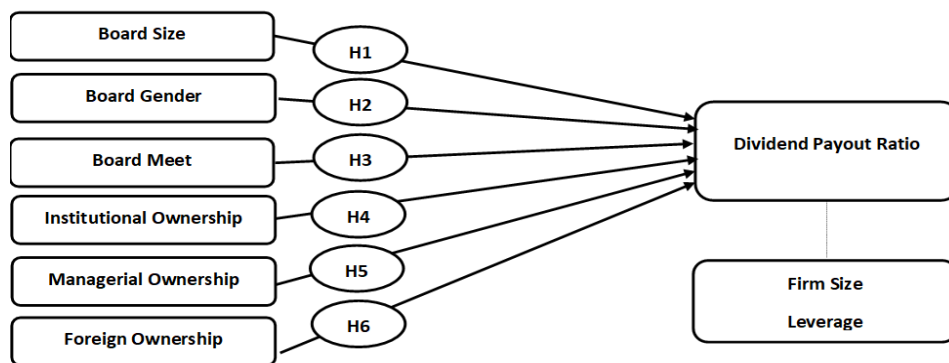
Managerial ownership has poor findings in DPR, because high managerial ownership tends to choose to use company cash for personal gain rather than distributing it to shareholders (Tawfik et al., 2024). However, other studies state that there is no effect on the DPR, because their ownership share is small and therefore insufficient to influence dividend policy (Aleksnevičienė & Vilimaitė, 2023). Foreign ownership has good findings in DPR, because they encourage high dividend payments to compensate for poor corporate governance (Boshnak, 2021). However, other studies say that it has negative impact in DPR, in that foreign investors It is important to defend profits for the company's long-term growth (Bataneh, 2021).

Overall, a number of previous studies still show inconsistencies, so further study is needed. This study is a modification of the study (Tawfik et al., 2024) within the scope of the Indonesian capital market, adjusting for differences in regulations and regional characteristics. Previous studies characterized board based on board size, board independence, and CEO opposition, while ownership structure consisted of institutional, leadership, government, royal family, also family ownership. The researchers replaced board independence and CEO duality with board gender also board meetings, considering that Indonesia, with its two-tier system, does not recognize these variables. Meanwhile, the researchers replaced royal family ownership, considering that Indonesia does not adhere to a monarchy system, and replaced it with foreign ownership, which better represents the dominant ownership structure in Indonesia. The researchers removed government ownership because the

majority of the research sample were not government-owned companies. The researchers removed family ownership because the characteristics of the ownership structure in Indonesia are concentrated. Family ownership is generally directly involved in management and controls the company through institutional entities, so as to avoid overlap with other ownership variables.

This study excludes companies that have been suspended, as this condition has the potential to distort dividend payment policies, thereby ensuring that the results of the study reflect the actual conditions of the companies. Previous studies have focused on the non-financial sector without paying particular attention to the characteristics of specific sectors. Such research attempts to analyze research central difference than consumer non-cyclicals from 2021 to 2024, which is a novelty in this study. The researcher chose this sector because it has the largest number of companies pay off the distribution, but in average DPR is relatively smaller than other non-financial sectors. Moreover, there are companies in this sector that maintain a high dividend payout ratio even though their profits have declined. This situation creates a contradiction that indicates the possibility that not only dividend policy influenced for profitability aspects, but also come from internal and external aspect, particularly those related to the board characteristics and ownership structure.

Figure 2. Conceptual framework



Source: Stockbit Sekuritas Data Processing (2025)

Through the circumstances in which it stands argumentation, hypotheses include are formulated

- H1: Board size has a positive effect on the dividend payout ratio
- H2: Board gender has a negative effect on the dividend payout ratio.
- H3: Board meetings have a positive effect on the dividend payout ratio.
- H4: Institutional ownership has a positive effect on the dividend payout ratio.
- H5: Managerial ownership has a negative effect on the dividend payout ratio.
- H6: Foreign ownership has a positive effect on the dividend payout ratio.

2. METHODOLOGY

Such analysis uses quantitative statistic system in test this proposed hypothesis. the figures used consist of secondary figures rather than annual figures and funding information of companies obtained thru documentation techniques. This population like than whole does not cyclical consumer business institution where it is written on IDX in 2021-2024, amount 128 business institution. This final the data is tested where it is used instead of such analysis consisted of 69 joint venture final amount 276 surveillance over 4 years. Data is tested based on how the data is used so that it meets the following aspects: (1) companies were not new Initial Public Offering (IPO) issuers during the research period; (2) companies published complete annual reports for 2021-2024; (3) companies were not suspended during the research period; (4) companies had complete variable data information.

The dependent variable in such studies is the profit-sharing ratio, which is calculated as cash dividends divided by the final profit. The independent variable includes the size of the board of directors, which is assessed based on the total number of directors in the business entity (Tawfik et al., 2024). This board gender is neat by this proportion total lady employees divided by the size of the board of directors (Mai et al., 2023). Board Negotiations are calculated through the total number of board of directors' negotiations for the year period (Boshnak, 2021). Institutional ownership as total funds owned by institutions divided by total capitalization (Tawfik et al., 2024). Managerial ownership is calculated by dividing the size of the capital owned by the leader by the final amount of capital (Tawfik et al., 2024). Foreign ownership is calculated by the total funding that is owned by the company foreigners shared together total lots of funds (Bataineh, 2021). Then control variable the calculation of business institutions is formulated together with the logarithm of all stock (Tawfik et al., 2024). Leverage calculated together dividing long-term necessity through stock ownership (Tawfik et al., 2024).

Data analysis techniques using balanced panel data regression through Eviews 13. This study began with descriptive statistic analysis to identify the characteristics of all data. Next, regression models were selected using 3 strategies including: common effect model (CEM), fixed effect model (FEM), also random effect model (REM) through the Chow test and Hausman test. The final stage is to perform regression accompanied by a coefficient of determination test (R Square), a simultaneous test (F test), also a partial test (t test). Then regression equation in this analysis where as follows:

$$\text{DPR}_{it} = \alpha + \beta_1 \text{BSZ}_{it} + \beta_2 \text{BGN}_{it} + \beta_3 \text{BMT}_{it} + \beta_4 \text{INST}_{it} + \beta_5 \text{MAN}_{it} + \beta_6 \text{FOR}_{it} + \beta_7 \text{FAME}_{it} + \beta_8 \text{FSL}_{it} + \beta_9 \text{LEV}_{it} + \text{eit}$$

α = Constant

DPR = Dividend Payout Ratio

BSZ = Board Size
 BGN = Board Gender
 BMT = Board Meet
 INST = Institutional Ownership
 MAN = Managerial Ownership
 FOR = Foreign Ownership
 FSI = Firm Size
 LEV = Leverage
 e = error

3. FINDINGS AND DISCUSSION

Finding

Descriptive statistic analysis serves to provide an overview of characteristic in every research variable. That's how it is descriptive statistic table.

Table 1. Descriptive statistic

	Mean	Median	Maximum	Minimum	Std. Dev	Observation
DPR	0.2656	0.1709	2.0747	-2.8710	0.4214	276
BSZ	4.9130	5.0000	12.0000	2.0000	2.2611	276
BGN	0.1597	0.1250	0.7500	0.0000	0.1832	276
BMT	13.5652	12.0000	50.0000	6.0000	5.2013	276
INST	0.7674	0.8469	0.9994	0.0000	0.2517	276
MAN	0.0410	0.0002	0.6316	0.0000	0.1071	276
FOR	0.2847	0.1262	0.9461	0.0000	0.3172	276
FSI	28.9059	28.9499	32.9379	24.6043	1.6671	276
LEV	0.1689	0.1206	0.8633	0.0026	0.1474	276

Source: Eviews Data Processing (2025)

Based on Table 1 in descriptive statistics, the dividend payout ratio (DPR) of 0.2656 means that, in general, the sample companies distribute dividends in the range of 26.56%, indicating a moderate dividend policy. The highest DPR value is 2.0747, meaning that there are companies in the sample that distribute dividends exceeding their net income with a DPR of 207%, while the lowest value is -2.8710, meaning that there are companies that pay dividends even though they are experiencing losses with a DPR of -287%. The average size of the board size (BSZ) is 4.9130. In general, the total number of board members in sample companies is 5, with the largest amount of board members being 12 and the smallest being 2. The average gender (BGN) of female board is 0.1597, meaning that

in general, lady size involved in board directors am 15.97%, together the highest composition being 0.7500 (75%) and the lowest value being 0.000, indicating that there are still companies that do not have female directors. total featureless number of board of directors meetings (BMT) am 13.565, meaning lest companies generally hold around 13-14 meetings, with the most intensive frequency being 50 meetings and the least frequent being 6 meetings per year.

The average institutional ownership (INST) is 0.7674, meaning that in general, the sample companies are 76% owned by institutions, with the highest institutional ownership being 99% (0.9994), indicating that almost all of the shares are controlled by institutions, and the lowest ownership being 0.000, indicating that there are companies without institutional ownership. The average managerial ownership (MAN) is 0.0410, meaning that in general, managerial ownership is around 4.1%, which is relatively low. The highest managerial ownership is 63% (0.6316) and the lowest is 0.000 (0%), indicating that there are companies without a managerial ownership program in the sample. The average foreign ownership (FOR) is 0.2847 (28.47%) with the highest ownership being 0.9461 (94%), indicating that there are companies whose shares are almost entirely controlled by foreigners, and the lowest ownership is 0.000 (0%), indicating that there are companies without foreign ownership. The average company size (FSI) is 28.90, indicating that many business institutions than taking such numbers, including large in scale. That featureless (LEV) of 16.9% is categorized as low, meaning that companies are conservative in their use of debt.

Table 2. Chow test result

Effects Test	Statistic	d.f.	Prob.
Cross-section F	6.434751	(68,199)	0.0000
Cross-section Chi-square	320.926914	68	0.0000

Source: Eviews Data Processing (2025)

This Chow Test findings show probability value am $0.0000 < 0.05$, like that fixed effect model (FEM) are selected and check hausmant was continued.

Table 3. Hausman test result

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	22.673424	9	0.0038

Source: Eviews Data Processing (2025)

Hausman's analysis findings found where probability am $0.000 < 0.05$, loke that this study uses this fixed effect model as the best design. Therefore, this not need in proceed to this Lagrange Multiplier examine.

Table 4. Panel regression result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
BSZ	0.007928	0.024824	0.319361	0.74980
BGN	0.128889	0.229923	0.560574	0.57570
BMT	-0.000688	0.01017	-0.067683	0.94610
INST	1.722667	0.379628	4.537779	0.00000
MAN	0.685983	0.766014	0.895523	0.37160
FOR	0.172255	0.3009	0.572465	0.56770
FSI	-0.077171	0.097775	-0.789277	0.43090
LEV	-0.491511	0.326964	-1.503257	0.13440
C	1.130063	2.838833	0.398073	0.69100
R-squared	0.742819	Mean dependent var		0.265641
Adjusted R-squared	0.644599	S.D. dependent var		0.421405
S.E. of regression	0.251223	Akaike info criterion		0.305921
Sum squared resid	12.55946	Schwarz criterion		1.31596
Log likelihood	34.7829	Hannan-Quinn criter.		0.711233
F-statistic	7.5628	Durbin-Watson stat		1.997334
Prob(F-statistic)	0.0000000			

Source: Eviews Data Processing (2025)

Findings R-squared finding was 0.6445, indicating that all independent variables were able to explain 64.45% of the dependent variable, but other numbers could be interpreted as explaining variables other than those in the analysis carried out by the author. The joint F test had a significance result of $0.0000 < 0.05$, meaning that all of them together had an effect on the dependent variable.

Discussion

The Effect of Board Size on Dividend Payout Ratio

Findings t-test (partial test) results for the board size variable show through value am 0.0079 also prob. table 0.74980 > 0.05 . Like the board size variable no impact on dividend payout ratio. So the findings of this analysis do not support agency theory, which states that this board The board of directors acts as per the regulations where minimize agency conflicts through leaders and capital owners through high dividend payments. A large board size has the potential to cause inefficiency due to the amount of coordination and communication required and the weakening of individual contributions, which ultimately slows down the company's strategic decision-making process, resulting in suboptimal dividend policies (Mandal et al., 2023). Therefore, the quantity of directors becomes less relevant in dividend policy if it is not

balanced with the quality of directors, such as educational background and professional experience (Khan, 2022).

This is reinforced by the fact that the characteristics of companies within Indonesia more impact comes from fundamental aspect such as profitability (ROA) and company liquidity. Profitability reflects the potential of a business institution to make a profit as main source dividends, while liquidity indicates the availability of cash to realize dividends (Khan, 2022). Thus, the ability of directors to manage and understand the company's financial condition is far more decisive in dividend policy than the large number of directors (Khan, 2022).

The Effect of Board Gender on Dividend Payout Ratio

Findings t-test (partial test) outcome for the gender board variable show value of 0.1288 and a probability of $0.5757 > 0.05$. That is gender board variable of no impact than dividend payout ratio. In the agency theory framework, the cautious nature of female directors is effective in preventing opportunistic actions by company management through high dividend payments. However, the findings of this analysis include not support agency definition because, in this context form public companies under in Indonesia, this proportion under women involved in company executive positions is still minimal, so their influence in determining company dividend policy is still limited (Adhimukti & Lestari, 2022). This is reinforced by descriptive statistics which state that the average proportion of female directors is only 15.97%, which is quite low. Patriarchal values still strongly influence corporate governance in Indonesia, where men are always placed as the main actors in corporate leadership. This condition often limits women's opportunities to reach executive positions in companies perusahaan (Areneke et al., 2023). Moreover, the lack of formal gender quota regulations in the board of directors structure in Indonesia means that the presence of the lady on company managing ranks is often still voluntary and their role is only symbolic (Manik & Ekayanta, 2024).

The Effect of Board Meet on Dividend Payout Ratio

Findings t-test (partial test) yield for the board meeting variable show a coefficient value of -0.0006 also probability of $0.9461 > 0.05$. Meaning board meeting variable has no impact on dividend payout ratio. At perspective of agency theory, board meetings function a way to end problems in the middle of an organization that can improve the quality of governance, thereby increasing dividend distribution. However, the author's findings do not support this agency definition, put forward there is no guarantee that frequent board meetings will result in better dividend payment policies, as the quality and focus of relevant topics are also determining factors (Agustini & Martono, 2025). Dividend policy itself is generally influenced by business institutions fundamental state of funds and are more set on decisions made at this General Meeting of Shareholders (GMS). Even companies with healthy financial conditions big choice to reinvest capital their advantage rather than calculating profit sharing. Meanwhile, board meetings generally aim to evaluate fund performance too the

juxtaposition of the time function of business institutions. Therefore, frequent member discussions so that not directly relationship on distribution from profits as dividends (Nurariska & Prawestri, 2024).

The Effect of Institutional Ownership on Dividend Payout Ratio

The t-test (partial test) outcome for the institutional ownership variable show coefficient are 1.7226 also probability of $0.0000 < 0.05$. means that the institutional ownership variable has a positive impact on dividend payout ratio. The invention study supports the definition of distribution, where states lest institutional ownership could improve dividend policy. This situation is caused by institutional ownership generally becomes the controlling shareholder in developing countries, especially Indonesia, with a concentrated ownership structure. This is reinforced in the descriptive statistics with an average of 76%, which is relatively high. Institutional ownership has a significant impact on business institutions management decisions, one of which is related to dividends (Chakkravarthy et al., 2023). Institutional ownership is a professional financial institution that prioritizes transparency and accountability in investing. As active shareholders, they have the resources and expertise to exercise strict supervision and encourage good corporate governance, thereby reducing the scope for company management to misuse business institutions complimentary cash flow, resulting in high dividend payments (Nurdiana & Purbowati, 2025).

The Effect of Managerial Ownership on Dividend Payout Ratio

The t-test (partial test) findings towards variable of management ownership show a coefficient value of 0.6859 also a probability in $0.3716 > 0.05$. So that the variable from management ownership variable has no impact on dividend payout ratio. However, the author's findings do not support this agency theory, explain company management has obligation to maximize shareholder wealth through high dividend payments. This finding show it amount from managerial ownership in a company do not guarantee this amount dividends distributed (Widiatmoko et al., 2020). Even when companies with high managerial ownership choose to retain profits to support the company's operational and expansion needs rather than distributing them to shareholders. The reason they prefer internal sources of funds (retained earnings) over external sources (debt) is because they are considered more flexible and efficient (Praduana et al., 2024).

The Effect of Foreign Ownership on Dividend Payout Ratio

Findings t-test (partial test) results for the foreign ownership variable show a coefficient value are 0.1722 also prob. am $0.5677 > 0.05$. Interpret the foreign ownership variable variable has no impact on dividend payout ratio. However, the author's findings do not support this agency theory, explained foreign ownership shall improve governance quality so that high dividend payments can be achieved. This finding indicates that foreign investors are generally not interested in dividend yields in Indonesia, which are regulated under Income Tax (PPH) article 26 at a rate of 20%. The high dividend tax for foreign investors makes these returns less attractive (Anshori

et al., 2023). Therefore, they prefer to prioritize the long-term value and growth of the company over short-term profits (Nurariska & Prawestri, 2024).

4. CONCLUSION

Through findings balanced panel data regression, this shows such a board characteristics consisting of board size, board gender (female), too board the meeting had no significant impact with dividend policy in Indonesia. Institutional ownership has a positive impact with dividend policy. Managerial and foreign ownership do not affect dividend policy. Finally, firm size also leverage own no impact with dividend policy.

From a theoretical perspective, experimental facts rather than current findings enriches the literature on the role of board characteristics and ownership structure in determining dividend policy at Indonesia as a developing country the goal agency theory. These findings confirm lest internal governance along the way the role of directors have not been effective in overcoming agency problems in dividend policy in countries with concentrated ownership. Ownership structure, particularly institutional ownership, fiddle are strategic function when having a dividend policy.

Then practical implications from these empirical findings are important for regulators, namely that internal corporate governance no sufficient at determining dividend policy towards protect interests from shareholders. Therefore, regulators need to focus their attention on ownership structure, particularly institutional ownership, as an element of external monitoring that has been proven to encourage higher dividend policies that are fair, transparent, and favorable to minority shareholders.

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