

# The Influence of Foreign Ownership, Political Connection, Managerial Ownership, and Dividend Policy on the Financial Performance of Retailing Sub-Sector Companies Listed on the IDX

Yohana Kezia Koeswandono<sup>1\*</sup>, Revi Arfamaini<sup>2</sup>

Universitas Widya Kartika, Indonesia

Email: yohanakezia2003@gmail.com\*, arfamaini@gmail.com

---

## Abstract

Company financial performance describes a company's current financial condition and provides an estimate of its future prospects, which are influenced by management and operational activities, as well as the company's approach to managing and utilizing its resources. This study aims to analyze the influence of foreign ownership, political connections, managerial ownership, and dividend policy on the financial performance of consumer cyclical companies in the retailing sub-sector listed on the Indonesia Stock Exchange (IDX) during the period 2019–2024. This study uses secondary data from 19 consumer cyclical companies in the retailing sub-sector listed on the Indonesia Stock Exchange or obtained directly from the companies' websites, covering six consecutive years (2019–2024). The data are selected based on purposive sampling criteria, resulting in a total of 114 observations. A quantitative approach is employed, including Classical Assumption Testing, outlier removal, and the Cochrane–Orcutt method. Additionally, statistical tests such as Multiple Regression Analysis, the t-test, and the Coefficient of Determination ( $R^2$ ) are used to analyze the data. The results of this study, analyzed using SPSS, show that managerial ownership influences a company's financial performance. However, foreign ownership, political connections, and dividend policy do not significantly affect financial performance. This study highlights the significant impact of managerial ownership on financial performance, while foreign ownership, political connections, and dividend policy do not appear to have a substantial effect.

---

## Keywords:

foreign ownership;  
political connection;  
managerial ownership;  
dividend policy;  
financial performance

---

## INTRODUCTION

Companies can be considered a means of creating profits, maximizing value, and increasing shareholder wealth. According to Meliana (2025), the development of modern markets or modern retail can accelerate a nation's economic progress, as long as it does not eliminate traditional markets. Retail companies span a wide variety of industries and act as a conduit for many companies to achieve success (Sivakami & BA, 2024). According to Ong et al. (2020), the increasing consumption of fast-moving consumer goods will provide a solid foundation for the retail industry. Retail management serves not only as a business aspect but also as a valuable tool for developing the skills and capacity of local businesses (Panjaitan et al., 2024).

In practice, technology also plays a significant role in increasing efficiency in a company's financial performance. The presence of technology has significantly transformed employee management and business processes (Melinda et al., 2023). While technology has a positive impact, it can also contribute to setbacks for various reasons, such as companies being slow to adapt to e-commerce sales or being too slow to follow market trends. These technological limitations may be influenced by a lack of available resources, such as

operational and maintenance costs. Furthermore, changes in work culture, behavior, and ways of thinking can be challenging for some employees. Companies that are unable to adapt their business strategies to changing times and increasingly advanced technology may experience decline and bankruptcy (Christensen 2015).

According to SindoNews, in an article by Michelle Natalia published on May 31, 2021, the retail business in Indonesia had been experiencing a decline for the previous four years, even before the COVID-19 pandemic, as many consumers began to prefer the efficiency of e-commerce. Furthermore, the pandemic, accompanied by numerous government policies regarding periodic restrictions, weakened public demand and purchasing power, thus impacting companies' financial performance. According to Kompas, in an article by Hendriyo Widi published in August 2024, the retail business in Indonesia is under threat due to weakening public purchasing power influenced by the circulation of illegal and used goods. This condition poses a burden amid the challenges of consumer shopping behavior in the era of globalization and technological development.

In the first semester of 2024, the Indonesian Retail Entrepreneurs Association (Aprindo) estimated that the financial performance of modern retail would grow by only around 4.8–4.9% annually. In the second semester of 2024, retail financial performance growth was expected to stagnate and potentially decline. One contributing factor is three consecutive months of deflation. Based on data from the Central Statistics Agency (BPS), Indonesia experienced deflation of 0.03% in May, 0.08% in June, and 0.18% in July. Another factor is consumers' preference for relatively inexpensive imported goods, whether purchased online or offline. The influx of these imported goods is often unsupervised by relevant authorities. Aprindo hopes the government will increase oversight of the trade in illegal goods and secondhand clothing to strengthen purchasing power, especially among the lower-middle class, and prevent domestic businesses from being disadvantaged.

Based on CNBC Indonesia, in an article by Ferry Sandi in 2021, the supermarket chain Giant chose to close its stores because it was considered unable to generate significant profits for the company. The store closures began with the shutdown of 26 outlets and continued with the complete closure of all stores in 2021. Based on Kontan, in an article by Sabrina Rhamadanty published on December 9, 2024, PT Matahari Department Store Tbk (LPPF) closed 13 stores, with an additional closure of 3 stores beyond the initial plan of 10 closures. Meanwhile, the number of Matahari outlets undergoing intensive supervision also increased from the initial plan of 13 outlets to 20 outlets. Not only at Matahari, outlet closures also occurred at other fashion issuers such as PT Ramayana Lestari Sentosa Tbk (RALS). From 2020 to the first quarter of 2022, Ramayana closed 20 outlets and opened 2 outlets in new locations.

According to Kontan in 2024, business observer Teguh Hidayat, in an interview with the news writer, stated that retail companies were significantly impacted by the COVID-19 pandemic from 2020 to 2021 but experienced a recovery in financial performance in 2022. However, entering 2023, a decline occurred and continued into 2024, and it is estimated that the decline will continue in 2025. A number of retail companies may need to delay expansion plans in order to maintain and improve the company's financial performance, which in some cases can be considered unhealthy.

This measure is taken to avoid broader impacts on society, such as layoffs resulting from bankruptcy. In recent years, several retail companies have chosen to close their stores to improve financial performance, especially during the pandemic and economic recession. However, some companies have experienced improved financial performance and have therefore expanded their store networks.

Based on a report in Warta Ekonomi by Nevriza Wahyu Utami on August 8, 2023, who interviewed Andre Tanudjaja, Director of PT Sinar Eka Selaras Tbk, one of Erajaya's

subsidiaries, Andre revealed that the Erajaya Group took an aggressive step by making larger investments and opening seven outlets within eight months in 2022. This decision was made because the company observed increasingly positive prospects for retail business development. As part of its expansion strategy, the Erajaya Group planned to open more stores during the year. Based on a report in Liputan6 by Elga Nurmutia in August 2023, in the first semester of 2023 ACES' net sales increased by 10% from IDR 3.30 trillion to IDR 3.63 trillion compared with the first semester of 2022.

Meanwhile, the cost of goods sold increased by 9.35% from IDR 1.71 trillion to IDR 1.87 trillion during the same period. Consequently, gross profit increased by 10.06% from IDR 1.59 trillion to IDR 1.75 trillion by the end of June 2023 compared with the same period in 2022. Throughout the first semester of 2023, ACES recorded operating profit growth of 19.24%, increasing from IDR 324.75 billion to IDR 387.26 billion compared with the same period of the previous year.

Net profit in the first semester of 2023 increased by 24.76% from IDR 242.39 billion in the same period of 2022 to IDR 302.42 billion, resulting in an increase in earnings per share from 14.17 to 17.68. As of June 2023, the company's assets increased from IDR 7.24 trillion in December 2022 to IDR 7.79 trillion. Meanwhile, ACES' liabilities in the second quarter of 2023 were recorded at IDR 2.09 trillion, compared with IDR 1.31 trillion in the previous period. ACES' equity decreased from IDR 5.93 trillion in December 2022 to IDR 5.70 trillion in June 2023.

Based on a Liputan6 report by Elga Nurmutia on August 21, 2023, Mitra Adiperkasa (MAPI)'s net revenue as of June 30, 2023 increased by 27.32% to IDR 15.59 trillion from IDR 12.24 trillion in the previous period. Throughout 2022, MAPI's profit increased by 39.89% from IDR 1.32 trillion to IDR 1.73 trillion but experienced a decrease in net profit in the current period of 0.58% to IDR 1.26 trillion. Net profit attributable to owners amounted to IDR 1.04 trillion, a decrease of 5.22% compared with the previous period, which reached IDR 1.10 trillion. Consequently, basic earnings per share decreased from IDR 67 to IDR 63. In June 2023, MAPI's assets increased from IDR 20.96 trillion in 2022 to IDR 22.34 trillion. MAPI's liabilities increased from IDR 11.24 trillion to IDR 11.46 trillion. Concurrently, MAPI's equity increased from IDR 9.72 trillion at the end of 2022 to IDR 10.88 trillion by the end of June 2023.

According to Kontan.co.id, in an article by Rashif Usman published on November 4, 2024, the majority of retail issuers recorded positive financial performance throughout 2024. Net profit growth was achieved by several retail issuers due to improved internal financial performance. Although public purchasing power has weakened, retail issuers with loyal customer bases continue striving to meet consumer demand even under challenging economic conditions. The prospects for retail issuers remain potentially bright due to several seasonal momentum periods accompanied by increased purchasing power, such as year-end holidays and the celebration of Eid al-Fitr, which are often supported by annual bonuses and promotional discounts.

In his interview, Oktavianus Audi, Head of Customer Literacy and Education at Kiwoom Sekuritas Indonesia, explained that retail issuers need to strengthen their focus on primary goods due to the expansion and growth of several income segments and an optimistic consumer confidence index despite experiencing deflation. Hendra Wardana, founder of Stocknow.id, also stated that the retail sector offers good opportunities, especially for issuers that are able to retain customers and adapt to market needs, thereby attracting investor interest.

Companies must employ various strategies to maintain financial performance while facing the challenges of technological advancement, which require rapid and agile adaptation. This can be strengthened by the ownership of some or all of a company's shares by foreign individuals or companies. Foreign ownership refers to capital investment made by foreign

parties in a domestic company, granting them voting rights in proportion to their shareholdings. The greater the number of foreign parties investing in a company, the better the performance of the company in which they invest (Ivan & Raharja, 2021).

Foreign shareholders play a crucial role in the sustainability of a company by monitoring management, which encourages improved oversight and ensures optimal performance (W.A. Nur et al., 2021). In this independent variable, the proxy used is the percentage of shares owned by foreign investors. Foreign investors tend to play an important role in corporate governance and in the management of a company's strategic assets.

In developing countries such as Indonesia, a company's political connections generally add value in the eyes of foreign investors. Companies with political connections are expected to gain significant advantages because they are perceived as having the opportunity to leverage these relationships to secure greater collaboration opportunities (Ivone & Tinamo, 2021). This perception is associated with regulatory support from relevant authorities, benefits in the form of easier market access, permits, government contracts, tax incentives, or protection from competition and legal pressures.

Political connections allow companies to receive preferential treatment, such as easier access to government aid or bailouts as well as regulatory permits (Phie & NG, 2020). As a second independent variable, political connections may serve as a strategic advantage for companies to sustain their operations as a going concern. The proxy used to measure this variable is the presence of a member of the board of directors or the board of commissioners with a government background, using a dummy variable because not all companies have political connections. Political connections within a company are sometimes supported by managerial ownership as a means of strengthening protection, as they are perceived to reduce the risk of external intervention.

Managerial ownership is a condition in which managers own shares in a company, motivating them to manage the company more effectively (Audi et al., 2025). Managerial ownership aims to align the interests of managers and shareholders (Wardhani & Suwarno, 2021). Share ownership by management gives managers a significant role in decision-making related to business management, which is expected to minimize decisions that are inconsistent with shareholder expectations and thereby improve performance and maximize profits (Purwanto & Glasius, 2021).

Managerial ownership can motivate managers to align their goals with those of shareholders in generating profits. Therefore, the proportion of shares owned is very important because it influences optimization in profit-seeking decisions that ultimately impact the company's financial performance. In this third independent variable, namely managerial ownership, the proxy used is the number of shares owned by management divided by the total number of shares outstanding.

Managers' share ownership also influences their behavior as shareholders, thereby affecting the company's dividend distribution decisions. The practice of paying dividends according to a company's dividend policy aims to provide welfare to shareholders or investors (Moridu et al., 2022). A stable or increasing proportion of dividends distributed to shareholders indirectly provides information or a signal to investors regarding the company's ability to operate and generate profits, which may influence the company's share price and strengthen investor confidence (Lumopa et al., 2023).

A company's financial performance is often considered good if it distributes relatively large dividends and shows a tendency for those dividends to increase (Prabowo & Suzan, 2021). Therefore, the amount of dividends distributed to shareholders may influence a company's financial performance, particularly in attracting investors. If a company consistently applies a sound dividend policy in distributing dividends annually, investors may perceive the company's financial performance as healthy and profitable, thereby reducing

concerns about potential capital losses. In this fourth independent variable, dividend policy is measured using the proxy Dividend Payout Ratio (DPR), which is calculated as the ratio of cash dividends distributed to the company's net profit.

According to Yuliana and Sulistyowati (2023), investors tend to be more interested in investing in companies that distribute dividends with higher nominal values because this can reflect strong financial conditions and indicate improving financial performance. Before making an investment, investors usually examine the company's financial performance to avoid making incorrect investment decisions. Financial performance not only serves as a reference for investors in making investment decisions but also acts as an internal benchmark for companies in evaluating employee and management performance.

Measuring financial performance can motivate employees and management to achieve predetermined targets (Purwanto & Glasius, 2021). In this study, the company's financial performance is the dependent variable measured using Return on Equity (ROE). The companies used in this research are Consumer Cyclical companies in the retailing sub-sector listed on the Indonesia Stock Exchange during the 2019–2024 period. The purpose of this study is to determine the effect of foreign ownership on the financial performance of Consumer Cyclical companies in the retailing sub-sector listed on the Indonesia Stock Exchange.

The primary purpose of this research is to analyze the influence of foreign ownership, political connections, managerial ownership, and dividend policy on the financial performance of consumer cyclical companies in the retailing sub-sector listed on the Indonesia Stock Exchange during the 2019–2024 period. Specifically, this study aims to: (1) examine the effect of foreign ownership on financial performance; (2) analyze the impact of political connections on financial performance; (3) investigate the relationship between managerial ownership and financial performance; (4) assess the influence of dividend policy on financial performance; and (5) evaluate the simultaneous effects of all four variables on company performance.

The contribution of this research is both theoretical and practical. Theoretically, it enriches the literature on corporate governance and financial performance by providing empirical evidence from an emerging market context, specifically within the retailing sector. The findings contribute to agency theory by examining how ownership structures align manager and shareholder interests and to signaling theory by assessing whether dividend policy serves as an effective signal of financial health in the Indonesian context.

Practically, this research offers insights for retail company managers in designing optimal ownership structures and governance mechanisms to enhance performance. For investors, the findings provide guidance on which governance factors merit attention in investment decisions. For policymakers, the results inform the development of regulations that promote effective corporate governance and support the sustainability of the retail sector, which plays a vital role in Indonesia's economic development.

## RESEARCH METHOD

The approach used in this study was a quantitative approach that emphasized data testing to generate conclusions. This approach focused on numerical data that were processed and analyzed using statistical methods to answer the research questions and test the research hypotheses (Hardani et al., 2020, p. 238). The quantitative method provided a systematic analytical framework that enabled structured observation of phenomena and objective data analysis. The procedures were carried out according to established standards, resulting in systematic and reliable data (Zulfikar et al., 2024, p. 83).

Therefore, this study focused on examining the characteristics and relationships among the research variables. The variables in this study were divided into two categories: dependent variables and independent variables.

The dependent variable used in this study was the financial performance of Consumer

Cyclical companies in the retailing sub-sector listed on the Indonesia Stock Exchange during the 2019–2024 period.

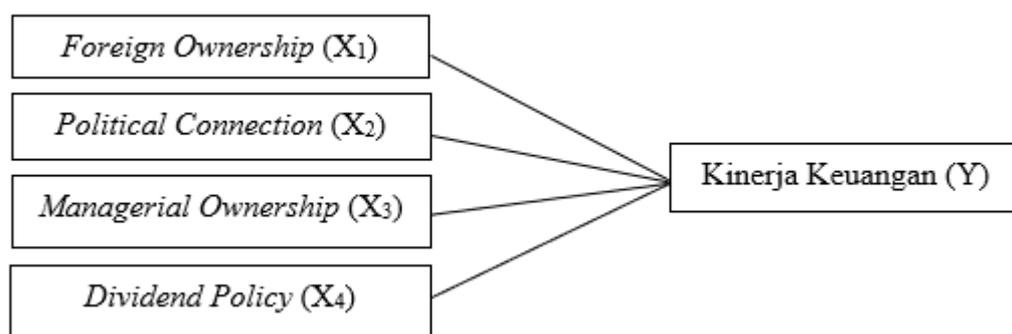
This study employed four independent variables, namely:

$X_1$  : *Foreign Ownership*

$X_2$  : *Political Connection*

$X_3$  : *Managerial Ownership*

$X_4$  : *Dividend Policy*



**Figure 1. Conceptual Framework**

*Source: compiled by researchers*

## RESULTS AND DISCUSSION

### The Influence of *Foreign Ownership* on Company Financial Performance

The results of this study indicate that the significance value of *foreign ownership* is  $0.201 > 0.05$ , which means that *foreign ownership* does not affect the financial performance of *consumer cyclical companies in the retailing* sub-sector listed on the Indonesia Stock Exchange in 2019 - 2024. In this condition, it shows that the existence of *foreign ownership in a company has not provided a real contribution to improving the financial performance of retailing companies in Indonesia.*

**Table 1. Example of Comparison of *Foreign Ownership* between Companies**

Code	Company name	2019	2020	2021	2022	2023	2024
<b>CARS</b>	PT Bintraco Dharma Industry and Trade Tbk	19.88%	2.68%	15.33%	16.30%	14.92%	9.61%
<b>MPMX</b>	PT Mitra Pinasthika Mustika Tbk.	21.12%	19.20%	10.64%	10.66%	11.01%	11.49%
<b>YELO</b>	PT Yelooo Integra Datanet Tbk.	0.02%	0.00%	0.49%	0.23%	0.28%	0.28%

Source: Data Processed by Researchers

The proportion of shares owned by an investor determines the extent to which they can actively participate in a company, from decision-making to management. The higher the share ownership, the more likely they are to actively participate in the company, as the profits generated by the company are also a benefit to the investor. However, based on the data above, for example, it was found that three of the 19 companies in the study sample had relatively minimal *foreign ownership*. Therefore, it can be concluded that foreign investors with *foreign ownership in consumer cyclical companies in the Indonesian retailing* sub-sector tend to play a passive role.

The passivity of foreign investors has limited business development within the domestic

sphere, making them unable to compete with large and international companies considered more advanced than domestic companies. Coupled with the era of globalization, which follows market *trends*, investors will tend to choose companies that create or are considered capable of following market *trends* because they are considered more profitable, especially compared to *retail companies*. It can be said that *retail companies* tend to be less attractive to foreign investors due to the lack of *trends* in *retail companies*. In this study, the proportion of share ownership influences the level of investor activity, so that with the minimal shares owned by foreign investors in *retail companies* in Indonesia, *foreign ownership* does not affect the financial performance of *retail companies* listed on the Indonesia Stock Exchange in 2019-2024.

The results of this study align with those of research conducted by W.A Nur *et al.*, (2021), which showed that *foreign ownership* has no impact on financial performance. The low proportion of *foreign ownership*, coupled with the passivity of foreign investors in decision-making and corporate management, represented by the board of commissioners as supervisors, indicates that *foreign ownership* has no impact on a company's financial performance.

### **The Influence of *Political Connections* on Company Financial Performance**

The results of this study indicate that the significance value of *political connections* is  $0.848 > 0.05$ , which means that *political connections* do not affect the financial performance of *consumer cyclicals* sub-sector *retailing companies* listed on the Indonesia Stock Exchange in 2019 - 2024. In this condition, it shows that the existence of *political connections* in a company has not made a real contribution to improving the financial performance of *retailing companies* in Indonesia.

The existence of *political connections* for 6 consecutive years of observation means that there are opportunities that occur during its operations, the company utilizes its *political connections to maximize the company's operations so that profits are also maximized. However, based on the political connection calculation data that can be seen in Appendix 2. Political Connection Calculation Data*, it was found that 4 of the 19 *retailing companies* that were the research sample had *political connections* for 6 consecutive years of observation, 3 of the 19 *retailing companies* that were the research sample had *political connections* consecutively for 3 years out of 6 years of observation, namely in 2022 to 2024, and 12 of the 19 *retailing companies* that were the sample had no *political connections*.

In addition to many companies that do not have *political connections*, there is a possibility that companies that have *political connections* do not optimally utilize the role of *political connections* within the company. Companies that should be able to take advantage of easy access or permits to support their operations do not have these special rights because they do not have *political connections* or do not optimally utilize the existence of *political connections* within a company.

In this study, the suboptimality in utilizing special rights and the lack of *retailing companies* in Indonesia that have *political connections* are used as a reference due to the weak results of data processing so that *political connections* do not affect the financial performance of *consumer cyclicals companies in the retailing* sub-sector listed on the Indonesia Stock Exchange in 2019 - 2024. The results of this study are in line with research conducted by Maharani & Merina (2025), and F. Azizah & Amin (2020), which show that the results of research regarding *political connections* do not affect the company's financial performance.

### **The Influence of *Managerial Ownership* on Company Financial Performance**

The results of this study indicate that the significance value of *managerial ownership* is  $0.033 < 0.05$  with a value  $\beta$  of 0.228 which can be interpreted that *managerial ownership* has a positive effect on the financial performance of *consumer cyclicals* sub-sector *retailing*

*companies* listed on the Indonesia Stock Exchange in 2019 - 2024. In this condition, it shows that the existence of *managerial ownership* in a company has not made a real contribution to improving the financial performance of *retailing companies* in Indonesia.

**Table 2. Example of Comparison of *Managerial Ownership* between Companies**

Code	Company name	2019	2020	2021	2022	2023	2024
ERAA	Erajaya Swasembada Tbk	0.29%	0.28%	0.29%	0.29%	0.30%	0.30%
RALS	Ramayana Lestari Sentosa Tbk	7.05%	7.54%	3.38%	6.34%	5.07%	4.51%
ZONE	PT Mega Pioneer Tbk.	52.31%	51.52%	51.52%	51.52%	51.63%	52.55%

Source: Data Processed by Researchers

The higher *the managerial ownership* of a manager, the more impactful the decisions they make will be on the company because they have an interest in uniting the interests of shareholders. Strong *managerial ownership* will strengthen the company's commitment to *stakeholder interests* because managers will strive to maximize profits because they also feel the benefits they will receive. Based on the comparison table above, it can be concluded that of the three companies used as a comparison example, PT Mega Perintis Tbk has the highest proportion of *managerial ownership*, where managers will strive to maximize their efforts to assist the company in financial management and improve financial performance. In the *retail sector*, which tends to be somewhat competitive with consumer demand, the active role of managers will be very crucial for business sustainability. Furthermore, high *managerial ownership* can be a reflection of management's commitment and responsibility towards the growth of the company's financial performance, so it can be said that *managerial ownership* influences the company's financial performance.

The results of this study are in line with research conducted by Wendy & Harnida (2020), which shows that the involvement of managers can reduce the occurrence of information asymmetry so that it is expected to be more effective in improving manager performance in maximizing the company's financial performance, thus showing that *managerial ownership* has an effect on the company's financial performance.

### The Influence of *Dividend Policy* on Company Financial Performance

The results of this study indicate that the significance value of *dividend policy* is  $0.388 > 0.05$ , which means that *dividend policy* has no effect on the financial performance of *consumer cyclicals companies in the retailing* sub-sector listed on the Indonesia Stock Exchange in 2019 - 2024. In this condition, it shows that the existence of *dividend policy in a company has not made a real contribution to improving the financial performance of retailing companies* in Indonesia.

**Table 3. Example of *Dividend Policy* Comparison between Companies**

Code	Company name	2019	2020	2021	2022	2023	2024
ACES	PT Aspirasi Hidup Indonesia Tbk	46.65%	42.29%	76.57%	52.33%	69.61%	64.83%
CSAP	Catur Sentosa Adiprana Tbk	26.04%	14.66%	7.91%	15.24%	23.74%	20.05%
IMAS	Indomobil Sukses Internasional Tbk	24.16%	-6.33%	-22.98%	27.14%	21.08%	50.37%

Source: Data Processed by Researchers

*the dividend* comparison data example The company's *policy*, calculated using cash dividends and net profit, yields positive results, while companies experiencing losses show negative results. In SPSS calculations, the significance value of *dividend policy* is greater than 0.05, indicating that *dividend policy* has no effect on the financial performance of *consumer*

*cyclical companies in the retailing* sub-sector listed on the Indonesia Stock Exchange from 2019 to 2024. This means that the amount of dividend distribution is not the primary determinant of a company's financial performance. Instead, many other factors, such as long-term company growth, operational efficiency, and several others, are involved. In other words, investors do not use *dividend policy* as a determining signal regarding a company's financial performance.

The results of this study are in line with research conducted by Erawati *et al.*, (2022) and Yuliana & Sulistyowati (2023), showing that *dividend policy* has no effect on the company's financial performance. Where companies with low profitability continue to pay dividends and with a fairly high value. Conversely, companies with high profitability tend to choose to allocate retained earnings for future interests in order to obtain reserves for operational costs so that *dividend policy* cannot be a reference in assessing the condition of the company's financial performance. The lack of influence of *dividend policy* on the company's financial performance reflects that investors and the market do not use *dividend policy* as a reference to view, analyze, and assess company management carried out by management to improve the financial performance of *retailing companies* but by considering several other factors not used in this study .

## CONCLUSION

The results of this study indicate that foreign ownership, political connections, and dividend policy did not have a significant effect on the financial performance of consumer cyclical companies in the retailing sub-sector listed on the Indonesia Stock Exchange during the 2019–2024 period, as indicated by significance values of 0.201, 0.848, and 0.388, respectively, which were greater than 0.05. In contrast, managerial ownership was found to have a significant effect on financial performance, with a significance value of 0.033, which was less than 0.05. These findings suggest that internal governance mechanisms, particularly managerial share ownership, play a more important role in influencing company performance than external ownership structures or dividend distribution policies within the observed sector and period. Future research is recommended to expand the scope of analysis by including additional variables—such as firm size, leverage, or corporate governance quality—or by examining different sectors and longer observation periods to obtain a more comprehensive understanding of the determinants of financial performance.

## REFERENCE

- Audi, N., Marlina, E., & Samsiah, S. (2025). The effect of capital structure, managerial ownership, and liquidity on financial performance with company size as a moderating variable. *Review of Economics and Finance*, 5(2). <https://doi.org/10.46306/rev.v5i2>
- Azizah, F., & Amin, M. A. (2020). The effect of political connections on company performance (Empirical study of mining sector companies listed on the IDX in 2014–2018). *Indonesian Journal of Accounting and Governance*, 4(1), 1–17. <https://doi.org/10.36766/ijag.v4i1.38>
- Azizah, T. I., & Paramita, R. A. S. (2024). The effect of profitability, liquidity, leverage, managerial ownership, and business risk on dividend policy with firm size as a moderating variable in consumer cyclicals sector companies. *Journal of Management Science*, 12, 569–584.
- Christensen, C. M. (2015). *The innovator's dilemma: When new technologies cause great firms to fail*. Harvard Business Review Press.
- Erawati, T., Ayem, S., & Tokan, M. M. (2022). The effect of company size, liquidity, and dividend policy on company financial performance. *Scientific Journal of Accounting*,

- 13, 76–88.
- Hardani, H., Auliya, N. H., Ustiawaty, J., Andriani, H., Fardani, R. A., Utami, E. F., Sukmana, D. J., & Istiqomah, R. R. (2020). *Metode penelitian kualitatif & kuantitatif* (H. Abadi, Ed.). CV Pustaka Ilmu.
- Ivan, A., & Raharja, S. (2021). The effect of family ownership, institutional ownership, and foreign ownership on company financial performance. *Diponegoro Journal of Accounting*, 10(2), 1–8.
- Ivone, I., & Tinamo, H. (2021). The influence of state ownership, political connections, and tax avoidance on financial performance in Indonesia. *Inovasi*, 17(4), 714–726.
- Lumopa, C. E., Tulung, J. E., & Palandeng, I. D. (2023). The effect of capital structure, financial performance, and dividend policy on stock prices of IDX30 companies listed on the IDX in 2017–2021. *Jurnal EMBA*, 11(1), 992–1008.
- Maharani, M., & Merina, M. (2025). The influence of sustainability report, political connection, and firm size on company performance. *Ekonomika Journal*.
- Meliana, D., Riswati, J., & Astuti, D. (2025). Analysis of retail business development in Indonesia. *Journal of Business Economics and Management*, 1(3), 235–243.
- Melinda, L. D., Sulistianingsih, S., Harto, B., Homan, H. S., & Puryati, D. (2023). Information technology integration in human resource management: A qualitative study of its impact on corporate financial performance. *ATRABIS: Jurnal Administrasi Bisnis*, 9(2).
- Moridu, I., Fadlilah, A. H., Ernayani, R., Luwuk, U. M., & Tengah, S. (2022). The impact of dividend policy on company financial performance: Literature review.
- Natalia, M. (2021, May 31). Retail sector declining, signs have been visible for the past 4 years. *Sindo News*.
- Nurmutia, E. (2023, August 21). A peek at the financial performance summary of retail issuers in the first half of 2023. *Liputan6*.
- Ong, J. O., Sutawijaya, A. H., & Saluy, A. B. (2020). Innovation strategy of modern retail business models in the industry 4.0 era. *Scientific Journal of Business Management*, 6(2).
- Phie, F. K., & Ng, S. (2020). The effect of corporate governance and political connection on tax avoidance and its impact on firm value. *Journal of Accounting and Finance*, 18(1), 21–46.
- Prabowo, D., & Suzan, L. (2021). The effect of intellectual capital and dividend policy on company financial performance (Study of companies in the consumer goods industry sector listed on the IDX 2016–2019). *Jurnal Akuntansi dan Keuangan*, 8(5), 5048–5054.
- Purwanto, M., & Glasius, V. B. D. (2021). The effect of diversification strategy and managerial ownership on financial performance. *Mahardika Journal*, 20, 116–127. <https://doi.org/10.29062/mahardika.v20i1.327>
- Sandi, F. (2021, December 27). 2021: Many retailers collapse: Giant closes forever in Indonesia! *CNBC Indonesia*.
- Sivakami, D., & B. A., M. (2024). An empirical study on the impact of cyclical and non-cyclical theories on retailers' productivity, profitability and competitiveness. *RVIM Journal of Management Research*, 16(1).
- Sulistiyowati, N., & Prabowo, T. J. W. (2020). The effect of political connections on environmental performance and profitability. *Diponegoro Journal of Accounting*, 9(3), 1–15.
- Utami, N. W. (2023, August 8). Retail business development improves, Erajaya Group's financial performance skyrockets.
- Wardhani, Y. A., & Suwarno, A. E. (2021). The effect of managerial ownership, institutional ownership, capital structure, and company size on company financial performance. *E-*

- Proceedings of the National Seminar on Management and Accounting (SENMAS)*, 2(1).
- Wendy, T., & Harnida, M. (2020). The effect of the implementation of good corporate governance (managerial ownership, institutional ownership, independent board of commissioners, and board of directors) on the financial performance of banking companies listed on the IDX. *Journal of Management and Accounting*, 21(1).
- Widi, H. (2024, August 14). Weakening purchasing power and the circulation of illegal goods erode modern retail. *Kompas.id*. <https://www.kompas.id/baca/ekonomi/2024/08/14/pelemahan-daya-beli-dan-peredaran-barang-ilegal-gerus-ritel-modern>
- Yuliana, L. A., & Sulistyowati, E. (2023). The effect of dividend policy, debt policy, and company size on financial performance. *JIAKu: Jurnal Ilmiah Akuntansi dan Keuangan*, 2, 110–125. <https://doi.org/10.24034/jiaku.v2i2.5>
- Zulfikar, R., Permata Sari, F., Fatmayati, A., Wandini, K., Haryati, T., Jumini, S., Annisa, S., Kusumawardhani, O. B., Mutiah, A., Linggi, A. I., & Fadilah, H. (2024). *Metode penelitian kuantitatif (Teori, metode, dan praktik)* (E. Damayanti, Ed.). Widina Media Utama.