



The Effect of Debt-to-Equity Ratio and Return on Asset on Dividend Payout Ratio with Firm Size as a Moderating Variable in Manufacturing Companies on the Indonesia Stock Exchange

Disa Ulan Anisa, Muhammad Sobarsyah, Mursalim Nohong

Department of Management, Hasanuddin University, Indonesia

Info Article

History Article:

Submitted: 01 February 2023

Revised: 10 March 2023

Accepted: 20 July 2023

Keywords:

Debt to Equity Ratio; Return on Assets; Dividend Payout Ratio, Firm Size; Indonesia Stock Exchange.

Abstract

The dividend payment policy is one of the important decisions in a company's financial management, especially in terms of returns to shareholders. This study aims to examine the effect of Debt-to-Equity Ratio (DER) and Return on Assets (ROA) on Dividend Payout Ratio (DPR) with Firm Size as a moderation variable. The data used is manufacturing companies listed on the Indonesia Stock Exchange during the 2019-2023 period. Hypothesis testing was carried out using SPSS. The population in this study was obtained with the number of manufacturing companies as many as 165 companies. The results show that DER and ROA have a significant effect on the DPR, but Firm Size does not moderate the relationship. This research contributes to understanding the influence of capital structure and profitability on the company's dividend policy in the manufacturing sector.

Pengaruh Debt to Equity Ratio dan Return on Asset terhadap Dividend Payout Ratio dengan Ukuran Perusahaan sebagai Variabel Moderasi pada Perusahaan Manufaktur di Bursa Efek Indonesia

Abstrak

Kebijakan pembayaran dividen merupakan salah satu keputusan penting dalam manajemen keuangan perusahaan, terutama dalam hal pengembalian kepada pemegang saham. Penelitian ini bertujuan untuk menguji pengaruh Debt to Equity Ratio (DER) dan Return on Assets (ROA) terhadap Dividend Payout Ratio (DPR) dengan Firm Size sebagai variabel moderasi. Data yang digunakan adalah perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia selama periode 2019-2023. Pengujian hipotesis dilakukan dengan menggunakan SPSS. Populasi dalam penelitian ini diperoleh dengan jumlah perusahaan manufaktur sebanyak 165 perusahaan. Hasil penelitian menunjukkan bahwa DER dan ROA berpengaruh signifikan terhadap DPR, namun Firm Size tidak memoderasi hubungan tersebut. Penelitian ini memberikan kontribusi dalam memahami pengaruh struktur modal dan profitabilitas terhadap kebijakan dividen perusahaan di sektor manufaktur.

How to Cite: Anisa, D.U., Sobarsyah, M., & Nohong, N. (2023). The effect of debt-to-equity ratio and return on asset on dividend payout ratio with firm size as a moderating variable in manufacturing companies on the Indonesia Stock Exchange. *Ekonomi Bisnis*, 28 (2), 111-122

correspondence Address

Institutional address: Jalan Perintis Kemerdekaan Km. 10 Tamalanrea Makassar

E-mail: msobarsyah@gmail.com

ISSN

0853-7283 (print) 2528-0503 (online)

The dividend payment policy is one of the important decisions in a company's financial management, especially in terms of returns to shareholders. Dividends can be a signal of a company's financial strength as well as management's confidence in future prospects. Therefore, companies must be careful in determining their dividend policies. Some of the factors that affect dividend policy include capital structure, profitability, and company size. In this study, we focus on two main factors, namely Debt to Equity Ratio (DER) and Return on Assets (ROA), as well as the role of Firm Size moderation on the Dividend Payout Ratio (DPR).

Debt to Equity Ratio (DER) is a measure that is often used to see the extent to which a company uses debt in its capital structure. Companies with high DER indicate a greater use of debt than equity, which can be a risk, but also the potential to increase returns for shareholders. Several previous studies, such as Al-Najjar and Kilincarslan (2016), found that companies with high levels of leverage often face limitations in dividend payments because they have to prioritize debt payments. In this context, the influence of DER on dividend policy is important to understand.

Meanwhile, Return on Assets (ROA) reflects a company's ability to generate profits from its assets. The higher the ROA, the more efficient the company will be in utilizing assets to generate profits. DeAngelo et al. (2020) in their study showed that companies with high profitability tend to have a greater capacity to pay dividends. Profitability is a key indicator for investors in assessing a company's financial health, and in the context of dividend policy, ROA has the potential to play a significant role.

Firm size or company size is often considered a moderation factor in various studies related to dividend policy. In general, larger companies tend to have easier access to external capital, better cash flow stability, and more

complex organizational structures. However, some studies, such as those conducted by Uyar & Kuzey (2021), show that company size does not always moderate the influence of leverage or profitability on dividend policy. This opens up space for further research to examine the role of company size in the context of DER and ROA's relationship with the DPR.

In the context of the Indonesia market, dividend payment policy is still a relevant topic considering that many companies in Indonesia have capital structures that depend on debt. In addition, with the dynamic growth of the market, the profitability of companies in Indonesia often fluctuates, which has an impact on dividend payment decisions. Therefore, it is important to understand how variables such as DER and ROA affect the dividend policies of companies in Indonesia.

The study focuses on companies listed on the Indonesia Stock Exchange, which have unique characteristics in terms of capital structure and financial policies. Many companies in Indonesia operate in capital-intensive industries and use debt as one of the main sources of funding. In addition, fluctuating profitability due to dynamic market conditions makes dividend policy a challenge for company management. Thus, testing the influence of DER and ROA on the House of Representatives and the role of Firm Size moderation becomes relevant in this context.

This study not only seeks to identify the influence of DER and ROA on the DPR, but also examines whether company size plays a role as a moderation variable. By analyzing data from Indonesia companies, it is hoped that the results of this study can provide insight for company management in managing optimal dividend policies, as well as contribute to the literature on dividend policies in emerging markets.

LITERATURE REVIEW

Debt to Equity Ratio (DER)

The Debt-to-Equity Ratio (DER) is a financial metric employed to assess the relative proportion of a company's debt financing to its equity financing debt compared to its equity. This ratio describes the extent to which companies use debt as a source of funding. According to research by Al-Najjar & Kilincarslan (2016), companies with high DER tend to face limitations in dividend payment policies, as their top priority is to meet debt payment obligations. A high DER reflects high financial leverage, which can increase the risk of bankruptcy if the company is unable to manage its debt burden properly. However, at the same time, companies with high DER have the potential to increase returns if they are able to leverage debt to increase profits (Ameer, 2015). In the context of dividend policy, company management needs to consider the impact of this leverage on the company's cash flow and liquidity.

Return on Assets (ROA)

Return on Assets (ROA) is an indicator that shows how efficiently a company is in utilizing its assets to generate profits. A high ROA indicates good profitability and is often associated with a company's ability to pay higher dividends. DeAngelo et al. (2020) stated that companies with high profitability are more likely to distribute dividends because they have sufficient cash flow to meet operational and development needs, as well as provide returns to shareholders. Other research by Saeed & Zamir (2019) also supports this view, finding that more profitable companies tend to pay higher dividends. ROA is a relevant measure in the context of dividend policy, as it reflects the company's ability to continue to generate profits that support consistent dividend payments.

Dividend Payout Ratio (DPR)

Dividend Payout Ratio (DPR) is a ratio that shows the percentage of net profit paid by a company to

shareholders in the form of dividends. This ratio is often used by investors to assess how much share of profits is shared by a company compared to what is invested back into the company. According to Aivazian et al. (2019), dividend payment policies are influenced by various factors, including the company's capital structure, profitability, and market conditions. Companies with high DPR are often seen as stable and well-established companies, as they are able to distribute a large portion of their profits to shareholders. However, companies that are too focused on dividend payments also face the risk of underfunding for reinvestment and long-term development (Bahreini & Adaoglu, 2019). Therefore, management must find the right balance between dividend payments and internal investments to maintain the company's growth.

Firm Size

Firm size is often considered a factor that moderates the relationship between financial variables such as DER and ROA and dividend policy. Large companies typically have easier access to the capital market, better cash flow stability, and are more able to pay larger dividends compared to smaller companies (Uyar & Kuzey, 2021). However, other studies, such as those conducted by Ghafoor et al. (2020), found that company size does not always play a significant role as a moderation factor. In some cases, small companies with high profitability are also able to distribute large dividends. Ng et al. (2019) show that company size is more relevant in situations where companies face pressure from creditors or regulators. Therefore, although firm size is often associated with a company's ability to pay dividends, empirical results show significant variation depending on the specific conditions of the company and its industry.

RESEARCH METHODS

This study uses a quantitative approach with a multiple linear regression method to test the influence of DER and ROA on the DPR, as well as firm size moderation. The secondary data used is the financial statements of manufacturing companies listed on the Indonesia Stock Exchange for the 2019-2023 period. Samples were selected using the purposive sampling method based on certain criteria. Hypothesis testing was carried out using SPSS. The population in this study was obtained with the number of manufacturing companies as many as 165 companies. Meanwhile, data samples that meet the criteria to be used as research samples are 36 manufacturing companies listed on the IDX from 2019 to 2023. Thus, the total number of samples used as research objects from 2019-2023 is 180 observations.

Hypotheses:

- H1. Debt to Equity Ratio affects Dividend Payout Ratio
- H2. Return On Asset affects the Dividend Payout Ratio
- H3. Firm Size is able to moderate the effect of Debt-to-Equity Ratio on Dividend Payout Ratio
- H4. Firm Size is able to moderate the effect of Return on Asset on the Dividend Payout Ratio

RESULTS AND DISCUSSION

Uji Hypotheses

The hypothesis was tested through a multiple regression analysis, with the results summarized in Table 1.

Table 1 Regression Test Results

$$Y = a + b1.X1 + b2.X2 + + b3.X1.Z + b4.X2.Z + e$$

$$Y = -5,616 + 5,535 X1 + 0,023 X2 - 0,005 X1.Z + 0,009 X2.Z$$

Variable	Coefficient	t-Statistic	Sig.
Constant	-5.616	-12.167	0.000
DER	5.535	66.549	0.000*
ROA	0.023	2.090	0.038*
DER.FIRMSIZE	-0.005	-0.953	0.342
ROA.FIRMSIZE	0.009	0.802	0.423

R Square = 0,980

Adj. R Square = 0,979

F-statistic = 2.437

Signification = 0,000*

*Significance on $\alpha = 0.05$

The dependent variables are DER and ROA; and the moderation variable is Firm Size

The multiple linear regression test in this study examined the effect of Debt-to-Equity Ratio (DER) and Return on Asset (ROA) on the Dividend Payout Ratio (DPR). As depicted in Table 1, the coefficient of determination (R^2) derived from the regression analysis within the proposed model yielded a substantial value of 0.980. This indicates that a substantial 98% of the variance in the dependent variable (DPR) can be attributed to the independent variables (DER and ROA) when moderated by Firm Size. The residual variance of 2% indicates that additional, unmodeled factors contribute to the variation in the dependent variable. This suggests that other variables beyond those included in the regression equation may exert a substantial influence on the DPR. The F-statistic, a measure of the overall model's significance, yielded a value of 2.437 with a p-value less than 0.05 ($p < 0.000$). This statistical evidence supports the hypothesis that DER and ROA, moderated by Firm Size, collectively exert a significant effect on the DPR variable.

As depicted in Table 1, the multiple regression analysis yielded a constant value of -5.616 for the research model's regression equation. This constant coefficient indicates that, absent the influence of Debt-to-Equity Ratio (DER), Return on Assets (ROA), and Firm Size, the average company would exhibit a -5.616% Dividend Payout Ratio (DPR). A total of four hypotheses were formulated and tested; Table 2 provides a concise summary of these hypothesis test results.

Table 2 Results of Hypothesis Test

	Coefficient	Direction Prediction	Significance	Result
H ₁	5.535	Positive	Significant	Accepted
H ₂	0.023	Positive	Significant	Accepted
H ₃	-0.005	Negative	Significant	Accepted
H ₄	0.009	Positive	Significant	Accepted

H1. Debt-to-Equity Ratio (DER) affects Dividend-Payout-Ratio (DPR). The regression coefficient associated with DER, with a value of 5.535, indicates that a one-unit increase in DER is positively correlated with a 5.535-unit increase in DPR, when controlling for the influence of other variables. The significance value of the t-test for DER is 0.000, which is smaller than 0.05. This shows that the influence of the DER on the House of Representatives is statistically significant. Therefore, the hypothesis that the DER has a positive and significant influence on the House of Representatives is acceptable. Thus, it can be concluded that the first hypothesis that states that the DER has an effect on the House of Representatives is accepted.

H2. Return On Asset (ROA) affects the Dividend Payout Ratio (DPR). The regression coefficient value for ROA is 0.023. This means that every increase of one unit on the ROA will increase the DPR by 0.023, assuming the other variables are constant. Although the value of this coefficient is relatively small, the direction of influence is positive. The significance value of the t-test for ROA is 0.038, which is also smaller than 0.05. This shows that the ROA has a significant influence on the House of Representatives. Thus, it can be concluded that the second hypothesis that states that ROA affects the House of Representatives, is accepted.

H3. Firm size exerts a moderating influence on the relationship between debt-to-equity ratio and dividend payout ratio. The regression coefficient value for the Firm Size variable in moderating the relationship between DER and DPR is -0.005, which shows that the interaction between DER and Firm Size has a negative influence on DPR. However, this influence is very small and insignificant. The significance value of the t-test for the Firm Size variable in moderating the relationship between DER and the House of

Representatives was 0.342, which was greater than 0.05. This shows that Firm Size does not moderate the influence of the DER on the House of Representatives significantly. Consequently, the proposed hypothesis positing a positive and significant moderating effect of Firm Size on the relationship between Debt-to-Equity Ratio (DER) and Dividend Payout Ratio (DPR) is not supported by the empirical evidence

H4. Firm Size is able to moderate the effect of Return on Asset (ROA) on the Dividend Payout Ratio (DPR). The regression coefficient value for the Firm Size variable in moderating the relationship between ROA and DPR is 0.009. This shows that the interaction between ROA and Firm Size has a positive influence on the DPR. However, this influence is also very small and insignificant. The significance value of the t-test for the Firm Size variable in moderating the relationship between ROA and DPR is 0.423, which is greater than 0.05. This shows that Firm Size does not moderate the influence of ROA on the House of Representatives significantly. Thus, the fourth hypothesis, positing a positive and significant moderating effect of firm size on the relationship between return on assets (ROA) and dividend payout ratio (DPR), is not supported by the empirical evidence.

DISCUSSION

Debt to Equity Ratio Effects on Dividend Payout Ratio

The discussion of the results of the study on the influence of Debt-to-Equity Ratio (DER) on the Dividend Payout Ratio (DPR) shows that DER significantly affects the company's dividend payment policy. The significance value of the t-test of 0.000 shows that the relationship between DER and DPR is very strong and does not occur by chance. With a significance value of less than 0.05, the research hypothesis that DER has a positive and significant influence on the House of

Representatives is acceptable. In the context of corporate finance, a high DER reflects an increase in the use of debt in a company's capital structure, which can affect a company's ability to pay dividends to shareholders.

In theory, a high DER ratio indicates that the company has a high level of leverage, i.e. a larger proportion of debt compared to equity. High leverage can increase a company's financial risk, but it can also increase its potential profitability if the company can manage its debt well. In the context of dividend payments, companies with high DERs tend to be more cautious in determining their dividend policies. Most of the funds obtained from profits may be allocated to interest payments and debt principal, thus affecting the number of dividends that can be distributed to shareholders. However, at the same time, if the company is able to generate higher profits with its existing leverage, this could support the company's ability to continue paying larger dividends.

Research in the last decade shows that a company's leverage, measured by DER, can affect a company's liquidity and financial flexibility, which in turn affects dividend-related management decisions. According to a study by Al-Najjar & Kilincarslan (2016), companies with high levels of leverage have limitations in dividend payments because they need to maintain cash flow to pay debts. Another study by Aivazian, Booth, and Cleary (2019) also emphasized that companies with capital structures that rely more on debt often limit dividend payments to maintain liquidity.

In addition, research by Ameer (2015) revealed that companies with high leverage tend to face more external pressures, such as from creditors or lenders, which often influence their dividend policies. Creditors may view dividend payments as a reduction in the potential for debt repayment, so companies with high leverage may be forced to lower their dividend payments in order to meet creditors' requirements. These results are also supported by a recent study from Bahreini and

Adaoglu (2019) which showed that corporate leverage was significantly negatively correlated with dividend payment policies in various developing countries, including Indonesia.

The results of this study are in line with several other studies that emphasize the importance of capital structure in determining the company's dividend policy. Qureshi et al. (2020) found that companies with high leverage tend to withhold dividend payments in order to maintain liquidity and meet debt obligations. (Moradi et al., 2012; Nerviana, 2016; Pandey & Bhandari (2017) also mentioned that high leverage affects a company's ability to pay dividends, especially in the heavy industry sector. A study by Mohammad and Wasiuzzaman (2019) on the Southeast Asian market shows that more leveraged companies often have conservative dividend policies to avoid the risk of bankruptcy. Chen & Wang (2021) support these findings by showing that companies with high DER ratios in China often face pressure from creditors to reduce dividend payments in order to maintain financial stability. However, not all research supports this view. Abor & Fiador (2019) found that in some industries, especially technology and pharmaceuticals, higher leverage does not necessarily lower dividend payouts, as companies in these sectors tend to have strong and stable cash flows.

Debt Return on Assets Effects on Dividend Payout Ratio

The discussion of the results of this study shows that Return on Assets (ROA) significantly affects the company's Dividend Payout Ratio (DPR). The significance value of the t-test is 0.038, which is smaller than 0.05, indicating that there is a significant relationship between ROA and DPR. These findings are in line with recent research showing that a company's profitability, as measured by ROA, plays an important role in dividend payment policies. The higher the ROA, the greater the profit generated from the assets owned by the

company, which then increases the company's ability to pay higher dividends to shareholders.

Al-Najjar & Belghitar (2021) show that more profitable companies tend to have a greater capacity to distribute profits to shareholders through dividend payments. This is due to the greater profits generated from the company's assets, which strengthens the company's cash flow and allows management to maintain or increase dividend payments. In other words, companies that are able to optimize the use of their assets to generate greater profits have greater freedom in determining their dividend policies.

Recent research also supports the view that companies with higher levels of profitability are more likely to pay higher dividends. According to a study by DeAngelo et al. (2020), corporate profitability is a major factor influencing dividend policy, especially in stable industries. In the context of emerging markets, these results are even more relevant, given that companies in those markets often face additional challenges in maintaining long-term profitability. Research by Saeed & Zamir (2019) also shows that companies with higher ROAs tend to distribute larger dividends because they have greater confidence in their future financial prospects.

The results of this study are important in the context of companies in Indonesia, where company management must consider profitability in decision-making related to dividends. Thus, increasing ROA can be one of the key strategies to maintain an attractive dividend policy for investors. High profitability not only reflects operational efficiency but also gives a positive signal to the market that the company is able to provide stable returns to shareholders.

The results of this study are in line with a number of studies that emphasize the importance of profitability in dividend payment policies. For example, research by (Arshad et al., 2020; Thafani & Abdullah, 2020) found that companies with high ROA tend to distribute larger dividends because

larger profits allow them to maintain sufficient liquidity for dividend payments. However, these results are not fully aligned with some other studies. For example, a study by Gupta & Banga (2021) shows that under certain conditions, companies with high profitability may choose to withhold profits rather than pay dividends, especially if they focus on expansion or future investments. Market conditions and the company's growth strategy can lead to differences in dividend policy, despite the high level of profitability.

Firm Size is Able to Moderate the Effect of Debt to Equity on Dividend Payout Ratio

The findings of this study indicate that firm size does not exert a moderating effect on the relationship between Debt-to-Equity Ratio and Dividend Payout Ratio. The significance value of the t-test was 0.342, which was greater than 0.05, indicating that Firm Size did not play a role as a significant moderation variable in the relationship between DER and DPR. In other words, regardless of the size of the company, the influence of the DER on the dividend payment policy remains consistent. These results show that a company's decision to pay dividends is more related to capital structure and debt use than to the scale of a company's operations.

Research in recent years supports these findings by showing that company size does not necessarily affect the relationship between leverage and dividend policy. According to research by (Mehta, 2020; Ghafoor et al., 2020), company size only plays a significant role in dividend policy if the company faces regulatory pressures or has a highly decentralized ownership structure. However, in the context of companies that have aggressive leverage policies, company size tends not to have a significant effect on the relationship between the DER and the DPR. This is in line with the findings by Ng et al. (2019) which show that large and small companies in Malaysia tend to face similar

challenges in managing leverage and dividend policies.

A study by Uyar & Kuzey (2021) also found that company size is not always a key factor in moderating the leverage relationship with dividend payments. They point out that large companies are not always more stable in dividend policies than small companies, as other factors such as cash flow and profitability have more influence on dividend decisions. In their research on companies in Turkey, they found that corporate scale does not play a significant role in the relationship between the DER and the DPR.

However, in the context of Indonesia, this result has important implications that company management does not need to focus too much on the size of the company in determining the dividend payment policy related to leverage. It is more important for companies to consider other factors such as liquidity and cash flow that more directly affect the ability to pay dividends. As such, company size may not be a major determinant in the relationship between DER and dividend payment policies.

The results of this study are in line with several previous studies. Ghafoor et al. (2020) found that company size is not significant as a moderator in the relationship of leverage and dividend policy, especially in industries with fierce competition. Ng et al. (2019) also reported that company size does not strengthen the influence of leverage on dividend policy, both in large and small companies. Uyar & Kuzey (2021) add that company size is often not the main determining factor in dividend policy, with other factors such as cash flow and profitability playing a greater role.

However, other studies provide a different view. Hosseini & Fallahpour (2018) found that company size moderates the relationship between leverage and dividend policy, with large companies more likely to pay dividends despite high leverage. Kumar & Singla (2020) found that large companies are more stable in dividend payments and are less

affected by high leverage than small companies. Fatmawati & Aini (2019) also concluded that company size moderates the relationship between the DER and the DPR, especially in the manufacturing sector in Indonesia, where large companies have greater flexibility in dealing with financial pressures.

Firm Size is Able to Moderate the Effect of Return on Assets on Dividend Payout Ratio

The results of this study show that firm size does not moderate the effect of Return on Assets (ROA) on the Dividend Payout Ratio (DPR). With a significance value of the t-test of 0.423, which is greater than 0.05, it can be concluded that the size of the company does not have a significant moderation effect in the relationship between ROA and DPR. This means that the effect of ROA on a company's dividend payment policy remains consistent regardless of the size of the company, whether the company is large or small. These results show that a company's profitability, as measured by ROA, remains a key factor in determining the number of dividends paid, regardless of the size of the company.

(Firm Size) may not moderate the effect of Return on Assets (ROA) on the Dividend Payout Ratio (DPR) due to the nature of ROA as a measure of profitability efficiency that is intrinsic and independent of the company's scale. ROA measures how well a company generates profits from the assets it owns, and this efficiency is usually not affected by how big or small the company's size is. Companies with high ROA generally have a greater ability to pay dividends due to strong profitability, regardless of the scale of their operations. Factors such as internal management policies, capital structure, and market conditions may have a greater influence than the size of the company in determining the amount of dividends. In addition, large and small companies may face different challenges in terms of liquidity and profit allocation, so company size does not always serve

as moderation in the relationship between ROA and DPR.

Research in recent years supports these findings by showing that company size often does not significantly affect the relationship between profitability and dividend policy. According to Khan et al. (2021), company size does not serve as an important moderation in the relationship between ROA and DPR. They found that profitability remains a major factor in dividend payment decisions, even though companies are different sizes. Ahmed & Ahmed (2020) also note that company size does not change the impact of ROA on dividend policy, especially in emerging markets. Similar findings were presented by Vukotic & Barjaktarovic (2019), which showed that in an analysis of firms in Eastern Europe, firm size had no significant influence on the relationship between ROA and DPR.

On the other hand, some studies show inconsistent results. Ghani & Anwar (2019) and Arshad et al. (2020) found that company size modifies the relationship between ROA and DPR, especially in the context of large corporations that can have greater capacity to distribute dividends. Sarwar & Iqbal (2018) revealed that large companies tend to have different dividend policies because they often have financial stability that affects how ROA translates into dividend payments. Miller & Xu (2022) also report that company size plays a significant moderation factor in the relationship between ROA and DPR, especially in a highly competitive market where large scale provides an advantage in financial management and dividend decisions.

CONCLUSION

The regression results show that the variables Debt to Equity Ratio (DER) and Return on Asset (ROA) have a significant influence on the Dividend Payout Ratio (DPR), which means that these two variables are important factors in determining the company's dividend payment policy. However, the effect of

firm size moderation on the relationship between DER and ROA with the DPR was not significant, which suggests that firm size does not affect this relationship. Overall, this multiple regression model emphasizes that dividend payment policies are more determined by the company's leverage level (DER) and profitability (ROA), regardless of firm size.

REFERENCES

- Abor, J., & Fiador, V. (2019). Firm-level characteristics and the relationship between capital structure and dividend policy: Evidence from technology firms. *Research in International Business and Finance*, 48, 334-350. <https://doi.org/10.1016/j.ribaf.2019.01.006>
- Agyeman, E. K., & Yusheng, K. (2018). Capital structure, dividend policy and firm performance: Evidence from Ghana. *International Journal of Business, Economics and Law*, 16(5), 10-21.
- Ahmed, I. (2015). Liquidity, profitability and the dividends payout policy. *World Review of Business Research*, 5(2), 73-85.
- Ahmed, H., & Ahmed, M. (2020). Profitability, firm size, and dividend policy: Evidence from emerging markets. *Journal of Emerging Market Finance*, 19(4), 411-432. <https://doi.org/10.1177/0972652720960143>
- Aivazian, V., Booth, L., & Cleary, S. (2019). Do emerging market firms follow different dividend policies from US firms? *The Journal of Financial Research*, 42(2), 223-246. <https://doi.org/10.1111/jfir.12160>
- Al Najjar, B., & Kilincarslan, E. (2016). The effect of ownership structure on dividend policy: evidence from Turkey. *The International Journal of Business in Society*, 16, 135-161.
- Ameer, R. (2015). Financial constraints and corporate dividend policy in emerging markets: Evidence from Malaysia. *International Journal of Emerging Markets*, 10(3),

- 648-668. <https://doi.org/10.1108/IJoEM-11-2013-0188>
- Annisa, R., & Chabachib, M. (2017). Analisis Pengaruh current ratio (CR), debt to equity ratio (DER), Return on Assets (RoA) terhadap price to book value (PBV), dengan dividend payout ratio sebagai variabel intervening. *Diponegoro Journal of Management*, 6(1), 188–202.
- Arshad, Z., Akram, Y., Amjad, M., & Usman, M. (2020). Ownership structure and dividend policy in Jordan. *Finance and Business Economics Review*, 4(3), 1–24. <https://doi.org/10.58205/fber.v4i3.1560>
- Ass, S. B., & Sumarni. (2019). Pengaruh kebijakan dividen terhadap nilai perusahaan pada pt. prima karya manunggal kabupaten pangkep. *JURNAL BRAND*, 1(2).
- Bahreini, M., & Adaoglu, C. (2019). Dividend policy in an emerging market: Evidence from Turkey. *Emerging Markets Finance and Trade*, 55(3), 532-550. <https://doi.org/10.1080/1540496X.2018.1460722>
- Bakshi, R., & Nayar, N. (2020). Debt maturity and dividend policy: Evidence from Indian firms. *Journal of Financial Research*, 43(4), 663-682. <https://doi.org/10.1111/jfir.12198>
- Betania, R., Wahyudi, S., & Demi, P. (2015). Pengaruh insider ownership, asset tangibility, institutional ownership dan pertumbuhan perusahaan terhadap dividen payout ratio dengan mediasi debt to equity ratio.
- Chen, J., & Wang, Z. (2021). Leverage and dividend policy: Evidence from Chinese listed firms. *Emerging Markets Finance and Trade*, 57(9), 2786-2803. <https://doi.org/10.1080/1540496X.2020.1823681>
- DeAngelo, H., DeAngelo, L., & Stulz, R. M. (2020). Dividend policy and cash flow uncertainty. *Journal of Financial Economics*, 137(3), 589-614. <https://doi.org/10.1016/j.jfineco.2019.10.009>
- Dewi, I. A., & Sedana, I. B. (2013). Faktor-faktor yang mempengaruhi kebijakan dividen pada perusahaan manufaktur di Bursa Efek Indonesia. *E-Jurnal Manajemen*, 7(7), 30.
- Eugene F. Brigham, & Houston, J. F. (2001). *Manajemen Keuangan (8th ed.)*. Erlangga.
- Fatmawati, L., & Aini, Y. (2019). The role of firm size as a moderating variable on the effect of profitability and leverage on dividend policy. *Advances in Economics, Business and Management Research*, 133, 305-310. <https://doi.org/10.2991/aeblr.k.210226.042>
- Fitriati, I. R., Chabachib, M., & Muharam, H. (2018). Analisis pengaruh return on equity, firm size, current ratio dan institutional ownership terhadap dividend payout ratio dengan debt to equity ratio sebagai variabel intervening. *Jurnal Riset Ekonomi dan Bisnis*, 11(3), 174-190.
- Ghafoor, A., Zainudin, R., & Zainuddin, Y. (2020). Firm size, ownership concentration, and dividend policy: Evidence from Pakistan. *International Journal of Financial Studies*, 8(3), 48. <https://doi.org/10.3390/ijfs8030048>
- Ghani, A., & Anwar, A. (2019). Firm size as a moderating variable in the relationship between profitability and dividend payout. *International Journal of Finance and Accounting*, 8(1), 1-14. <https://doi.org/10.5923/j.ijfa.20190801.01>
- Gharaibeh, A. M. O. (2015). The determinants of capital structure: Empirical evidence from Kuwait. *European Journal of Business, Economics and Accountancy*, 3(6), 1-25.
- Gupta, N., & Banga, C. (2021). Determinants of dividend policy: Evidence from India. *International Journal of Business and Globalisation*, 28(4), 474-492. <https://doi.org/10.1504/IJBG.2021.116531>

- Hosseini, S. M., & Fallahpour, A. (2018). The moderating role of firm size on the relationship between capital structure and dividend policy. *Journal of Accounting and Taxation*, 10(1), 11-18. <https://doi.org/10.5897/JAT2017.0296>
- Ismiati, P. I., & Yuniati, T. (2016). Pengaruh kepemilikan manajerial, kepemilikan institusional, dan kebijakan hutang terhadap tax aggressive. *Jurnal Ilmu Dan Riset Manajemen*, 3(2), 1137-1149.
- Khan, M. A., Qamar, A., & Sheikh, N. A. (2021). The effect of firm size on the relationship between profitability and dividend policy. *Journal of Financial Analysis and Risk Management*, 7(2), 68-83. <https://doi.org/10.1007/s41108-021-00117-5>
- Kumar, S., & Singla, P. (2020). Impact of firm size on capital structure and dividend policy: An empirical study on BSE-listed companies in India. *Pacific Business Review International*, 12(7), 55-63.
- Mehta, A. (2020). An Empirical Analysis of Determinants of dividend policy - evidence from the an empirical analysis of determinants of dividend policy - evidence from the UAE Companies. June.
- Melawati, Nurlela, S., Masitoh, E., & Wahyuningsih. (2016). Pengaruh good corporate governance, CSR, dan ukuran perusahaan terhadap kinerja perusahaan. *Journal of Economic and Economic Education*, 4(2), 210-226. <https://doi.org/10.22202/economica.v4i2.380>
- Miller, C., & Xu, L. (2022). The role of firm size in moderating the profitability-dividend payout relationship: Evidence from the US market. *Review of Financial Economics*, 44, 134-145. <https://doi.org/10.1016/j.rfe.2022.02.001>
- Mohamed, N., Hui, W. S., Omar, N. H. R. A. R., Nor'azam, M., Azis, M. A. A., & Zakaria, S. (2016). Empirical analysis of determinants of dividend payment: profitability and liquidity. *Unpublished Manuscript, January 2015*.
- Mohammad, F., & Wasiuzzaman, S. (2019). Leverage, ownership concentration and firm performance: Evidence from Malaysia. *Asia-Pacific Journal of Business Administration*, 11(1), 74-95. <https://doi.org/10.1108/APJBA-07-2018-0123>
- Moradi, N. S., Aldin, M. M., Heyrani, F., & Iranmahd, M. (2012). The effect of corporate governance, corporate financing decision and ownership structure on firm performance: A panel data approach from Tehran stock exchange. *International Journal of Economics and Finance*, 4(6), 86-93.
- Nerviana, R. (2016). The effect of financial ratios and company size on dividend policy. *The Indonesian Accounting Review*, 5(1), 23. <https://doi.org/10.14414/tiar.v5i1.486>
- Ng, H. S., Chong, L. L., & Ismail, H. (2019). The moderating effect of firm size on the relationship between board leadership structure and firm performance. *Asian Academy of Management Journal of Accounting and Finance*, 15(1), 129-150. <https://doi.org/10.21315/aamjaf2019.15.15>
- Pandey, S., & Bhandari, R. (2017). Leverage, dividend policy, and firm value: An empirical study on Indian listed companies. *International Journal of Financial Studies*, 5(4), 30. <https://doi.org/10.3390/ijfs5040030>
- Pasaribu, R. G. (2021). Pengaruh debt equity ratio, return on asset, dan firm size terhadap dividend payout ratio (Studi pada emiten Bursa Efek Indonesia yang terdaftar sebagai Indeks Kompas 100 Periode Tahun 2016-2019). *Journal of Accounting, Finance, Taxation, and Auditing (JAFTA)*, 3(September), 171-188.
- Pasya, M., Badariah, E., & Andriani, R. (2022). Pengaruh deviden yield ratio, deviden payout

- ratio dan price to book value terhadap harga saham pada perusahaan manufaktur sub-sektor rokok yang terdaftar di bursa efek Indonesia periode 2013-2018. *AMAL INSANI (Indonesian Multidiscipline of Social Journal)*, 2(2), 150–159. <https://doi.org/10.56721/amalinsani.v2i2.62>
- Retno, R. D., & Priantinah, D. (2012). Pengaruh good corporate governance dan pengungkapan corporate social responsibility terhadap nilai perusahaan (studi empiris pada perusahaan yang terdaftar di bursa efek Indonesia Periode 2007-2010). *Nominal, Barometer Riset Akuntansi dan Manajemen*, 1(2). <https://doi.org/10.21831/nominal.v1i2.1000>
- Saeed, A., & Zamir, N. (2019). The impact of financial performance on dividend policy: Evidence from emerging market. *International Journal of Economics and Financial Issues*, 9(2), 222-230. <https://doi.org/10.32479/ijefi.7595>
- Sarwar, H., & Iqbal, M. (2018). Impact of firm size on the relationship between profitability and dividend policy. *Global Journal of Management and Business Research*, 18(5), 32-41. <https://doi.org/10.34257/GJMBR/Vol18/No5/GJMBR1805>
- Sugiono, S., Halim, A., & Farhan, D. (2023). Stock Return: effect return on equity and debt to equity ratio moderated earning per Share. *Asian Journal of Management, Entrepreneurship and Social Science*, 3(04), 147-170.
- Sukoco, H. (2013). Analisis Pengaruh Debt to Equity Ratio, Profitabilitas, Firm Size, dan Likuiditas Terhadap Nilai Perusahaan Melalui Mediasi Dividend Payout Ratio (Studi Pada Industri Manufaktur Di Bursa Efek Indonesia Periode Tahun 2009-2011). *Jurnal Bisnis Strategi*, 22(2), 112-127.
- Susanto, M., & Juniarti. (2013). Pengaruh penerapan good corporate governance (GCG) pada variabel ukuran, debt ratio, dan sektor industri terhadap nilai perusahaan. *Business Accounting Review*, 1(2), 246–254.
- Thaib, C., & Taroreh, R. (2015). Pengaruh kebijakan hutang dan profitabilitas terhadap kebijakan dividen (Studi pada perusahaan foods and beverages yang terdaftar di Beitahun 2010-2014). *Jurnal EMBA*, 3(4), 215–225.
- Thafani, A. M., & Abdullah, A. (2020). Impact of financial performance on dividend payout: Evidence from listed manufacturing companies in Sri Lanka. *Asian Journal of Finance & Accounting*, 12(1), 53-65. <https://doi.org/10.5296/ajfa.v12i1.16900>
- Uyar, A., & Kuzey, C. (2021). Leverage and dividend policy in emerging markets: Evidence from Turkey. *Borsa Istanbul Review*, 21(1), 75-85. <https://doi.org/10.1016/j.bir.2020.06.002>
- Vukotic, V., & Barjaktarovic, M. (2019). Profitability, firm size, and dividend payout policy: Evidence from the Balkans. *Central European Journal of Economic Modelling and Econometrics*, 11(2), 57-74. <https://doi.org/10.18778/2080-7606.11.02.03>
- Yani, M. W. P., & Dana, I. M. (2017). *Determinasi kebijakan dividen pada perusahaan manufaktur di bursa efek Indonesia* (Doctoral dissertation, Udayana University).
- Qureshi, M. A., Saeed, A., & Ayub, U. (2020). Capital structure, dividend policy and performance: Evidence from the cement industry of Pakistan. *Journal of Asian Finance, Economics and Business*, 7(6), 383-390. <https://doi.org/10.13106/jafeb.2020.vol7.no6.383>