Journal of Economics, Finance and Management Studies
ISSN (print): 2644-0490, ISSN (online): 2644-0504
Volume 06 Issue 06 June 2023
Article DOI: 10.47191/jefms/v6-i6-61, Impact Factor: 7.144
Page No: 2918-2925

The Role of Good Corporate Governance and Financial Conditions in Encouraging Dividend Policy in Indonesian and Malaysian Companies

Lailah Fujianti
Economics and Business Faculty of Pancasila University Jakarta Indonesia

ABSTRACT: This study aims to examine and determine the effect of Good Corporate Governance that is independent commissioners, boards of commissioners and profitability on dividend policy in manufacturing sector companies listed on the Malaysia Stock Exchange and Indonesia Stock Exchange during the 2019 period. The number of samples taken was 45 companies in Malaysia and 67 companies in Indonesia using quantitative methods with secondary data collection. The data obtained is taken from the results of the company's financial statements contained on the official website of Bursa Malaysia and IDX. The data analysis technique used in this research is multiple linear regression analysis technique and analyzed by using an application to analyze data in the form of SPSS. The results of hypothesis testing in this study indicate that in companies in Malaysia, independent commissioners and profitability have a significant effect on dividend policy, while the board of commissioners has no significant effect on dividend policy, then in companies in Indonesia, independent commissioners have a significant effect on dividend policy. Dividend policy, while the board of commissioners and profitability have no significant effect on dividend policy.

KEYWORD: Good Corporate Governance, Independent Commissioner, Board of Commissioners, Profitability, and Dividend Policy.

I. INTRODUCTION

The investment decision of an investor aims to gain profit. The profit to be obtained in stock investment is in the form of dividends and or capital gains. Temporary investments generally expect capital gains, while investments aimed at obtaining ownership rights over companies expect dividend income. Dividend itself has the meaning as part of the company's profits distributed to shareholders based on an agreement that has been stipulated in the General Meeting of Shareholders (GMS), including the amount of distribution and time of distribution of dividends.

Dividend policy is one of the company's strategic policies, because it will affect long-term company financing. The dividend policy contains a decision whether the profit generated by the company will be distributed to shareholders/investors or whether the profit will be kept back in the company in the form of retained earnings which will then be used as a source of funding for the company's investment in the future. Dividend policy is an important financial decision (Chen at. al. 2022) because it involves the flow of funds out of the company to shareholders/investors (Gangil and Nathani, 2018). Dividend policy can be a form of control mechanism to reduce agency problems between shareholders and managers.

Generally investors wish to obtain returns or profits from investments both in the form of capital gains and in the form of dividends (Thompson and Adasi, 2021) but this desire is not in line with company policy in distributing dividends, as evidenced in 2019 manufacturing companies listed on the Indonesia Stock Exchange 87 out of 169 companies or around 51.5% percent do not pay dividends and manufacturing companies listed on the Malaysia Stock Exchange total 71 out of 163 companies or around 43.6% percent do not pay dividends.

In Malaysia, the large number of companies that do not pay dividends is exacerbated by the absence of specific rules governing the distribution of dividends. Companies are generally free to decide on the distribution of dividends. The Companies Act 1965 (article 365) alone stipulates that dividends must be distributed out of profits but does not indicate whether it should be current profits or accumulated profits, therefore giving rise to inconsistencies in the administration of dividend policies.

The large number of companies that do not pay dividends is one of the interesting things to study about the factors that encourage companies to pay dividends. Kanakriyah, (2020) states that the decision to pay dividends depends on the company's success and stability in generating profits. The company's ability to generate profits is known as profitability. Profitability is considered the main indicator for companies to announce and pay dividends, so that currently many researchers are interested in examining the relationship between profitability and dividend policy (Ahmed et al., 2018; Dewasiri et. al., 2019; Sami and Abdallah, 2021; Ben and Jarboui, 2022, Jadiyappa and Kakani, 2023). Paramina et. al. (2020) shows a positive relationship between the level of profit and dividend policy. The results of this study are similar to those stated by Farooq at al. (2022). However, it is different from the results of Wahyudi's research, (2020) which found no significant relationship between the level of profitability and dividend policy in manufacturing companies listed on the Indonesia Stock Exchange. Motivated by this condition, this research will again confirm the relationship between profitability and dividend policy.

Hasan et al., (2021) suggests another factor that plays an important role in dividend policy is Good Corporate Governance (GCG). GCG enables companies to monitor managers to ensure that they make effective decisions in accordance with company goals and to provide balanced information between managers and other stakeholders. The GCG mechanism is a system that regulates and manages the relationship between shareholders, managers and other stakeholders to balance the rights and obligations of each stakeholder and to increase company transparency in reporting their performance to stakeholders.

GCG plays an important role in the GMS, especially in making decisions whether profits will be distributed as dividends or will be kept as retained earnings as reserves for financing the company's development in the future. The GCG structure consists of the Board of Commissioners (BOC), Independent Board of Directors (IBD), audit committee (Audit Committee) in Indonesia and Board of Directors (BOD), Independent Board of Directors, Audit Committee in Malaysia. Baker et al. (2020) shows a positive relationship between BOD size and dividend policy, while Pahi and Yadav (2018) show a negative relationship. Jacobu et al. 2022 shows a significant positive relationship between IBD and dividend policy and vice versa Liu et al. 2022. GCG plays an important role in making dividend policy decisions (Pahi and Yadav, 2019), however, several previous studies have not shown a consistent relationship between GCG structure and dividend policy. For this reason, this study will review the relationship between these variables and dividend policy.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Agency Theory

Agency theory focuses on conflicts that occur in companies based on contractual relationships between company owners and managers (Jensen & Meckling, 1976). According to agency theory, managers have the opportunity to use company resources for their own interests, but owners also have the authority to limit the interests of managers so that the rights of shareholders are protected. Increasing information asymmetry between owners and management will cause greater agency problems and raise doubts about future cash flows for owners.

One way to reduce this agency problem is to distribute dividends. According to Jensen (1986), dividends act as a mechanism to reduce agency problems arising from conflicts between owners and management. Companies that have high profits will choose to retain profits and then reinvest them because the returns obtained from dividend distribution may not be as large as if the profits were invested. Managers have incentives to use organizational resources for their own benefit when they hold cash, rather than using this excess cash flow to pay dividends to shareholders.

Signalling Theory

Signal theory explains why companies have the motivation to provide information about the company's condition to investors. This motivation is due to information asymmetry between company managers and company investors. Managers have more information about the condition of the company than investors, so that information asymmetry arises between managers as managers of the company and investors. Signaling theory was first put forward by Ross (1977). Information submitted by the company will be received by investors and then interpreted and analyzed whether the information is worth a positive signal or a negative signal. This information also allows investors to assess which companies are qualified and which are not. If the information is positive, investors will respond positively by investing in the company, which in turn will increase the stock price. However, if investors give a negative signal it indicates that investors' desire to invest is decreasing which will affect the decline in company value. One of the important information is the level of profit and dividend distribution of the company

Dividend Policy

Dividend policy includes decisions about whether profits will be distributed to shareholders or will be retained for reinvestment in the company. Very few companies pay dividends in an amount equal to legally available retained earnings (Cahyadi and Suganda. 2021). The definition of optimal dividend policy is a dividend policy that creates a balance between current dividends and future growth so as to maximize the company's stock price. Dividend policy is an integral part of a company's funding decisions. Dividend policy is a way of distributing dividends to shareholders by a company.

Companies that distribute dividends give a sign to the market that these companies have bright prospects for the future and are able to maintain the level of dividend policy that has been set in the previous period. Companies with bright prospects will encourage an increase in share prices. If the company decides to share the profits earned as dividends, it means that it will reduce the amount of retained earnings, which in turn will also reduce internal funding sources that will be used to develop the company. Meanwhile, if the company does not distribute profits as dividends, it will increase the company's internal funding sources and will increase the company's ability to develop the company.

Some investors want stable and increasing dividend payments, but not a few investors are interested in low dividend payments because they want to have good capital growth. Optimal dividend policy in a company is when there is a balance between current dividend yields and company growth in the future.

Good Corporate Governance (GCG)

According to the Forum for Corporate Governance in Indonesia (FCGI, 2001) GCG is a set of rules governing the relationship between shareholders, company management, government, creditors, employees and other interested parties relating to their rights and obligations. The GCG mechanism is also a system, procedure, process, or set of rules that regulates the relationship between parties with an interest in the company (Napitupulu et al. 2020). GCG is an effort to maintain the relationship between BOC/BOD, shareholders, and company management (Pratama et al. 2020). The relationship between these three elements in the GCG system will determine the direction and performance of the company in accordance with the established mechanism. Besides that, the existence of GCG is expected to foster investor confidence in the company.

GCG principles also function to control the behavior of company managers so that they act not only to benefit themselves, but also to benefit company owners, or in other words to equate the interests of company owners and company managers. The application of GCG will provide benefits that is increasing company performance, making it easier to get financing which ultimately increases company value, increases investor confidence, increases shareholder value and encourages dividend dividend policies.

Hypothesis development

a. Board of commissioners and dividend policy

Indonesia adheres to the European continental governance system. This system has two systems or also called the Two Tiers System in the board structure within the company. With this system, Indonesian companies have separate boards, that the Board of Commissioners (BOC) and the Board of Directors (Board of Directors). The BOC as an organ of the company is in charge and responsible for supervising and providing advice to the Board of Directors, however, the BOC may not participate in making operational decisions. Malaysia adheres to a one tiers system of governance. In this one tier system only recognizes one board, the Board of Directors (BOD) where members come from within the company and appointed external companies.

Bhattacharya et al. (2019) who examined the effect of GCG on dividend policy with idiosyncratic risk as moderation, found that dividend policy will increase if the company has good GCG with low idiosyncratic risk. Several previous studies in Indonesia have tested the relationship between BOC and dividend policy, finding positive results between BOC and dividend policy (Sumail, 2018, Winarti et al., 2023). Hassan et. al 2020 Malaysian researchers have also confirmed the positive relationship between BOD and dividend policy. Based on the previous results, the research hypothesis 1 and as follows:

H_{1} = There is a positive relationship between the Board of Commissioners and dividend policy in Indonesia

H_{2} = There is a positive relationship between the Board of Directors and dividend policy in Malaysia.

b. Independent ommissioners on dividend policy

IBD is a Company Organ that is tasked with carrying out general or special supervision in accordance with the articles of association and providing advice to the Board of Directors. The appointment and dismissal of IBD is carried out by the GMS. IBD is a body within a company whose members usually come from outside the company whose function is to assess the performance of the company as a whole. One of the IBD functions is to oversee the company's performance which is run by company management.

This supervision is carried out to reduce agency conflict between company management and company owners where management in making decisions often prioritizes personal interests rather than the interests of shareholders. IBD's role is as a performance supervisor to minimize agency costs. Several previous studies in Indonesia have tested the relationship between IBD and dividend policy and found a positive relationship (Mai and Syarief 2021, Hendrawaty, et al. 2021). Al-Kahmisi and Hassan, (2018) Malaysian researchers have also confirmed the positive relationship between IBD and dividend policy. Based on the previous results, the research hypotheses 3 and 4 are as follows:

H_3 = There is a positive relationship between commissioners' independence and dividend policy in Indonesia
H_4 = There is a positive relationship between commissioner independence and dividend policy in Malaysia.

c. Profitability on dividend policy

One of the company's goals is to increase the welfare of shareholders through increasing the value of the company. This can be achieved if the company is able to achieve maximum profit in its operations. Management must ultimately make decisions regarding the utilization of profits. There are two alternative uses of profit utilization, which are retained as retained earnings and distributed as dividends. Profit is one of the main indicators in determining dividend policy (Budianto et al. 2022). Companies with high profit levels have a better ability to distribute dividends. Signaling theory can explain that dividend payments are a sign that the company has a high cash flow potential prediction in the future. High profitability greatly affects the amount of dividends distributed to shareholders. Several previous studies in Indonesia have tested the relationship between profitability and dividend policy and found a positive relationship between profitability and dividend policy (Mauris and Rizal, 2021, Pattiruhu and Paais, 2020). Several Malaysian researchers have also confirmed the positive relationship between profitability and dividend policy (Bakri et. al 2021; Yusof et al. 2020). Based on the previous results, the research hypotheses 5 and 6 are as follows:
H_5 = There is a positive relationship between profitability and dividend policy in Indonesia.
H_6 = There is a positive relationship between profitability and dividend policy in Malaysia.

III. METHODOLOGY

Determination of the sample using the purposive sampling method with the considerations as (1) manufacturing companies listed on the Indonesian and Malaysian stock exchanges during 2019. The 2019 determination was to avoid data bias because the year after 2019, that is in 2020, Covid occurred which caused many companies not to operate on an ongoing basis. normal. (2) Companies publish and publish financial reports (3) financial reporting in rupiah for Indonesian companies and ringgit for Malaysian companies and distribute dividends during the study period.

The dependent variable in this study is dividend policy. The independent variables in this study are the Board of Commissioners (BOC) in Indonesia and the Board of Directors (BOD) in Malaysia and other independent variables, that the Independent Board of Directors (IBD) in both Indonesia and Malaysia. This study is equipped with a control variable that is profitability. Variable measurement is based on several previous studies, that the Board of Commissioners (BOC) and Board of Directors (BOD) variables are measured by the number of members, Independent Board of Directors (IBD) is measured by the number of independent commissioners divided by the number of commissioners and dividend policy (DPR)) is measured by the dividend payout ratio. The variable profitability (PB) is measured return on assets.

Data analysis method used multiple linear regression. Model 1 examines the influence of the BOC, IBD and PB variables on dividend policy in Indonesia. Model 2 examines the effect of BOD, IBD and PB on dividend policy in Malaysia.

$$\cdot\ \beta 1\ BOC + \beta 2\ IBD + \beta 3\ PB + \varepsilon \text{ ………… Model 1}$$
$$\cdot\ \beta 1\ BOD + \beta 2\ IBD + \beta 3\ PB + \varepsilon \text{ ………… Model 2}$$

IV. RESULT AND DISCUSSION

Sampling method based on purposive sampling. Based on the method and criteria for selecting the sample, 67 samples of Indonesian companies and 45 samples of Malaysian companies were selected.

Table 1 shows the descriptive statistics of Indonesian companies. DPR shows an average value of 36,526 and a standard deviation value of 23,400. The maximum value of 99,350 owned by the company H.M. Sampoerna Tbk, while the minimum value of 0,700 is owned by the company Mayora Indah Tbk. BOC shows an average value of 4,240 and a standard deviation value of 1,625. The maximum value is 8, one of which is owned by the company Fajar Surya Wisesa Tbk, while the minimum value is 2,000 which is owned by Impack Pratama Industri Tbk. IBD shows an average value of 0.425 and a standard deviation value of 0.106. The maximum value of 0.800 is owned by the company Unilever Indonesia Tbk, while the minimum value is 0.200 which is owned by the company Mayora Indah Tbk. PB shows an average value of 8,030 and a standard deviation value of 8,067. The maximum value is 49,010 and the minimum value is 0,350

Table 1. Descriptive Statistics in Indonesian and Malaysian Companies

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Indonesia					
DPR	67	0.700	99.350	36.526	23.400
BOC	67	2.000	8.000	4.240	1.625
IBD	67	0.200	0.800	0.425	0.106
PB	67	0.350	49.010	8.030	8.067
Malaysia					
DPR	45	0.600	97.710	41.070	25.936
BOD	45	3.000	12.000	7.380	1.886
IBD	45	0.286	2.000	0.509	0.254
PB	45	0.350	54.420	9.055	9.513

Table 1 shows the descriptive statistics of Malaysian companies. DPR shows a mean value of 41,070 and a standard deviation value of 25,936. The maximum value of 97,710 is owned by Imaspro Corporation Berhad, while the minimum value is 0,600 owned by Kobay Technology Bhd. BOD shows a mean value of 7,380 and a standard deviation value of 1,886. The maximum value of 12,000 is owned by the Group Powernet Berhad Company, while the minimum value is 3,000 owned by the Oka Corporation Bhd company for Malaysian companies. IBD shows a mean value of 0.509 and a standard deviation value of 0.254. The maximum value of 2,000 is owned by Oka Corporation Bhd, while the minimum value is 0,286 owned by Csc Steel Holdings Berhad. PB shows an average value of 9,055 and a standard deviation value of 9,513. The maximum value is 54,420 and the minimum value is 0,350

Based on the results of the H1 test, it shows a p value of 0.233 greater than 0.05, this means that H1 is rejected. H1 rejection means that there is no significant influence of BOC on dividend policy in Indonesia. The results of the H2 test show that the p value is 0.552 greater than 0.05, so H2 is rejected. This rejection also means that there is no significant influence of BOD on dividend policy in Malaysia. The results of this study are in line with research conducted by Rodrigues et al. (2020); Boshnak, (2021) that BOD has no significant effect on Dividend Policy, but the results of this study contradict research conducted by Mardani (2022) that BOD has a significant effect on Dividend Policy. The large number of members of the board of commissioners does not encourage an increase in dividend payments. This is in line with the statement Eluyela et al (2018) that it is not the number of board members that will play an important role but the coordination and common opinion of all board members, so that the number of board member meetings is an important mechanism in monitoring company activities Boonyanet and Promsen (2020) added that board member meetings the board regularly pushes a policy of giving dividends to shareholders. When the BOD is a representative of the company owners tend to delay paying dividends, because the profits earned by the company will be reinvested for company development (Nguyen et al. 2021).

Table 2. Regression Result

Variable			Hypothesis	Oginal Sample (O)	Standard Deviation (STDEV)	T Statistics (O/STDEV	P value	
Indonesia								
BOC	--->	DPR	H1	2.075	1.722	1.205	0.233	
IBD	--->	DPR	H3	68.034	27.268	2.495	0.015	*
PB	--->	DPR	H5	0.204	0.362	0.563	0.576	
Malaysia								
BOD	--->	DPR	H2	-1.248	2.08	-0.6	0.552	
IBD	--->	DPR	H4	35.58	15.466	2.301	0.027	*
PB	--->	DPR	H5	0.825	0.373	2.215	0.032	*
* Significant 5 %								

Based on the results of hypothesis 3 testing, it shows that the p value is 0.015 which is less than 0.05, which means that H3 is accepted. Acceptance of H3 means that there is a significant influence of IBD on dividend policy in Indonesia. The results of the

H4 test show that the p value is 0.027 which is less than 0.05, so H4 is accepted. This acceptance also means that there is a significant influence of IBD on dividend policy in Malaysia. IBD research results in Indonesia and in Malaysia IBD have a positive role in encouraging dividend policy. The results of this study support Kilincarslan's research (2021); Kanojia and Bhatia (2022). This research is also in line with Merendino and Melvill (2019) who stated that IBD differences aim to ensure that shareholders obtain their rights. One of the rights of shareholders is to receive dividends, therefore the difference between IBD is able to drive dividend policy.

Based on the results of the test, it shows that the p value of 0.563 is greater than 0.05, which means that H5 is rejected. Rejection of H5 means that PB has no significant effect on dividend policy in Indonesia. The results of this study are in line with the results of research by Husain et al. (2020). According to data for 2019, 51.9 percent of manufacturing companies listed on the IDX did not distribute dividends or in other words, there were more that did not distribute dividends than those that did. This is also one of the reasons for the absence of a significant relationship between PB and dividend policy in Indonesia. Indonesian companies that do not distribute dividends mean that they are more concerned with using profits to increase capital or equity rather than being distributed as dividends.

Based on the results of the H6 test, it shows a p value of 0.032, which is less than 0.05, which means that H6 is accepted. Rejection of H6 means that there is a significant influence of PB on dividend policy in Malaysia. The results of this study are in line with research conducted by Morakinyo at el. (2018); Le et. al (2019); Shafai et a. 2019. Higher profitability indicates the company has the ability to pay dividends (Benjamin, et al. 2018). The results of this study also support the signaling theory which shows that profitability can provide a positive signal to shareholders (stakeholders). This signal indicates high profitability can show that the company is able to pay dividends.

V. CONCLUSION

The results of this study indicate that the BOC variables in Indonesia and BOD in Malaysia have not had a significant effect on Dividend Policy. A number of researchers revealed that it is not the large number of BOC/BOD members who play an important role in Dividend Policy but the similarity of opinion among their members, so that studying the role of the BOC/BOD in relation to dividend policy should use a proxy for the number of BOC/BOD meetings. The results of research related to the IBD variable show a significant positive effect on the dividend policy of both Indonesian companies and Malaysian companies. The results of this study support the agency theory in which the existence of IBD in the governance structure is able to function as a supervisor so that it encourages managers to provide information in the form of decisions that are pleasing to the company's investors, in this case, dividend distribution decisions. PB in Indonesian companies has not shown a significant impact on dividend policy because Indonesian companies in 2019 used more of their profits to add models or equity rather than distributing them in the form of dividends. On the other hand, PB in Malaysia still shows significance with dividend policy and these results support the signaling theory that profitability can provide a positive signal to shareholders (stakeholders).

REFERENCES

1) Ahmed, F., Advani, N. and Kanwal, S. (2018), Earnings management and dividend policy: empirical evidence from major sectors of Pakistan, *International Journal of Economics and Financial Issues*, Vol. 8 (3): 182-190
2) Baker, H.K., Dewasiri, N.J., Premaratne, S.P. and Yatiwelle Koralalage, W. (2020), Corporate governance and dividend policy in Sri Lankan firms: a data triangulation approach, *Qualitative Research in Financial Markets*, Vol. 12 (4) : 543-560.
3) Bakri, M. A., Abd Jalil, M. I., & Hassan, Z. (2021). Dividend policy in Malaysia: A comparison of determinants pre and post Malaysian code on corporate governance. *International Journal of Banking and Finance*, Vol. 16 (2), 1-22.
4) Ben Salah, O. and Jarboui, A. (2022), Dividend policy, earnings management and the moderating effect of corporate governance in the French context, *Journal of Financial Economic Policy*, Vol. 14 (3): 356-380.
5) Benjamin, S.J., Mohamed, Z.B. and Marathamuthu, M.S. (2018), DuPont analysis and dividend policy: empirical evidence from Malaysia, *Pacific Accounting Review*, Vol. 30 (1): 52-72.
6) Bhattacharya, D., Chang, C.W., Li, W. (2019). Stage of Firm Life Cycle, Transition, and Dividend Policy (May 1, 2019). *Finance Research Letters*, 33 101226.
7) Boonyanet, W., & Promsen, W. (2020). The Mediating Effects of Audit Quality on the Relationship between Corporate Governance and Cash Dividends. *Creative Business and Sustainability Journal*, *42*(2), 30–53
8) Boshnak, H.A. (2021), The impact of board composition and ownership structure on dividend payout policy: evidence from Saudi Arabia", *International Journal of Emerging Markets*, Vol. ahead-of-print No.

9) Budianto, R., Suyono, E., Purwati, A. S., Suparlinah,I., 2022. Factors Affecting Corporate Dividend Policy: Evidence from Emerging Market. *Kompartemen: Jurnal Ilmiah Akuntansi.* Vol. 20 (1): 17-37
10) Cahyadi, R.T., Tarsisius Renald Suganda**,** T.R., 2021. Profitability, Managerial Ownership, and Investment Opportunity Set on Dividend**.** *Jurnal Penelitian Ilmu Ekonomi***.** Vol.11 (2): 100 -110
11) Chen, L., Huang, J., Hu, D. and Chen, X. (2022), Dividend regulation and cost stickiness: evidence from a quasi-natural experiment, *China Accounting and Finance Review*, Vol. 24 (4): 486-515.
12) Cite this as: Paramita, R. W. D. (2020). Determinants of Dividend Policy. *Jurnal Ilmu Manajemen Advantage.* Vol. 4(1), 1-14.
13) Dewasiri, N.J., Koralalage, W.B.Y., Azeez, A.A., Jayarathne, P.G.S.A., Kuruppuarachchi, D. and Weerasinghe, V.A. (2019), Determinants of dividend policy: evidence from an emerging and developing market, *Managerial Finance*, Vol. 45 (3): 413-429
14) Eluyela, D. F., - Akintimehin, O.O., Wisdom, O,. Emmanuel, O,. Osuma, G. O., - Ilogho, S. O., - Oladipo, O. A., (2018), “Board Meeting Frequency and Firm Performance: Examining the Nexus in Nigerian Deposit Money Banks”, *Heliyon*, Vol. 4(10), 1-14.
15) Farooq, M., Al-Jabri, Q., Khan, M.T., Ali Ansari, M.A. and Tariq, R.B. (2022), The impact of corporate governance and firm-specific characteristics on dividend policy: an emerging market case, *Asia-Pacific Journal of Business Administration*, Vol. ahead-of-print
16) Mauris1, F.I., Rizal, N.A., 2021 The Effect of Collaterallizable Assets, Growth in Net Assets, Liquidity, Leverage and Profitability on Dividend Policy (Case Studies on Non-Financial Services Sector Companies Listed on the Indonesia Stock Exchange for the 2016-2019 Period). *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)* Vol. 4, (1): 937-950
17) Gangil,R., Nathani, N. 2018. Determinants of dividend policy: A study of FMCG sector in India. *Journal of Business and Management*. Vol. 20 (2) : 40-46
18) Hasan, R., Ahmad, A.U.F. and Sen, S.P. (2021), Governance Structure Affecting Dividend Policy in Malaysia: Monetary Policy, Islamic Finance, and Islamic Corporate Governance: An International Overview pp.233-246
19) Hendrawaty, E., Hasnawati. S., Purnamasari, L., (2021) Do Independent Commissioners Control the Effect of Family-Owned Business Characteristics on Dividend Policy? A Study in Indonesian Manufacturing Companies. *International Journal of Environmental, Sustainability, and Social Science*, 2 (2): 55-62.
20) Husain, T., Sarwani, Sunardi, N., Lisdawati. (2020). Firm’s Value Prediction Based on Profitability Ratios and Dividend Policy. *Finance & Economics Review*, Vol. *2*(2), 13–26.
21) Jadiyappa, N. and Kakani, R.K. (2023), Bankruptcy law, creditors' rights and dividend policy: evidence from a quasi-natural experiment, *International Journal of Managerial Finance*, Vol. ahead-of-print No. ahead-of-print.
22) Kanakriyah, R. (2020). Dividend Policy and Companies’ Financial Performance. *Journal of Asian Finance, Economics and Business.*Vol 7 (10): 531–541
23) Kanojia, S., Bhatia, B.S. (2022). Corporate governance and dividend policy of the US and Indian companies. *J Manag Gov*. Vol. 26, 1339–1373.
24) Kilincarslan, E. (2021), "The influence of board independence on dividend policy in controlling agency problems in family firms", *International Journal of Accounting & Information Management*, Vol. 29 No. 4, pp. 552-582
25) Le, T. T. H., Nguyen, X. H., & Tran, M. D. (2019). Determinants of dividend payout policy in emerging markets: Evidence from the Asean region. *Asian Economic and Financial Review*. Vo.*9* (4), 531-546.
26) Liu, Y.-Y., Lee, P.-S. and Yang, C.-H. (2022), Correlation between distribution of cash dividends from capital reserves, ultimate controlling shareholders and corporate governance, *Pacific Accounting Review*, Vol. 34 No. 3, pp. 385-398.
27) Mai, M.U., Syarief, M.E. 2021. Corporate Governance and Dividend Policy in the Banking Sector on the Indonesian Stock Exchange. *Jurnal Keuangan dan Perbankan.* Vol. 25 (1) : 48 – 62
28) Mardani, R.M. (2022). Dividend policy, ownership structure and corporate governance: An empirical analysis of Indonesian firms. *Jurnal Ilmiah Bidang Akuntansi dan Manajemen*. Vol 19 (1): 60-76
29) Merendino, A. and Melville, R. (2019), The board of directors and firm performance: empirical evidence from listed companies, *Corporate Governance*, Vol. 19 (3): 508-551.
30) Morakinyo, F. O., David, J. O., Adeleke, E. O., & Omojola, S. O. (2018). Determinants of dividend policy of listed deposit money banks in Nigeria. *World Journal of Finance and Investment Research.* Vol 3(1), 25-40.
31) Napitupulu, I.H., Situngkir ,A., Basuki F.H., Nugroho, W. (2020). Optimizing good Corporate Governance Mechanism to Improve Performance: Case in Indonesia’s Manufacturing Companies. Global Business Review 0 10.1177/0972150920919875

32) Nguyen, H. V., Dang, H.N., Dau, H.H., (2021) Influence of Corporate Governance on Dividend Policy in Vietnam. *Journal of Asian Finance, Economics and Business*. Vol 8 (2) : 0893–0902.
33) Pahi, D. and Yadav, I.S. (2018).Role of Corporate Governance in Determining Dividend Policy: Panel Evidence from India. *International Journal of Trade, Economics and Finance*, Vol. 9 (3) : 111-115
34) Pahi, D. and Yadav, I.S. (2019), Does corporate governance affect dividend policy in India? Firm-level evidence from new indices, *Managerial Finance*, Vol. 45 (9): 1219-1238
35) Pratamaa, I., Che-Adamb, N., Kamardin, H., (2020). Corporate Governance and Corporate Social Responsibility Disclosure Quality in Indonesian Companies. *International Journal of Innovation, Creativity and Change*. Vol. 13 (4) : 442-463
36) Rodrigues, R., J. Felício, J.A., and Pedro Verga Matos, P.V. (2020). Corporate Governance and Dividend Policy in the Presence of Controlling Shareholders. *Journal Risk Financial Managament*. Vol. 13 (162) : 2-15
37) Sami, M. and Abdallah, W. (2021) Assessing the impact of dividend policy on the sustainability of distressed firms", *Journal of Modelling in Management*, Vol. 16 (3): 987-1001.
38) Satria, H., Alamsyahbana, M.I., Chartady3, R., Fauzi., Saputra, N.C. (2021). Corporate Governance, Characteristics on Dividend Policy: Evidence from Indonesia. *Ilomata International Journal of Tax & Accounting*. Vol. 2 (4) : 323-331
39) Shafai, N. A., Nassir, A. M., Kamarudin, F., Rahim, N. A., & Ahmad, N. H. (2019). Dynamic Panel Model of Dividend Policies: Malaysian Perspective. *Contemporary Economics*, 13(3), 239-253.
40) Sumail, L.O., (2018). Corporate governance and dividend payout ratio in non-financial firms listed in Indonesian Stock Exchange. *Business and Economic Horizons*. Vol. 14 (4):851-861
41) Tahir, H., Masri, R. and Rahman, M.M. (2020), Impact of board attributes on the firm dividend payout policy: evidence from Malaysia. *The International Journal of Business in Society*. Vol. 20 (5) : 919-937.
42) Thompson, E.K. and Adasi Manu, S. (2021), "The impact of board composition on the dividend policy of US firms", *Corporate Governance*, Vol. 21 (5): 737-753.
43) Wahidah, S.A., Ardiansari,. 2019. The Effect Of Board Of Commissioners And Independent Commissioners On Agency Cost Through Capital Structure. *Management Analysis Journal* . Vol 8 (1) : 13-24
44) Wahjudi, E. (2020), "Factors affecting dividend policy in manufacturing companies in Indonesia Stock Exchange", *Journal of Management Development*, Vol. 39 (1): 4-17.
45) Winarti, A.P., Hendrawaty, E.H., Huzaimah, R.A. F., (2023). The Effect of The Board of Commissioners Structure on Family Firm's Dividend Policy : of The Non-Financial Family Firm in Indonesia Period 2017-2020. *Sinergi Jurnal Ilmiah Ilmu Manajemen*. Vol.12 (2):72-82
46) Yusof Ali, Noorhayati; Mohamad, Zuraida; Abu Samah, A'tiqah Rashidah. What Determines Dividend Policy in High Leverage Firms in Malaysia?. International Journal of Advanced Research in Economics and Finance, [S.l.], v. 2, n. 2, p. 123-132, aug. 2020.
47) Yakubu, I.N., Kapusuzoğlu, A., Ceylan, N.B., 2022. The Effect of Corporate Governance on Firm Dividend Policy: Evidence from Ghana. *The Journal of Accounting and Finance* (94): 223-238
48) Jensen, M., C., dan W. Meckling, (1976). "Theory of the firm: Managerial behavior, agency cost and ownership structure", *Journal of Finance Economic* 3:305- 360,
49) Jensen, Michael C., (1986). Agency Cost of Free Cash Flow, Corporate Finance, and Takeovers. *American Economic Review*, Vol. 76, (2) : 1-14
50) Ross, S., 1977. The Determinant of Financial Structure: The Incentive Signalling Approach. *Bell Journal of Economics*. Spring: 23-40.
51) Al-Kahmisi, T.A.S., Hassan, H.H. (2018). The Effects of Corporate Governance on Dividend Payout Policies In Malaysian Banks. *International Journal of Advanced Research and Publications*. Vol. 2 (2) : 29-37
52) Pattiruhu, J. R., & Paais, M. (2020). Effect of Liquidity, Profitability, Leverage, and Firm Size on Dividend Policy. *Journal of Asian Finance, Economics and Business*, *7*(10), 35–42.