Faculty of Economics and Business
Universitas Pamulang

INTERNASIONAL CONFERENCE & CALL FOR PAPER
ECONOMICS, BUSINESS, INNOVATION AND CREATIVITY (EBIC), 30th April 2025
Vol: 2 No.: 1 No. E- ISSN: 3025-4086

THE EFFECT OF INFORMATION ASYMMETRY AND MANAGEMENT DIVIDEND POLICY ON FIRM VALUE (Empirical Study on Property and Real Estate Sector Companies Listed on the Indonesia Stock Exchange for the Period 2018-2023)

Indah Safitri Lubis[1], Listiya Ike Purnomo[2]
Pamulang University[12]
Email : indahsafitrilubis@gmail.com[*1], listiyaike00799@unpam.ac.id[2]*

ABSTRACT
This study aims to find out the knowledge of information asymmetry and management dividend policy on company value. In addition, this study was also conducted to find out how much information asymmetry and dividend policy affect the company's value. The research was conducted with the scope of property and real estate sector companies listed on the Indonesia Stock Exchange for the 2018-2023 period. This study uses an associative quantitative approach with a panel regression model using secondary data. Based on the results of partial testing, information asymmetry has no effect on the company's value, in other words, information asymmetry tends not to have a direct impact on the company's value, especially on companies that already have a good monitoring and information disclosure mechanism. The study also found that dividend policies have a negative effect on the value of companies. In this sector, investors tend to consider the long-term growth potential and the quality of a company's assets rather than just paying attention to dividend distribution. This study also states that the asymmetry of information and dividend policy simultaneously (together) has a positive and significant effect on the company's value. Dividend policy serves as a tool to send positive signals to the market regarding the company's financial stability and prospects. Consistent dividend payments demonstrate good profitability and controlled risk management, thereby increasing investors' positive perception of the company's value.

Keywords: Information Asymmetry, Financial Performance, Dividend Policy, Company Value

1. INTRODUCTION

Firm value reflects the financial health and growth prospects of the business, which is a major factor in attracting investors and stakeholders (Susanto & Suryono, 2020). One of the main indicators in assessing firm value is the stock price, which shows market expectations of profitability and management performance (Irawan & Kusuma, 2019). In addition, dividend policy also plays an important role, because the company's decision to distribute profits or retain them will affect the attractiveness of the company in the eyes of investors (Priyadi et al., 2020). Dividend payout ratio, earnings per share (EPS), and firm size are the main factors that determine firm value in the long run (Arsal, 2021). Companies with higher EPS tend to have better value, as it shows management's ability to generate profits for shareholders, which in turn increases investor interest in the company.

In addition to internal factors, economic conditions and capital market dynamics also affect firm value. Information imbalance between management and investors, known as information asymmetry, can cause distortions in investment decision-making and affect stock prices (Munawaroh & Munandar, 2024). Other external factors, such as economic recession and declining purchasing power, also contribute to the instability of company value. For example, PT Ciputra Development Tbk experienced a 24% decline in revenue in 2017 due to declining market demand and a slowdown in the property sector (Putra, 2020). In addition, large companies have better access to capital markets compared to small companies, giving them more flexibility in obtaining external funding for business expansion (Gur et al., 2023). Firm value does not only depend on internal policies, but is also influenced by external factors related to macroeconomic conditions and capital market stability.

A number of previous studies have shown mixed results regarding the relationship between dividend policy, earnings per share, firm size, and firm value. Some studies found that dividend policy and EPS contribute significantly to increasing firm value (Marlina 2013; Maimunah & Hilal, 2018). Other studies show that firm size plays an important role in determining firm value, as large firms have easier access to external funding sources to support business growth (Mindra & Erawati, 2014). However, there are inconsistencies in research findings regarding the most dominant factor in determining firm value. Therefore, this study aims to further analyze the relationship between dividend policy, EPS, firm size, and firm value, both in the short and long term, in order to provide a more comprehensive understanding of the factors that influence firm value and how companies can increase their attractiveness to investors.

2. LITERATURE REVIEW

Signaling Theory

Signaling theory explains how company management provides information to external parties, such as investors, to indicate the company's future prospects. This information can be a positive or negative signal, depending on the company's financial performance. Positive signals indicate good information about the company, while negative signals indicate the opposite (Ainun, 2020). There is the term information asymmetry, which is a situation where management has more information about the company's condition and prospects than external parties. To reduce information asymmetry, management provides signals through credible financial reports, so that external parties can make more informed decisions. Providing accurate signals through financial reports can increase investor and other stakeholder confidence in the company, which in turn can positively affect company value.

AgencyTheory

Agency theory states that an agency relationship arises when a shareholder (priciple) hires another person as an agent to fulfill the contract agreed upon by both. In this relationship, managers are authorized by shareholders to manage the company's assets in order to provide profits for them (Sutisna et al., 2024). When managers are not appointed as agents by shareholders, they will work diligently only for their own interests, not for the interests of shareholders. In addition, they will reject investments with a high level of risk because it may jeopardize their jobs, even though the investment is highly desired by shareholders. This can cause the company's value to not be maximized and the company's goals will not be achieved (Hanif, 2020).

Vol: 2 No.: 1 No. E- ISSN: 3025-4086

Information Asymmetry

Information asymmetry is where management as a party who controls more information than investors or creditors. This information imbalance can lead to suboptimal decision-making by uninformed parties, such as investors, because they do not have a complete picture of the company's condition. This can also lead to agency problems, where managers may make decisions that benefit themselves but harm the owners or shareholders (Farras & Faisal, 2020).

Dividend Policy

Dividend policy is a decision in investment, whether the profit earned by the company will be distributed to shareholders in the form of dividends or the profit earned by the company will be retained as retained earnings for future investment financing (Maharani, 2022). If the company can pay bigger dividends, the stock price will increase. This is because if the company is able to pay dividends to shareholders and the dividends distributed have increased from time to time, many investors are interested in investing in the company so that the share price will also increase.

Firm Value

Firm value is the price that investors agree to if the company is sold. For companies that have published their shares in the capital market, thus the value of the company can be seen through the stock price (Abdul Hakim & Aris Abdul, 2023). the higher the share price, the higher the rate of return to investors, so it can be concluded that the higher the value of the company which is a benchmark with the objectives of the company itself.

4. RESEARCH METHOD

Research Design

This study aims to analyze the effect of dividend policy and information asymmetry on firm value. The approach used is associative quantitative, which aims to determine the degree of relationship and pattern of influence between these variables. The data used is secondary data obtained from the financial statements of property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) during the 2018-2023 period.

The sample selection was carried out using purposive sampling method, namely selecting samples based on certain criteria, such as the availability of complete and consistent financial reports during the study period. Based on these criteria, a number of companies were obtained that were eligible for analysis.

Data analysis was performed using panel data regression with the help of EViews 12 software. Panel data regression was chosen because it is able to combine cross-section and time-series data, so that it can provide more accurate results in seeing the effect of independent variables on the dependent variable. Before performing the regression, classical assumption tests, such as normality, multicollinearity, heteroscedasticity, and autocorrelation tests, were conducted to ensure the data met the requirements for valid statistical analysis.

Vol: 2 No.: 1 No. E- ISSN: 3025-4086

Variables and Measurements

The variables used in this study consist of independent and dependent variables. The following is an explanation of these variables:

Variabel Independent

Information Asymmetry

Information asymmetry is where management as a party who controls more information than investors or creditors. Bid-ask-spread is the basis for measuring asymmetry in this study because it is one of the benchmarks in liquidity that measures information asymmetry between company shareholders and management. Bid ask spread can be measured by the following formula :

$$SPREADi,t = \frac{aski,t - bidi,t}{\left(\frac{aski,t + bid\,i,t}{2}\right)x} 100$$

Where:

Ask i,t = the highest ask price of company i's shares that occurred on day t

Bid i,t = the lowest bid price of company i's shares that occurred on day t

Dividend Policy

Dividend policy is a decision in investment, whether the profit earned by the company will be distributed to shareholders in the form of dividends or the profit earned by the company will be retained as retained earnings for future investment financing. In this study, dividend policy will be measured by Dividend Payout Rato (DPR), with the formula :

$$DPR = \frac{Total\ Dividen}{Net\ Income}\ x\ 100\%$$

Variabel Dependent

Firm Value

Firm value is the present value of expected future earnings and reflects the impact of decisions made by financial managers on the company's share price**.** In this study, company value is measured by PBV (Price to book value) which is formulated as follows

$$\text{PBV} = \frac{Market\ Price\ Per\ Share}{Book\ Value\ Per\ Share}$$

4. RESULT AND DISCUSSION

This research focuses on Property and Real Estate Sub-Sector Companies listed on the Indonesia Stock Exchange (IDX) during the period 2018 to 2023. The property and real estate sector includes companies that focus on developing, managing, and marketing property, including housing, offices, shopping centers, and industrial land. Companies in this sector play an important role in providing people's needs for housing and commercial space, as well as supporting economic growth through infrastructure development and job creation. The data for this study comes from secondary data, namely annual financial reports and sustainability reports of basic material sector companies between 2018 and 2023, obtained from the Indonesia Stock Exchange. The study population consisted of 89 companies, and the sample was selected using purposive sampling method. Based on the

predetermined criteria, the final sample includes 11 companies over a five-year period (2018-2023).

Data Analysis

Table 1 : *Descriptive Statistics Of Research Variables*

	Y	X1	X2
Mean	1.161073	32.57798	0.410559
Median	1.039882	26.58623	0.174988
Maximum	3.485112	87.64045	2.353360
Minimum	0.011705	0.000000	0.000000
Std. Dev.	0.757954	22.34738	0.501570

Source : Data processed by the author (2025).

The following is an explanation of descriptive statistics for the variables presented:

1. Variable Y Has an average (mean) value of 1.161073, with a maximum value of 3.485112 and a minimum value of 0.011705. The standard deviation of this variable is 0.757954.
2. Variable X1 Shows an average value of 32.57798, with the highest value of 87.64045 and the lowest value of 0.000000. The standard deviation for this variable is 22.34738.
3. Variable X2 Has an average value of 0.410559, with a maximum value of 2.353360 and a minimum value of 0.000000. The standard deviation of this variable is 0.501570.

Panel Data Testing

In this study, the panel data used is a combination of time series data from 2018 to 2023 and cross-sectional data from eleven Property and Real Estate Sub-Sector Companies as research samples. Therefore, statistical tests are needed to estimate multiple linear regression models on panel data. Estimation will be carried out using three approaches: Common Effect, Fixed Effect, and Random Effect.

1. Common Effect Model

Table 2 Common Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.228631	0.084155	14.59956	0.0000
AI	-8.25E-05	0.002083	-0.039595	0.9686
DPR	-0.158008	0.117845	-1.340803	0.1857
	Effects Specification			
Cross-section fixed (dummy variables)				
Root MSE	0.260799	R-squared		0.879786
Mean dependent var	1.161073	Adjusted R-squared		0.852568
S.D. dependent var	0.757954	S.E. of regression		0.291031
Akaike info criterion	0.543804	Sum squared resid		4.489053
Schwarz criterion	0.975099	Log likelihood		-4.945518
Hannan-Quinn criter.	0.714229	F-statistic		32.32331
Durbin-Watson stat	1.125593	Prob(F-statistic)		0.000000

Source : Data processed by the author (2025).

2. Fixed Effect Model

Table 3 Fixed Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.432014	0.162552	8.809592	0.0000
AI	-0.001377	0.004059	0.339180	0.7356
DPR	-0.550701	0.180827	3.045451	0.0034
Root MSE	0.697184	R-squared		0.140908
Mean dependent var	1.161073	Adjusted R-squared		0.113635
S.D. dependent var	0.757954	S.E. of regression		0.713591
Akaike info criterion	2.207374	Sum squared resid		32.08032
Schwarz criterion	2.306904	Log likelihood		-69.84335
Hannan-Quinn criter.	2.246703	F-statistic		5.166620
Durbin-Watson stat	2.278275	Prob(F-statistic)		0.008361

Source : Data processed by the author (2025).

3. Random Effect Model

Table 4 Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.241002	0.233570	5.313198	0.0000
AI	-0.000134	0.002067	-0.064936	0.9484
DPR	-0.184032	0.115490	-1.593492	0.1161
	Effects Specification			
			S.D.	Rho
Cross-section random			0.723726	0.8608
Idiosyncratic random			0.291031	0.1392
Weighted Statistics				
Root MSE	0.282852	R-squared		0.040965
Mean dependent var	0.188094	Adjusted R-squared		0.010520
S.D. dependent var	0.291043	S.E. of regression		0.289508
Sum squared resid	5.280336	F-statistic		1.345522
Durbin-Watson stat	0.979940	Prob(F-statistic)		0.267783
Unweighted Statistics				
R-squared	0.076812	Mean dependent var		1.161073
Sum squared resid	34.47381	Durbin-Watson stat		0.150097

Source : Data processed by the author (2025).

Panel Data Regression Model Testing

1. Chow Test

Table 5 Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	32.575625	(10,53)	0.0000
Cross-section Chi-square	129.795663	10	0.0000

Source : Data processed by the author (2025).

The Chow Test is a panel data multiple linear regression model using the Fixed Effect Model.

2. Hausman Test

Table 6 Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	1.342278	2	0.0111

Source : Data processed by the author (2025).

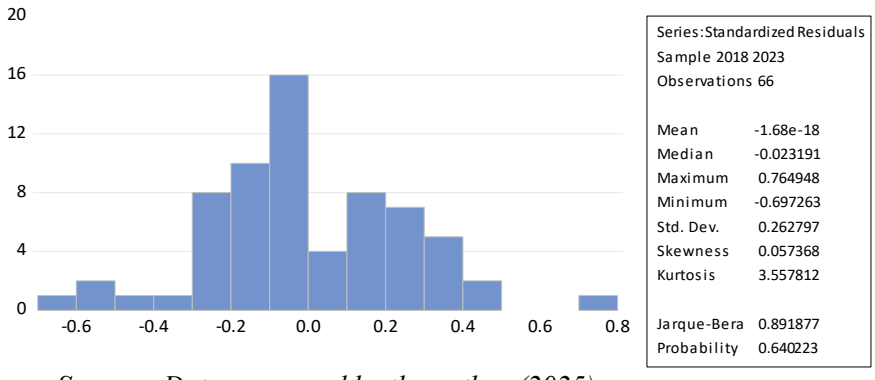
The regression model selected based on the Hausman Test is the Fixed Effect Model.

Classical Assumption Test

1. Normality Test

The data analysis in this study includes classical assumption tests, specifically the Normality Test, Multicollinearity Test, Heteroscedasticity Test and Autocorrelation Test in accordance with the Random Effect Model panel data regression.

Table 7 Normality Test



Source : Data processed by the author (2025).

Based on the normality test results, the Jarque-Bera probability value is 0.000253, which is greater than 0.05. Therefore, it can be concluded that the data is normally distributed.

2. Multicollinearity Test

Table 8 Multicollinearty Test

	DPR	AI
DPR	1.000000	0.218301
AI	0.218301	1.000000

Source : Data processed by the author (2025).

The results of the multicollinearity test indicate that if the correlation coefficient is less than 0.85 (85%), the model meets the criteria for passing the multicollinearity test and is considered free from multicollinearity issues.

3. Heteroscedasticity Test

Table 9 Heteroscedasticity Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.135711	0.043670	3.107665	0.0030
AI	0.000986	0.001081	0.912085	0.3659
DPR	0.076034	0.061152	1.243354	0.2192

Source : Data processed by the author (2025).

The heteroscedasticity test through the Glejser test obtained the results of each variable at> 0.05. so there are no symptoms of heteroscedasticity in this study.

4. Autocorrelation Test

The Durbin-Watson (DW) value after transforming the data from the Fixed Effect model is 1.5395. The result of the Durbin-Watson autocorrelation test falls within the range of -2 to +2 (-2 < 1.5395 < +2). Based on this value, it can be concluded that autocorrelation is not present in this study, and the regression model is appropriate for use.

Panel Data Regression Analysis Results

Table 10 Panel Data Regression Analysis Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.432014	0.162552	8.809592	0.0000
AI	-0.001377	0.004059	0.339180	0.7356
DPR	-0.550701	0.180827	3.045451	0.0034

Source : Data processed by the author (2025).

The regression equation is as follows:

Y = 1.432014 – 0,0013 X1 – 0,5507 X2

From this equation:

1. The constant regression result in this study is 1.432014, which means that if the independent variable Information Asymmetry and Dividend Policy is 0, then the dependent variable Company value has a value of 1.432014.
2. The regression coefficient on variable X1 Information Asymmetry has a value of -0.001377, which means that if the company's Information Asymmetry value increases, it can reduce the company's value by 0.001377..

3. The regression coefficient on variable X2 Dividend Policy has a value of -0.550701, as it means that if the value of the company's Dividend Policy increases, it can reduce the company's value by 0.550701.

Coefficient of Determination

Table 11 Coefficient Of Determination

Root MSE	0.697184	R-squared	0.140908
Mean dependent var	1.161073	Adjusted R-squared	0.113635
S.D. dependent var	0.757954	S.E. of regression	0.713591
Akaike info criterion	2.207374	Sum squared resid	32.08032
Schwarz criterion	2.306904	Log likelihood	-69.84335
Hannan-Quinn criter.	2.246703	F-statistic	5.166620
Durbin-Watson stat	2.278275	Prob(F-statistic)	0.008361

Source : Data processed by the author (2025).

The Adjusted R Square value in this study is 0.113635. As this explains the results that the independent variables Information Asymmetry and Dividend Policy are able to explain the dependent variable Company value by 11.36%, then the remaining 88.64% can be explained by other variables such as profitability, sustainability reports, and others.

F-Test (Simultaneous Test)

The F-test is used to determine the simultaneous effect of the independent Information Asymmetry and Dividend Policy on dependent variable Firm Value. The test results show an F-Statistic value of 5.166620 with a probability (p-value) of 0.008361, which is less than 0.05 (0.005965 < 0.05). This means that Information Asymmetry and Dividend Policy collectively have a significant influence on Firm Value.

T-Test (Partial Test)

This hypothesis test is conducted to determine whether there is a partial effect of the independent variables on the dependent variable. The analysis examines the relationship between the independent variables Information Asymmetry and Dividend Policy to the dependent variable, Firm Value. The partial effects of each independent variable on the dependent variable are as follows :

1. The Information Asymmetry variable has a t-statistic value of 0.339180 < 1.66901 and a prob value of 0.7356> 0.05. This states that the Information Asymmetry variable has no effect on firm value.
2. The Dividend Policy variable has a t-statistic value of 3.045451> 1.66901 and a prob value of 0.0034 <0.05. This states that the Dividend Policy variable has a negative effect on firm value

Discussion

Based on the table of fixed random model test results, the t-statistic value of Information Asymmetry = 0.339180 and the t-table value of 1.66901. The t-stastic value is

smaller than the t-table value = 0.339180 < 1.66901, and the prob value is 0.7356> 0.05, it means that Information asymmetry tends not to have a direct impact on firm value, especially in companies that already have good monitoring and information disclosure mechanisms. This strengthens the finding that in certain sectors, the impact of information asymmetry on firm value can be minimized by external and internal factors. These results are also in line with previous research from Azari & Facrizal (2017) and Safitri et al., (2021) where in their research it is known that Information asymmetry has no partial effect on firm value.

Based on the table of fixed random model test results, the t-statistic value of Dividend Policy = 3.045451 and the t-table value of 1.66901, with a prob value of 0.0034 < 0.05. The t-statistic value is greater than the t-table value = 3.045451> 1.66901, the negative sign indicates a negative effect, which means that the dividend policy has a negative effect on firm value, this indicates that the high and low dividends distributed to shareholders are not related to the high and low value of the company. These results are also in line with previous research from Aprilia & Arief (2016).

5. CONLUSION

By examining property companies listed on the Indonesia Stock Exchange from 2018 to 2023, this study aims to identify the influence of independent factors such as information asymmetry and management dividend policy on the dependent variable, namely firm value. The following are some of the research findings on firm value based on data analysis and discussion is The application of Information Asymmetry, Management Dividend Policy simultaneously has a positive effect on Firm Value. Implementation of Information Asymmetry has no effect on Firm Value and, The implementation of the Management Dividend Policy has a negative effect on Firm Value.

REFERENCES

Abdul Hakim, A. D., & Aris Abdul, M. (2023). The Effect of Green Accounting, Dividend Policy, Leverage, And Firm Size On Firm Value. *Management Studies and Entrepreneurship Journal*, *4*(5), 7747–7756. http://journal.yrpipku.com/index.php/msej

Ainun, M. B. (2020). Efek Moderasi Kebijakan Hutang Pada Pengaruh Kebijakan Dividen Terhadap Harga Saham. *EKUITAS (Jurnal Ekonomi Dan Keuangan)*, *3*(3), 382–402. https://doi.org/10.24034/j25485024.y2019.v3.i3.4192

Arsal, M. (2021). Impact of earnings per share and dividend per share on firm value. *ATESTASI : Jurnal Ilmiah Akuntansi*, *4*(1), 11–18. https://doi.org/10.33096/atestasi.v4i1.594

Azari, T. M. R., & Facrizal, F. (2017). Pengaruh asimetri informasi, profitabilitas, dan leverage terhadap nilai perusahaan pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia periode 2012-2014. *Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi*, *2*(1), 82–97.

Dwijayani, H., & Dlawahlr, A. H. (2021). *Pengaruh Kebijakan Dividen, Investasi dan Pendanaan Terhadap Nilai Perusahaan yang Dimediasi Informasi Asimetri (pada Sektor Properti-Real Estate di Bursa Efek Indonesia,)*. Universitas Brawijaya.

Farras, F., & Faisal. (2020). The Influence of Good Corporate Governance and Voluntary Disclosure on Information Asymmetry. *Diponegoro Journal of Accounting*, *9*(4), 1–13.

Gur, N., Babacan, M., Aysan, A. F., & Suleyman, S. (2023). Firm Size and Financing Behavior during COVID-19 Pandemic: Evidence from SMEs in Istanbul. *Borsa Istanbul Review*, *23*(4), 804–817. https://doi.org/10.1016/j.bir.2023.02.001

Hanif, M. (2020). *Pengaruh Investment Opportunity Set, Ukuran Perusahaan, Net Working Capital, Dan Leverage Terhadap Cash Holding Pada Perusahaan Jasa Sub Sektor Property Dan Real Estate Di Bursa Efek Indonesia (BEI) Tahun 2016–2018*. Universitas Islam Negeri Sumatera Utara.

Irawan, D., & Kusuma, N. (2019). Pengaruh Struktur Modal Dan Ukuran Perusahaan Terhadap Nilai Perusahaan. *Jurnal AKTUAL*, *17*(1), 66–81. https://doi.org/10.47232/aktual.v17i1.34

Maharani, Y. (2022). Faktor – Faktor Yang Mempengaruhi Nilai Perusahaan. *Jurnal Riset Akuntansi Dan Manajemen Malahayati*, *10*(2), 97–103. https://doi.org/10.33024/jrm.v10i2.4902

Marlina, T. (2013). Pengaruh Earning Per Share, Return On Equity, Debt To Equity Ratio dan Size Terhadap Price To Book Value. *Jurnal Ilmiah Akuntansi Kesatuan*, *1*(1), 59–72.

Mindra, S., & Erawati, T. (2014). Pengaruh earning per share (eps), ukuran perusahaan, profitabilitas, dan leverage terhadap nilai perusahaan (studi kasus pada perusahaan manufaktur yang terdaftar di bursa efek indonesia pada tahun 2009-2011). *Jurnal Akuntansi*, *2*(2), 10–22.

Munawaroh, F., & Munandar, A. (2024). Investment Decisions ' Impact on Corporate Value : Analyzing Profitability , Leverage , Company Size , and Age Moderation Effects. *International Jurnal of Social Science and Business*, *8*(1), 105–116.

Priyadi, D. T., Sumardjo, M., & Iman Mulyono, S. (2020). Pengaruh Kepuasan Kerja, Komitmen Organisasional, Dan Job Insecurity Terhadap Organizational Citizenship Behaviour (Ocb) (Studi Pada Pegawai Non-Pns Kementerian Sosial Ri). *Jurnal Ilmu Manajemen Terapan*, *2*(1), 10–22. https://doi.org/10.31933/jimt.v2i1.282

Safitri, N., Zaiman, M. F., Ardani, A., & Akbar, D. A. (2021). Adakah Peran Kebijakan Dividen diantara Asimetri Informasi, Kinerja Keuangan terhadap Nilai Perusahaan? *Jurnal Intelektualita: Keislaman, Sosial Dan Sains*, *10*(1), 135–144.

Susanto, A. T., & Suryono, B. (2020). Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan. *Jurnal Ilmu Dan Riset Akuntansi (Jira)*, *9*(10).

Sutisna, D., Nirwansyah, M., Ningrum, S. A., & Anwar, S. (2024). Studi Literatur Terkait Peranan Teori Agensi pada Konteks Berbagai Issue di Bidang Akuntansi. *Karimah Tauhid*, *3*(4), 4802–4821. https://doi.org/10.30997/karimahtauhid.v3i4.12973