

How Firm Size Moderates the Impact of Managerial Ownership, Institutional Ownership, and Capital Structure on Financial Performance

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ABSTRACT

This study aims to examine the effect of managerial ownership, institutional ownership, and capital structure on financial performance, with firm size as a moderating variable. The research focuses on property and real estate companies listed on the Indonesia Stock Exchange during the period 2022–2024. The study uses secondary data obtained from annual reports, with a total sample of 38 companies, resulting in 114 observations selected through purposive sampling. Panel data regression analysis with the Fixed Effects Model (FEM) and Moderated Regression Analysis (MRA) were employed to test the hypotheses. The results show that managerial ownership and institutional ownership do not have a significant effect on financial performance. In contrast, capital structure has a negative and significant effect on financial performance. Furthermore, firm size is not able to moderate the relationship between managerial ownership and institutional ownership on financial performance. However, firm size significantly moderates the relationship between capital structure and financial performance by weakening the effect. These findings indicate that financing decisions, particularly debt management, play a more dominant role than ownership structure in determining financial performance in capital-intensive industries. This study contributes to the development of agency theory by highlighting the role of firm size in influencing the effectiveness of capital structure.

1. Introduction

Companies in Indonesia's property and real estate sectors face growing challenges due to economic fluctuations, including inflation, exchange rate volatility, and rising interest rates. These conditions significantly impact companies' financing decisions and overall financial performance. Bank Indonesia reported that the benchmark interest rate rose from 3.5% in 2021 to 6.25% in 2024 before falling to 4.75% in 2025, indicating a dynamic monetary environment that directly impacts the cost of capital.(Cholistania, 2024).

Good Corporate Governance (GCG) plays a crucial role in reducing earnings management practices through the implementation of governance that is transparent, accountable, and focused on protecting shareholders (Ramadhany & Nawirah, 2024). Therefore, the implementation of GCG is of paramount importance. Research indicates that GCG mechanisms, such as ownership structure and financing decisions, can influence a company's financial performance, thereby fostering better and

more ethical corporate management. Financial performance reflects the state and outcomes of a company's activities over a specific period, indicating whether the company is in a favorable or unfavorable condition. Improved financial performance generates higher profits, thereby attracting investors to invest capital as the company is perceived as capable of delivering optimal returns (Bayu et al., 2025). Additionally, financial performance is used to measure a company's profitability, where investors compare year-over-year profit growth to assess the company's achievements and prospects (Wahyuni & Wafiroh, 2023).

The Research evaluates property and real estate sector companies which trade on the IDX between 2022 and 2024 by using Return on Equity as their method to assess financial performance (Islami & Wulandari, 2023).

Figure 1
Financial Performance of Companies in the Property and Real Estate Sector
Source: Indonesia Stock Exchange (data processed 2025)

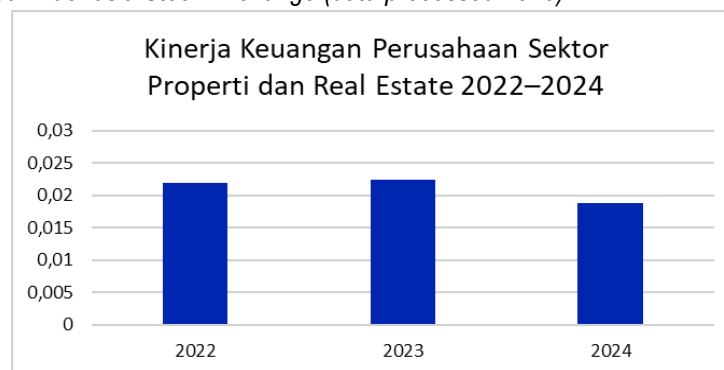


Figure 1. displays the financial performance of Indonesian property and real estate companies from 2022 to 2024 through their Return on Equity ratio. The ROE started at 2.2% in 2022 and reached 2.3% in 2023 before it dropped to 1.8% in 2024. This fluctuation indicates instability in the property sector's financial performance, with the ROE remaining relatively low compared to the average ROE in the manufacturing sector, which reached 12–15% in the same period (Indonesia Stock Exchange, 2024). The increase in ROE in 2023 indicates a temporary improvement in company Profitability, while the decline in 2024 can be attributed to the normalization of the BI Rate, adjustments to the company's capital structure, and ongoing challenges in the property market.

The fiscal results of the building and land industry firms exhibit an erratic expansion trend during the study timeframe since their mean Return on Equity metrics prove this reality. This fluctuation occurs amid tight monetary policy, with Bank Indonesia raising the BI Rate from 3.5% (2022) to 6.25% (2024) and then lowering it to 4.75% (2025) in response to inflationary pressures (Bank Indonesia, 2024). This condition increases the cost of capital and influences corporate financing decisions. High debt loads and intensive capital requirements force the property market to rely on durable financing. Consequently, this research analyzes four essential governance factors: managerial stakes, institutional backing, capital arrangement, and total enterprise size.

The combination of these three independent variables is used because they are key to implementing effective corporate governance and making corporate financing decisions. Managerial ownership creates a situation where management interests match with shareholder interests while institutional ownership works as an external system that checks executive performance and the company uses its capital structure to show its funding strategies that affect its profit-making ability and overall worth. The study will analyze three variables together to show how ownership structure and financing policies combine to affect financial results in capital-intensive property and real estate

companies. This approach also extends previous Research, which examined only some of these variables individually.

The study examines three independent variables including managerial ownership, institutional ownership, and capital structure which have never been tested together. The study investigates the property and real estate sector between 2022 and 2024 which shows post-COVID-19 pandemic changes in investment patterns and interest rate fluctuations and digital transformation that affect ownership structures and corporate financing decisions. This research is expected to bridge inconsistencies across previous Research results and to support companies, investors, and regulators in their efforts to improve financial performance and enable more effective, strategic decision-making in the property and real estate sector.

2. Literature Review and Hypothesis Development

2.1. Literature Review

Agency Theory

Jensen and Meckling first introduced agency theory in 1976 to explain that an agency relationship develops when a principal appoints an agent to perform specific tasks while granting the agent power to make decisions.

Managerial Ownership

Managerial ownership encourages management to perform better because they act not only as managers but also as shareholders with a direct stake in the company (Musyafa & Kholillah, 2021). Managerial ownership itself describes a situation where managers, directors, or commissioners also hold shares in the company; this dual role is expected to result in decisions that benefit both shareholders and management itself (Islami & Wulandari, 2023).

Institutional Ownership

Institutional ownership represents the proportion of equity held by large-scale financial entities, such as banking firms, insurers, retirement funds, and investment trusts. This metric serves as a proxy for professional monitoring and external influence within the corporate structure. The institutional presence at investment companies exists because these organizations furnish extra supervision to track business results while keeping major ownership stakes that require them to implement strict operational assessment procedures (Wicaksono & Fauzan, 2024).

Capital Structure

Capital structure is essentially a comparison between long-term funding sources from debt and a company's equity. The selection of the capital structure composition is crucial because it determines both the level of risk and the amount of return (Amalia, 2021).

Firm Size

Company size is an important indicator of a business entity's size and its ability to manage its resources. According to Teguh Erawati (2021) company size can be measured by total assets, with larger total assets indicating a larger company scale.

2.2. Hypothesis Development

The Influence of Managerial Ownership on Financial Performance

Drawing on agency theory, Jensen, M. C., & Meckling (1976) illustrates that the holding of firm stocks by directors can minimize the clash of motives which occurs daily between them and

stakeholders. This is because managers' well-being depends on company success which leads them to increase company value and financial performance because management serves as both company manager and investor. The following hypothesis has been developed because of this:

H1: Managerial Ownership Influences Financial Performance

The Effect of Institutional Ownership on Financial Performance

In the situation of Information asymmetries between management and shareholder. Institutional investors act as agents minimizing such differences (Jensen, M. C., & Meckling, 1976). Institutional investors have relatively large shareholdings and long-term interests in the company, so they tend to play a strong supervisory role over the company's management (Wicaksono & Fauzan, 2024). The hypothesis put forward is as follows:

H2: Institutional Ownership Influences Financial Performance

Influence of Capital Structure on Financial Performance

According to agency theory debt financing functions as a managerial control system through its requirement for interest payments which leads to improved financial management practices (Haryanto *et al.*, 2022). Thus, it is believed that appropriate capital structure decisions can reduce managers' opportunistic behavior, reduce agency costs, and encourage increased company performance (Haryanto *et al.*, 2022). The hypothesis presented in this research study follows these two main parts:

H3: Capital structure influences financial performance

The Effect of Managerial Ownership on Financial Performance with Company Size as a Moderating Variable

In agency theory, large firms with complex organizational structures can strengthen the role of managerial ownership because managers have a stronger incentive to align their interests with shareholders when managing large assets (Sifananda *et al.*, 2024). Hence, the influence of managerial shareholding in large firms on improving financial performance compared to small firms is expected to be quite substantial. Hence, the said hypothesis is placed forth:

H4: Firm size moderates the effect of managerial ownership on financial performance.

The Effect of Institutional Ownership on Financial Performance with Company Size as a Moderating Variable

Agency theory suggests that debt financing requires managers to make interest payments which serve as a management control tool because this obligation creates financial responsibility for them (Haryanto *et al.*, 2022). Thus, it is believed that appropriate capital structure decisions can reduce managers' opportunistic behavior, reduce agency costs, and encourage increased company performance (Haryanto *et al.*, 2022). Thus, the hypothesis put forward is as follows:

H5: Firm size moderates the effect of institutional ownership on financial performance.

The Effect of Capital Structure on Financial Performance with Company Size as a Moderating Variable

The effectiveness of capital structure in improving financial performance varies across companies and can be influenced by company size. Larger companies typically have a superior reputation and greater access to financing, enabling them to manage their debt burden more effectively than smaller companies (Hanbo & Zulaikha, 2022). The hypothesis put forward is as follows:

H6: Company size moderates the effect of capital structure on financial performance

3. Research Methods

This inquiry examines building and land development firms that list on the Indonesia Stock Exchange during the period 2022 through 2024. The analyzed group comprises every enterprise functioning within this specific commercial segment. The researchers used purposive sampling to select companies which maintained continuous IDX listing status while providing complete financial statements and annual reports for the entire study duration. The researchers identified 38 companies which resulted in 114 observation units. The study acquired indirect evidence from balance sheets and periodic bulletins which they gathered from both the public site of the Indonesia Stock Exchange (www.idx.co.id) and the corporate sites of individual businesses. The scholars assembled facts via record inspection. The study employed EViews tools to process the material which they sourced to explore the links between their inquiry factors. The study uses diverse quantitative modeling strategies which included of summary values cross-sectional trend estimation optimal model screening normal distribution screening t-tests R-squared explanatory screening and Moderated Regression Analysis (MRA) techniques. The study uses the listed algorithm to compute their inquiry metrics.

Tabel 1. Results of Descriptive Statistical Tests

| Variables | Variable Indicator |
|-------------------------|---|
| Financial performance | ROE = Net Profit/Total Equity |
| Managerial Ownership | Number of Managerial Shares/Number of Shares Outstanding |
| Institutional Ownership | Number of Institutional Shares/Number of Shares Outstanding |
| Capital Structure | Total Liabilities/Total Equity |
| Company Size | Ln (Total Assets) |

4. Results and Discussion

Descriptive Statistical Test

Tabel 2. Results of Descriptive Statistical Tests

| Variabel | Mean | Median | Std Dev | Minimum | Maximum |
|----------|--------|--------|---------|---------|---------|
| KK | 0,051 | 0,032 | 0,886 | -0,479 | 0,121 |
| KM | 0,120 | 0,001 | 0,850 | 0,000 | 0,222 |
| KI | 0,574 | 0,615 | 0,978 | 0,000 | 0,250 |
| SM | 0,606 | 0,547 | 4,308 | -7,279 | 1,179 |
| UP | 26,564 | 27,325 | 31,960 | 16,460 | 3,241 |

Source: Processed data (2026)

The descriptive statistics show that financial performance (Y), measured using Return on Equity (ROE), has a mean value of 0.0508, with a minimum value of -0.479 and a maximum value of 0.886. This indicates that there are companies ranging from those with negative financial performance to those with very strong performance. The standard deviation of 0.121 indicates significant variation in the financial performance of companies in the property and real estate sector. Thus, financial performance among companies in the research sample tends to vary and has not been entirely stable during the study period.

The managerial ownership variable (X1) has a mean value of 0.1120, with a minimum value of 0.000 and a maximum value of 0.850. This indicates that some companies have no managerial ownership at all, while in others the proportion is quite high. The standard deviation of 0.222, which is greater than the mean, indicates that the level of managerial ownership varies significantly across

companies. Thus, the distribution of managerial ownership in the research sample tends to be uneven and differs significantly across companies.

The institutional ownership variable (X2) has a mean value of 0.574, with a minimum value of 0.000 and a maximum value of 0.9775. This indicates that some companies have no institutional ownership at all, while others have a very high proportion. The standard deviation of 0.2503, which is relatively large compared to the mean, indicates that the variation in institutional ownership across companies is quite high. Thus, the level of institutional ownership in the research sample tends to be diverse and uneven across companies.

The capital structure variable (X3) has a mean value of 0.6061, with a minimum value of -7.2787 and a maximum value of 4.3079. This very wide range of values indicates extreme differences in capital structure conditions among companies, including the possibility of companies with negative equity. The standard deviation of 1.1794, which is greater than the mean, indicates that the variation in capital structure is relatively high. This means that financing policies among companies in the research sample are highly diverse, reflecting differences in strategies regarding the use of debt and equity. On the other hand, the firm size variable (Z) has a mean value of 26.564, with a minimum value of 16.460 and a maximum value of 31.960. This indicates a clear difference in business scale between small and large firms in the sample. The standard deviation of 3.241 indicates that the variation in company size is quite large. Thus, company size in this study is quite diverse, making it suitable for use as a moderating variable because it can represent differences in company characteristics based on business scale.

Model Selection Analysis

This scientific inquiry employed longitudinal series regression methods to verify which calculation framework generated the most precise findings. The authors utilized three distinct analytical structures which incorporated the Pooled Least Squares and the Fixed Effects Model and the Random Effects Model. The authors performed several diagnostic phases to select the empirical evidence's most appropriate framework:

Chow Test and Hausman Test

A Chow test calculates which one of the models, CEM from FEM, is a better fit based on the probabilities of chi-square cross-section.

Table 3. Chow Test and Hausman Test

| <i>Test</i> | Statistic | d.f | Chi-Sq. Statistic | Chi-Sq. d.f. | Prob. |
|--------------------------|-----------|---------|-------------------|--------------|-------|
| Chow Test | | | | | |
| Cross-section F | 8.252 | (37.73) | - | | 0.000 |
| Cross-section chi square | 187.569 | 37 | - | | 0.000 |
| Hausman Test | | | | | |
| Cross-section random | | 3 | 7.862 | | 0.049 |

Source: Processed data (2026)

The Table 3 data present a probability value which equals 0.000 and this value exceeds the α significance threshold of 0.05. The FEM model emerged as the optimal choice thus we advanced to the Hausman Test process.

Hausman test, one uses the test of Hausman in determining the reference between FEM and REM depending upon the probability numbers resulting from the Random Cross-sectional test.

Based on the data in the table, the probability obtained is 0.0489, which is lower than the significance level of 0.05. Consequently, the model deemed most appropriate is the Fixed Effects Model (FEM). Therefore, the results of the model selection indicate that the FEM is the model chosen for the next stage of analysis.

Panel Data Regression Analysis

The Fixed Effects Model emerged as the most suitable option according to the model selection results. The next stage of analysis is to perform panel data regression. The panel data regression results are presented as follows:

Tabel 4. Hypothesis Testing, Random Effect Model Table

| Variable | FP = $\beta_0 + \beta_1 KM_{i,t} + \beta_2 KI_{i,t} + \beta_3 SM_{i,t} + \beta_4 KM*UP_{i,t} + \beta_5 SM*UP_{i,t} + t + \xi_{j,t}$ | | | | | | | | |
|---|---|--------|---------------------------|-----------|----------------------------|--------------------------|--------|---------|-------|
| | Fixed Effect Model | | | | Fixed Effect Model | | | | |
| | Financial Performance (FP) | | | | Financial Performance (FP) | | | | |
| | Eks | Coeff | T-Test | P-Value | Eks | Coeff | T-Test | P-Value | |
| Cons. | | -0.021 | -0.325 | 0.746 | | -0.021 | -0.325 | 0.746 | |
| KM | + | 0.016 | 0.041 | 0.967 | + | 0.016 | 0.041 | 0.967 | |
| KI | + | -0.040 | -0.656 | 0.514 | + | -0.040 | -0.656 | 0.514 | |
| SM | + | -0.100 | -7.099 | *** 0.000 | + | -0.100 | -7.099 | *** | 0.000 |
| KM*Z | | | | | + | | 1.580 | 0.119 | |
| KI*Z | | | | | + | | -1.071 | 0.288 | |
| SM*Z | | | | | + | | -2.698 | ** | 0.009 |
| Obs. (N) | | | | | | | | | |
| R_Squre | | | | 0.864 | | | | 0.453 | |
| Adjus. R_Squre | | | | 0.790 | | | | 0.376 | |
| F-Statistic | | | | 0.000 | | | | 0.000 | |
| Prob (F-Statistic) | | | | | | | | | |
| Definitions: FP: Financial performance; KM : Managerial Ownership; KI : Institutional Ownership; SM : Capital Structure; UP : Company Size | | | | | | | | | |
| ***Signifikan $\alpha=1\%$ | | | **Signifikan $\alpha=5\%$ | | | Signifikan $\alpha=10\%$ | | | |

Source: Processed data (2026)

Analysis of the Fixed Effects Model (FEM) results show that the intercept value is -0.021, reflecting the company's return on equity (ROE) when the variables of managerial ownership, institutional ownership, and capital structure are held constant. The managerial ownership variable has a coefficient of 0.016 with a p-value of 0.967, indicating no significant effect on operational performance, although the direction of the effect is positive. The institutional ownership variable has a coefficient of -0.040 with a p-value of 0.514, indicating a negative but statistically insignificant effect on operational performance. Meanwhile, the capital structure variable has a coefficient of -0.100 with a p-value of 0.000, indicating a negative and statistically significant effect on the company's operational performance. Thus, only the capital structure variable is proven to have a significant effect, while managerial ownership and institutional ownership do not have a statistically significant effect.

The findings reveal that managerial ownership is not statistically significant, as indicated by a p-value of 0.9671, thus rejecting H1. Institutional ownership also fails to demonstrate a significant effect, with a p-value of 0.5141, leading to the rejection of H2. However, capital structure shows a highly significant effect, reflected by a p-value of 0.000, which supports the acceptance of H3. These

results highlight the dominant role of capital structure compared to ownership variables in explaining the dependent variable.

Determination test result on this trial is executed to evaluate exactly how the explanatory factor is influencing or clarifying the fluctuation of the predicted outcome variable. The relatively high R-squared value (0.8643) in this study can be explained by the use of the Fixed Effects Model (FEM), which incorporates firm-specific effects. These effects capture unobserved characteristics unique to each company, thereby increasing the overall explanatory power of the model. As a result, the high R-squared value does not solely reflect the influence of the independent variables, but also the contribution of individual firm effects.

The test results of the interaction variable $X1*Z$ show a p-value of 0.1186. The p-value demonstrates that H4 needs to be rejected because it exceeds 0.05. The research demonstrates that company size fails to function as a moderator between managerial ownership and financial performance. The combined term $X2*Z$ shows a p-value of 0.2879. H5 is unsupported as the p-value is broader than the alpha limit of 0.05. The results demonstrate that company size does not impact how institutional ownership affects financial performance.

The interaction variable $X3*Z$ displays a p-value result that differs from both of the earlier variables. The p-value for H6 testing shows that H6 should be accepted. The study results demonstrate that company size functions as a moderating factor which reduces the relationship between capital structure and financial performance.

Discussion

The Influence of Managerial Ownership on Financial Performance

The outcome of this inquiry indicate that managerial ownership maintains no meaningful impact on the firm's fiscal results. This evidence necessitates the dismissal of H1, since the probability score of 0.9671 surpasses the 0.05 limit. The results show that management share ownership percentage did not enhance company financial performance because management ownership remains at low levels. The low level of managerial share ownership makes the role of managers in managing the company less than optimal because they are minority shareholders and do not have an active role in company decision-making. The firm's fiscal results have not experienced any meaningful influences from these variables. This outcome is aligned with the studies Nurmayanti & Shanti (2023); Wardhani (2021) which demonstrate that managerial ownership fails to influence the entity's fiscal results.

The Effect of Institutional Ownership on Financial Performance

The analysis findings demonstrate that the institutional ownership variable carries a p-value result of 0.514, which remains above 0.05. Therefore, H2 is denied, indicating that institutional ownership carries no impact on corporate quality throughout the realty and fixed asset market. The results show that institutional investors did not properly fulfill their responsibility to monitor company management. Ariadi & Ardini (2024); Wardhani (2021), research shows that greater institutional ownership decreases financial performance because institutional investors focus on short-term gains and hold their positions temporarily.

The Influence of Capital Structure on Financial Performance

The empirical results demonstrate that capital structure has a negative and significant effect on financial performance, as indicated by a coefficient of -0.110 and a probability value of 0.000, which is below the 0.05 significance level. Therefore, the hypothesis is accepted. The negative coefficient indicates that an increase in debt levels tends to reduce the company's financial performance, as measured by Return on Equity (ROE). This suggests that excessive reliance on debt leads to higher financial risk and increased interest expenses, which ultimately suppress profitability. This finding

contradicts the traditional perspective of agency theory, which argues that debt can serve as a disciplinary mechanism to improve managerial performance (Jensen, M. C., & Meckling, 1976). However, in the context of property and real estate companies, which are highly capital-intensive and sensitive to interest rate fluctuations, high leverage may instead increase financial burden and reduce operational efficiency (Hanbo & Zulaikha, 2022). Furthermore, the presence of extreme values in the capital structure variable, including negative equity conditions, indicates that some companies may be experiencing financial distress. This condition further weakens the positive role of debt and reinforces its negative impact on financial performance (Haryanto et al., 2022). Therefore, companies should carefully manage their capital structure by maintaining an optimal balance between debt and equity to avoid excessive financial risk and ensure sustainable performance.

The Effect of Managerial Ownership on Financial Performance with Company Size as a Moderating Variable

The outcomes demonstrate that the interaction between ownership and company size ($X1*Z$) maintains a p-value result of 0.1186, which stays above 0.05. That denial of H4 indicates that organizational scale fails to function as a moderating variable for ownership impacts on corporate quality. The results demonstrate that different company size categories, which include both large and small companies, fail to create a stronger connection between managerial ownership and financial performance. The complex organizational structures and established governance systems of large companies create challenges for direct managerial ownership. The resource limitations present in small companies create obstacles that prevent managerial ownership from producing important results. The data from this research uphold the report from Sartika et al. (2024) which indicates that organizational scale fails to bolster the correlation between internal ownership and operating success increases for firms.

The Effect of Institutional Ownership on Financial Performance with Company Size as a Moderating Variable

The results show that H5 is rejected because the interaction between institutional ownership and company size ($X2*Z$) is not significant p-value 0.2879. The study demonstrates that institutional ownership and financial performance link together with company size as the only factor that can affect their relationship. The results show that institutional investors cannot effectively monitor company operations because their monitoring function depends on the size of the company. Institutional investors in large company's delegate management responsibilities to professional managers which results in only limited monitoring increase between the two parties. The study found that institutional ownership does not affect financial performance outcomes at larger companies. The current finding supports Hanbo & Zulaikha (2022) research which shows that institutional ownership institutional ownership role in company performance improvement does not always depend on company size.

The Effect of Capital Structure on Financial Performance with Firm Size as a Moderating Variable

The data from the moderated regression analysis reveal that the interaction between capital structure and company size ($X3*Z$) is vital, with a t-value of -2.697575 and an alpha value of 0.0088 (< 0.05), resulting in the confirmation of H6. This report clarifies that company size increases the effect of capital structure on operating success. Larger corporations possess superior capabilities to manage their financial structure which leads to better financial outcomes when compared to their smaller counterparts. The result supports agency theory which explains that large corporations lose

their debt disciplinary power because of stronger internal control mechanisms according to Hanbo & Zulaikha (2022) and Shanti & Kusumawardhany (2024).

5. Conclusion

The capital structure of Indonesian realty and fixed asset enterprises quoted on the Indonesia Stock Exchange throughout the 2022–2024 interval is observed to carry a direct and statistical impact on their corporate quality. The study demonstrates that companies which handle their debt responsibilities properly will achieve better Return on Equity (ROE) results while utilizing debt as a means to drive their management to handle their funding resources with greater effectiveness and efficiency. The research found that both managerial and institutional ownership percentages failed to affect financial results because executive ownership exists at a low level while institutional investors maintain a long-term but inactive presence. The results of the moderation test demonstrated that company size does not impact how managerial and institutional ownership affects financial performance in both large and small businesses. The research established that company size functions as a variable which changes how capital structure affects financial performance because it weakens this relationship through its effect on debt performance in large corporations which possess multiple funding options. In contrast, small businesses rely more heavily on debt because it provides them with essential financing which helps them achieve better financial results.

Prospective inquiries are encouraged to involve further metrics that go beyond managerial ownership and institutional ownership and capital structure, which are assumed to determine an entity's economic quality through their effect on liquidity and organizational growth and systematic efficiency and ethical corporate governance frameworks. The research requires researchers to extend both temporal scope and industrial sector selection, which will help them better understand company performance dynamics and test research findings across different industry sectors.

5.1 Contributions, Limitations and further research

This study shows that capital structure has a significant positive effect on financial performance (ROE), highlighting the role of effective debt management in improving efficiency. It also finds that managerial and institutional ownership do not influence performance, and that firm size moderates the impact of capital structure—weakening it in large firms but strengthens reliance on debt in smaller firms. The study is limited to the realty and property sector in Indonesia and a short period (2022–2024), which may reduce generalizability. It also uses limited governance variables, where low variation in ownership structure may affect results. Then the Future studies should include additional variables such as liquidity, growth, efficiency, and corporate governance, expand the observation period, and cover more sectors to better capture differences in firm performance dynamics.

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