EFFECT OF PROFITABILITY, LIQUIDITY, LEVERAGE, GROWTH AND MEASUREMENT OF COMPANIES ON DIVIDEND POLICY ON MANUFACTURING COMPANY THAT REGISTERED ON IDX 2014-2016

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ABSTRACT
The objective of the research was to analyze the influence of profitability, liquidity, leverage, growth, and firm size on dividend policy (An Empirical Study on Manufacture Companies listed in the Indonesia Stock Exchange in the period of 2014-2016). The research is used causal correlation method. The population was 119 manufacture companies listed in BEI in the period of 2014-2016, but only 109 of them have the criteria as the samples, taken by using census sampling technique. There were 327 observations within 3 years of the research period. The data were gathered by the study document and analyzed by using multiple linear regression analysis. The result of the research shows that profitability, liquidity, leverage, growth, and firm size have significant influence on dividend policy. Partially, profitability, liquidity, and growth have positive and significant influence on dividend policy, while leverage and firm size have negative and insignificant influence on dividend policy.

Key Words: Profitability, Liquidity, Leverage, Growth, Firm Size, Dividend Policy

1. INTRODUCTION
Dividend policy is a policy in determining the use of profits obtained by a company. The profit will be distributed to shareholders as dividends or retained in the form of profits for reinvestment purposes in the future. If the company chooses to distribute profits as dividends, the profits held by the company will decrease, which means it will reduce the company's internal funding sources, but on the other hand it will improve the welfare of shareholders. The dividend policy is concerned with determining the distribution of income between the use of income to be paid to shareholders as dividends or used within the company. According to (Riyanto, 2001: 265) dividend policy relates to the determination of how much proportion of the profits to be distributed as dividends and how much proportion is retained for reinvestment.

This arises because of differences in interests between shareholders and the company. On the one hand, the shareholders will want a high dividend distribution to increase the return on their investment in the company, while on the other hand, the company trying to hold back the profits earned to be used as a source of internal funds to increase company growth. The company's growth will certainly have implications for increasing the need for funds. Therefore, this dividend policy is expected to meet the expectations of investors and not hamper the company's growth.

Manufacturing companies are companies that process raw materials into semi-finished goods or finished goods so as to increase the selling value of the goods. The growth of manufacturing industry companies holds a dominant position in economic
development in Indonesia because it deals directly with the purchasing power of everyday people (Adnyana and Badjra, 2014). In a phenomenon, dividend policy or dividend payout ratio in manufacturing companies which has been listed on the Indonesia Stock Exchange in recent years has fluctuated. This certainly can affect the decision making process of investors in investing their funds into this industry. An investor needs a lot of information that can help his investment decision whether it can provide opportunities in providing great benefits for investors in the future.

Thus the development of dividend payout ratio in 2014-2016 can be described as follows:

![Development of Payout Ratio Dividends for 2014-2016](source: www.idx.co.id)

**Picture 1.1**

**Dividend Payout Ratio of Manufacturing Companies**

2014-2016

From the results of the development of the dividend payout ratio, it can be seen that in 2014 the average dividend payout ratio was 39.97%, where each year the dividend distribution changed. In 2015 the average dividend payout ratio decreased to 38.71% and in 2016 the average dividend payout ratio increased to 40.57%. From the results of the dividend payout ratio (DPR), researchers can also calculate the magnitude of the increase or decrease in the dividend policy of manufacturing companies contained in the Indonesian stock exchange.

**Table 1.1**

**Payout Ratio Dividend Growth 2014-2016**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend Payout Ratio (DPR)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>37.79%</td>
<td>-</td>
</tr>
<tr>
<td>2014</td>
<td>39.97%</td>
<td>0.54%</td>
</tr>
<tr>
<td>2015</td>
<td>38.71%</td>
<td>-0.32%</td>
</tr>
<tr>
<td>2016</td>
<td>40.57%</td>
<td>0.45%</td>
</tr>
<tr>
<td></td>
<td><strong>Total Average DPR</strong></td>
<td><strong>0.22%</strong></td>
</tr>
</tbody>
</table>

*Source: www.idx.co.id*

From these results it can be concluded that the dividends received until the end of 2016 (3 years) amounted to 0.22%. In 2015 the dividend payout ratio growth was minus because the dividend payout ratio decreased. A company will look good if the
development of its dividend payout ratio increases every year. If a company grows well, investors will be more interested in investing in the company. From 2011-2013 there were issues that occurred due to the growth of payout ratio. The growth in payout ratio of manufacturing companies in the Indonesian stock exchange experienced a very drastic decline. This is because many manufacturing companies choose to withhold profits from companies rather than share profits with investors. The investors do not want to add their capital to the company can cause growth can not increase because the funds needed are not fulfilled.

Dividend distribution is a complicated problem in companies, this is due to differences in interests between shareholders and company management which is often referred to as agency issues. Shareholders want the dividend to be paid as much as possible while the management of the company wants the company's profit to be held in order to reinvest. Overcoming these problems, the management needs to supervise the interests of the management with the shareholders, one of which is by dividing cash dividends, that is the distribution of profits in the form of cash \( \text{dividend cash} \). Dividend distribution that increases every period will be difficult for the company to achieve because the profits obtained by the company do not always increase but there are fluctuations.

Therefore, on the basis of consideration of risk and results, it needs to be decided whether it is better to divide the results of the operations as dividends or reinvest in retained earnings, which is a permanent source of funds that needs to be taken into account in the expansion and development of the company's business (Dharmastuti, Stella, and Eviyanti, 2003).

Profitability is the ability of a company to generate profits at certain levels of sales, assets, and share capital (Husnan, 2001). In this study the profitability ratio is proxied by \( \text{return on assets} \). The magnitude of the percentage level of profitability indicates that the greater the level of profit the company gets. Increasing corporate profits will also increase dividend distribution to shareholders. This means that profitability has a positive and significant influence on dividend policy.

Liquidity is the company's ability to meet its short-term obligations to short-term creditors (Prastowo, 2011). Companies that have a high level of liquidity will give a picture of the company being able to meet its short-term obligations. Such a situation will make investors interested in investing their capital to distribute profits in the form of dividends. In this study the liquidity ratio is proxied by the \( \text{current ratio} \).

Leverage is a ratio that can indicate the long-term loan relationship provided by creditors with the amount of own capital provided by the owner of the company (Syamsudin, 2009). In this study the leverage ratio is proxied by a \( \text{debt to equity ratio} \). The use of debt that is too large in operational activities has an adverse impact on
the company because the company must pay its obligations which will reduce the profits obtained. Dividend distribution in companies is also affected by debt. If the company gets a debt to finance the expansion of the company, then the company must have planned how to repay the debt beforehand.

If the company has a policy of repaying debt from its own funds derived from profits, then the company must withhold most of its income for that purpose which means it will be able to reduce the amount of profit that can be distributed as cash dividends. In other words, companies must pay low dividends. In relation to this it can be seen that return on assets and debt to equity ratio affects the size of the dividend that will be distributed by a company.

Growth is the impact on the flow of corporate funds from operational changes caused by growth or decrease in business volume (Safrida, 2008). According to Brigham (2011) growth will affect dividend policy where with a good growth rate the company will certainly allocate funds to the company to invest so that it will reduce the distribution of dividends to shareholders. In short, company growth has a negative influence on dividend policy. Jannati (2012) results obtained stated that the greater the company, the greater the dividends obtained by shareholders, which means that the company's growth has a positive and significant effect on dividend policy. This is not in line with research conducted by Jannati (2012) which states that company growth has a significant negative effect on dividend policy.

Company size is a scale used to reflect the size of the company based on the company's total assets. Handayani (2010) stated that the results of the study showed that the size of the company had a negative and insignificant effect, this was due to the smaller size of the company, the higher the dividend distribution. This thing can be seen from the total assets owned by the company.

Based on the description above in this case the researcher is interested in choosing the title "Effect of Profitability, Liquidity, Leverage, Growth and Company Size on dividend policy on manufacturing companies listed on the Indonesia Stock Exchange in 2014-2016"

2. LITERATURE REVIEW

Profitability proxied by return on assets intended to measure the overall ability of the company with the invested funds are used to generate net income under a certain asset level. Based on signaling theory, high quality companies will pay higher dividends. If the signal increases because of the difference in information between the manager and the investor, then the company that has large information differences which is usually a company that has small growth options will pay higher dividends as a signal that the condition of the company is good. According to research Dyah Handayani (2010), shows that profitability has a positive and significant effect on dividend policy, which means that the higher the profits obtained by the company, the higher the dividends distributed to shareholders.

H1: Profitability that proxied by return on assets has a positive and significant effect on dividend policy.

Liquidity proxied by the current ratio is one of the financial ratios used to measure a company's ability to meet its short-term obligations. This ratio compares short-term liabilities with short-term (or current) resources available to fulfill these obligations. Based on the signaling theory, it can be known about the company's current financial competencies and the company's ability to remain competent in the event of a
problem. According to research by Marlina and Clara Danica (2009) shows that the current ratio has a positive and significant effect because the higher the company fulfills its short-term obligations, the greater the company's ability to distribute dividends. The higher the current ratio also shows investor confidence in the ability of the company to pay the promised dividend.

H2: Liquidity proxied by the current ratio has a positive and significant effect on dividend policy.

In this study leverage uses a debt to equity ratio (DER) ratio. The company's debt ratio in the form of DER reflects the use of corporate funds by issuing a fixed expense which is indicated by the balance of the use of debt with some parts of its own capital. The bigger this ratio shows the bigger the obligation and the lower this ratio will show the higher the company's ability to meet its debt. Companies that have high operating or financial leverage will provide low dividends. A higher capital structure owned by debt causes management to prioritize repayment of obligations before distributing dividends.

Companies that have a larger debt ratio will pay less dividends because the profits earned are used to pay off obligations. Long-term debt is bound by a debt agreement to protect the interests of creditors. Creditors usually limit dividend payments, purchase outstanding shares, and increase debt to guarantee payment of principal and interest. For this reason, the higher the debt ratio, the more stringent the company is to the debt agreement.

Based on the signaling theory, the debt to equity ratio has a significant relationship to the dividend payout ratio. As this ratio increases, this results in a decrease in profits obtained by the company, because some of it is used to pay interest on loans. Increased debt will in turn affect the size of the net income available to shareholders including dividends to be received, because the obligation is higher, the ability of the company to distribute dividends will be lower.

H3: Leverage proxied by debt to equity ratio has a negative and insignificant effect on dividend policy.

Based on the signaling theory, company growth is one of the factors that can influence dividend policy. The faster the growth rate of a company, the greater the need for funds needed to finance the growth. The greater the need for funds for the future, the company prefers to retain earnings rather than pay it as dividends to shareholders. Research by Ahmed and Javid (2008), Gill, Biger and Tibrewala (2010), Gupta (2010), Mehta (2012), Mustage et al. (2013), Ranti (2013) and Baah, Tawiah & Eric (2014) have shows that growth has a positive and significant effect on the company's dividend policy.

H4: Growth has a positive and significant effect on dividend policy.

Based on the signaling theory, the size of the company is a measure of the size of the company by looking at the magnitude of equity, the value of the sale or the total value of the assets owned by the company. According to Hatta (2002) and Nuringsih (2005) states that firm size has a positive and significant effect because companies that have assets tend to pay large dividends to shareholders with the aim of maintaining the company's reputation among investors.

H5: Company size has a positive and significant effect on dividend policy.
3. RESEARCH METHODS

This type of research uses causal relationships that are useful for analyzing the relationship between one variable and another. The variables in this study are profitability, liquidity, leverage, growth and firm size as independent variables (X) and dividend policy as the dependent variable (Y). The type of data used in this study is secondary data while the data collection methods or techniques used are documentation techniques. This study was performed on companies listed in Indonesia Stock Exchange in 2014-2016 that provides data audited financial statements to access and download the official website of Indonesia Stock Exchange through www.idx.co.id website. Schedule study done in stages beginning in January 2018 to the month of July 2018. The number of manufacturing companies on the IDX in 2014-2016 is 119 companies. But there are 10 manufacturing companies that do not in accordance with the criteria. So that data that does not fit the criteria cannot be sampled. The criteria used in this study are as follows:

2. Manufacturing companies that have issued financial statements for 2014-2016. Thus it can be concluded that the population used in this study were 109 manufacturing companies. Then the sample used is 109 manufacturing companies with an observation period of 3 years (2014-2016) so that the amount of research data is 109 manufacturing companies x 3 years = 327 research data. In this study specifically for the Growth variable used by researchers using the 2013 financial statements, because the growth formula uses earnings after.

Table 3.1
Operational and Variable Measurement Methods Definition

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Definition</th>
<th>Measurement</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Profitability</td>
<td>The ability of a company to generate profit (profit) at the level of sales, as set, and the share capital.</td>
<td>ROA = ( \frac{\text{Net Income}}{\text{Total Asset}} ) \times 100%</td>
<td>Ratio</td>
</tr>
<tr>
<td>2.</td>
<td>Liquidity</td>
<td>The company's ability to fulfill its short-term obligations to creditors. The current ratio is a ratio to measure the ability of a company to pay short-term liabilities or debt that is due immediately when billed as a whole.</td>
<td>CR = ( \frac{\text{Akriva Lanzar}}{\text{Hitung Lanzar}} ) \times 100%</td>
<td>Ratio</td>
</tr>
</tbody>
</table>
3. Leverage

The ratio that can indicate the long-term loan relationship provided by the creditor with the amount of own capital provided by the owner of the company.

\[ \text{DER} = \frac{\text{Total Liabilities}}{\text{Total Equity}} \times 100\% \]

4. Growth Company

Impact on the flow of corporate funds from operational changes caused by growth or decrease in business volume.

\[ \text{Growth} = \frac{\text{EAT}_t - \text{EAT}_{t-1}}{\text{EAT}_{t-1}} \times 100\% \]

5. Size Company

Company size is the size or size of assets owned by the company.

\[ \text{Firm Size} = \ln \text{Total Asset} \]

6. Policy Dividend

The decision whether the profits earned by the company will be distributed to shareholders as dividends or will be retained in the form of retained earnings for future investment financing.

\[ \text{KD} = \frac{\text{Dividend Per Share}}{\text{Earning Per Share}} \times 100\% \]

Result and Discussion

Descriptive statistical analysis used to determine the description of a data seen from the maximum, minimum, and average values (mean) of the variable profitability, liquidity, leverage, growth, company size, and the dividend policy. The description in this study includes 6 variables presented in the following table 2.

<table>
<thead>
<tr>
<th>Table 3.2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Descriptive Statistic of Profitability, Liquidity, Leverage, Company Growth, Company Size, and Dividend Policy</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability (X1)</td>
<td>327</td>
<td>-55</td>
<td>2.31</td>
<td>.3108</td>
<td>.70385</td>
</tr>
<tr>
<td>Liquidity (X2)</td>
<td>327</td>
<td>.11</td>
<td>13.35</td>
<td>3.5294</td>
<td>3.87458</td>
</tr>
<tr>
<td>Leverage (X3)</td>
<td>327</td>
<td>-5.29</td>
<td>5.87</td>
<td>.6614</td>
<td>1.94290</td>
</tr>
<tr>
<td>Company Growth (X4)</td>
<td>327</td>
<td>-24.31</td>
<td>52.54</td>
<td>1.9616</td>
<td>12.77303</td>
</tr>
<tr>
<td>Company Size (X5)</td>
<td>327</td>
<td>11.89</td>
<td>32.08</td>
<td>26.6507</td>
<td>5.47771</td>
</tr>
<tr>
<td>Dividend Policy (Y)</td>
<td>327</td>
<td>-26.65</td>
<td>89.72</td>
<td>7.0754</td>
<td>24.91875</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>327</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 3.3
Determination Coefficient
"Summary Model"

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.592 a</td>
<td>.350</td>
<td>.340</td>
<td>1.49116</td>
<td>2,050</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Company Size (X5), Profitability (X1), Leverage (X3), Company Growth (X4), Liquidity (X2)
b. Dependent Variable: Dividend Policy (Y)

Table 3.4
Simultaneous Effect Test with Test
"ANOVA"

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>384,845</td>
<td>5</td>
<td>76,969</td>
<td>34,615</td>
<td>.000 a</td>
</tr>
<tr>
<td>Residual</td>
<td>713,758</td>
<td>321</td>
<td>2,224</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1098,603</td>
<td>326</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Company Size (X5), Profitability (X1), Leverage (X3), Company Growth (X4), Liquidity (X2)
b. Dependent Variable: Dividend Policy (Y)

Table 3.5
Significance of Partial Effect Significance (Test)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.272</td>
<td>.452</td>
<td>.602</td>
</tr>
<tr>
<td>Profitability (X1)</td>
<td>.628</td>
<td>.192</td>
<td>.241</td>
</tr>
<tr>
<td>Liquidity (X2)</td>
<td>.107</td>
<td>.033</td>
<td>.226</td>
</tr>
<tr>
<td>Leverage (X3)</td>
<td>-015</td>
<td>.048</td>
<td>-166</td>
</tr>
<tr>
<td>Company Growth (X4)</td>
<td>.031</td>
<td>.008</td>
<td>.214</td>
</tr>
<tr>
<td>Corporate Size (X5)</td>
<td>-005</td>
<td>.016</td>
<td>-015</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Dividend Policy (Y)
Multiple linear regression equation as follows.

\[ Y = 0.272 + 0.628X_1 + 0.107X_2 - 0.015X_3 + 0.031X_4 - 0.005X_5 + e \]

Partial effect significance test (t test) and multiple linear regression analysis use values obtained regression coefficient of profitability is 0.628, which is positive. This value can be interpret profitability has a positive effect on dividend policy. The value of \( Sig \ 0.001 <0.05 \) and \( t \) count \( | 3.275 | > t \) table 1.96, then profitability has a significant effect on dividend policy. The results of this study are in line with previous research by Handayani (2010), and Jannati (2012), partially positive and significant effect on dividend policy. The higher the company's ability to generate profits, the higher the level of dividend payment will be. Profit after tax obtained by the company is partly distributed in the form of dividends and the rest is held in the company (retained earnings).

Significance test of partial influence (t test) and multiple linear regression analysis were obtained in the value of the regression coefficient of liquidity is 0.107, which is positive. This value can be interpreting liquidity has a positive effect on dividend policy. The value of \( Sig \ 0.001 <0.05 \) and \( t \) count \( | 3.254 | > t \) table 1.96, then liquidity has a significant effect on dividend policy. The results of this study are in line with previous research by Handayani (2010) and Rahmanita (2013), which states that the partial ratio has a positive and significant effect on dividend policy. The results of this study state the current ratio has a significant positive effect on dividend policy because dividends use cash owned by the company, so the company must have enough cash to pay dividends.

Significance test of partial influence (t test) and multiple linear regression analysis were obtained. The value of the regression coefficient of leverage is -0.015, which is negative. This value can be leverage interpreted negatively affect dividend policy. The value of \( Sig \ 0.754 > 0.05 \) and \( t \) arithmetic \( | -0.314 | < t \) table 1.96, then leverage does not affect dividend policy. The results of this study are in line with the previous research of Dewi (2008), and Handayani (2010), debt to equity partially has a negative and insignificant effect on dividend policy. Leverage is said to be insignificant to dividend policy because the amount of debt a company increases, the profits generated by the company are used to pay debts and interest. If the company's profit is used to pay the company's debt, the dividends will be smaller. This shows that the lower the debt to equity, the higher the company's ability to pay all of its obligations. The greater the proportion of debt used for the capital structure of a company, the greater the amount of liabilities.

Significance test of partial influence (t test) and multiple linear regression analysis obtained by the value of the regression coefficient of the company's growth is 0.031, which is positive. This value can be interpret the company's growth has a positive effect on dividend policy. The value of \( Sig \ 0.000 <0.05 \) and \( t \) arithmetic \( | 3.681 | > t \) table 1.96, the company's growth has a significant effect on dividend policy. The company's growth reflects the growth of resources in the form of assets owned by the company and measured by the difference in the value of total assets each year. The company's growth shows the allocation of asset investment by the company. The growth of this company certainly needs sufficient funds.

Significance of partial influence test (t test) and multiple linear regression analysis obtained. The regression coefficient value of the company size is -0.005, which is negative. This value can be interpret the size of the company has a negative effect on dividend policy. The value of \( Sig \ 0.746 > 0.05 \) and \( t \) count \( | -0.325 | < t \) table 1.96, then size does not affect dividend policy.
The results of this study are in line with previous research. Handayani (2010) stated that the results of the study obtained that the size of the company had a negative and insignificant effect because the smaller the size of the company, the higher the dividend distribution. The size of the company is said to be insignificant because large companies do not necessarily distribute dividends with a large amount, as well as small companies that do not necessarily pay dividends. This thing can be seen from the total assets owned by the company. Significance test of simultaneous influence (Test F) is known. Sig value is 0.000 <0.05 and F count 34,615> F table 2.242, then the size of the company simultaneously has a significant effect on dividend policy. Company that small has a high level of risk in the event of financial distress compared to large company. In this case, small companies will tend to like short-term debt rather than long-term debt. This is because, the cost of paying interest on short-term debt is lower than long-term debt. Likewise with large companies that tend to have stronger funding sources.

3. CONCLUSIONS
The results of this study provide conclusions of the study, including the following:
1. Profitability has a positive and significant effect on dividend policy.
2. Liquidity has a positive and significant effect on dividend policy.
3. Leverage has a negative and insignificant effect on dividend policy.
4. Growth has a positive and significant effect on dividend policy.
5. Company size has a negative and insignificant effect on dividend policy.

Research limitations in this study are
1. The scope of research in this study only uses manufacturing companies listed on the Indonesia Stock Exchange.
2. The variables used in this study only use five variables, that are profitability, liquidity, leverage, growth, and company size.

Suggestions for this research are that this research can be refined later on by the next researcher, so the researcher's suggestions include:
1. For Academics
   a. Furthermore, it can use all companies listed on the Indonesian Stock Exchange, for example by adding mining companies, banking companies, and industrial companies so that they can develop a comprehensive study of companies listed on the Indonesia Stock Exchange.
   b. Then you can add independent variables to seven or even more. For example, adding an effective tax rate and the amount of inventory becomes an independent variable so that research can include a broader and more interesting discussion about dividend policy.
2. For Entities
   Based on this study shows that the size of the company has a negative and insignificant effect on dividend policy. This will have an impact on the company's reputation among investors which indirectly can make investors not invest their capital in the company. Because the size of the company is one key to seeing the condition of the company. So it is recommended to the company to keep in mind the size of the profit and the size of the company that is measured using all total assets.
3. For Practitioners (Investors)
For potential investors to invest with the aim of obtaining dividends, the size of the company is a good indicator of dividend valuation. But the size of the company is not a basic benchmark in dividend valuation. Therefore investors see the performance of a company outside the indicators of company size such as cash flow, and investment activities. Because by knowing the cash flow and investment activities investors can assess the company's ability to pay debts, and distribute dividends. Where it can also affect the dividend policy of a company.

BIBLIOGRAPHY

