THE INFLUENCE OF MANAGERIAL OWNERSHIP, PROFITABILITY, AND FIRM SIZE ON DIVIDEND POLICY IN MISCELLANEOUS INDUSTRY SECTOR COMPANIES REGISTERED IN INDONESIA STOCK EXCHANGE 2015-2018

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Abstract *– This study aims to examine the effect of managerial ownership, profitability and firm size on dividend policy in miscellaneous industry sector companies listed on the Indonesia Stock Exchange in 2015-2018. This study uses an associative research strategy with a quantitative approach measured using a panel data regression based method with E-views. The population in this study were miscellaneous industry sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2015 to 2018. The sample was determined based on the purposive sampling method, with a total sample of 22 companies in miscellaneous industry sectors so that the total observations in this study were 88 observations. The data used in this research is secondary data with data collection methods using the documentation method through the official website www.idx.co.id. This study uses panel data regression analysis. The research results prove that managerial ownership has no significant effect on dividend policy, profitability has a significant effect on dividend policy and firm size has no significant effect on dividend policy.*

Keywords**:** *Managerial Ownership, Profitability, Firm Size, Dividend Policy*

I. INTRODUCTION

The capital market has an important role for the economy of a country because of the two functions it carries out. The first function is to provide a means or facilities to bring together two parties, namely those who have excess funds (investors) and those who need funds (issuers). With the capital market, investors can invest their funds to obtain a certain return or return in the form of dividends, while the issuer can use these funds to finance operational activities or to develop their business. The second function is to provide opportunities for parties who have excess funds to

invest in financial instruments such as stocks, bonds and mutual funds and choose according to the profit and risk characteristics of each instrument (Welas & Nugroho, 2019).

The development of the capital market in Indonesia is currently experiencing a significant increase. This can be seen from the increase in the number of issuers by 42 issuers and the number of investors which reached 2.2 million or grew in double digits in the last 5 years (market.bisnis.com released on October 15, 2019). Despite a significant increase, the Composite Stock Price Index ends up in the red zone previously had been in the green zone. In trading, Friday (8/11), the Composite Stock Price Index closed lower by 3.617 points (0.06 %) to 6.162,00 and the LQ45 index also closed down 1.469 points (0.15 %) to 976,89. Five of the ten sector indexes weakened led by the miscellaneous industry sector which fell 1.30 % due to the weakening of the stock performance of listed companies producing textile materials and electronic equipment (kumparan.com released on November 8, 2019).

One of the most popular investments in the stock market is stocks. Stock are a sign of a person's or party's equity participation in a company or limited liability company. With this capital participation, investors are entitled to obtain claims on company profits and company assets, and attend the General Meeting of Shareholders. Many investors choose stocks because they are able to provide attractive returns. Basically there are two advantages that will be obtained when choosing a stock investment, that are dividend yield and income from the difference between the selling price of shares and the purchase price (www.idx.co.id).

Dividend policy is a decision whether a company will distribute the profits it has earned to shareholders as dividends or will hold it in the form of retained earnings to finance future investments (Samrotun, 2015). The company uses a dividend payout ratio to determine the amount or percentage of dividends distributed and the amount of retained earnings that will be used for investment needs. Shareholders or investors usually want a stable dividend distribution because it can increase investors' confidence to invest in the company.

The company and shareholders have different desires and interests that result in agency conflicts. This is because the management wants a small dividend distribution because the company will retain profits to finance the company's investment in the future. Meanwhile, shareholders want a share large dividends because it will benefit them (Silaban & Purnawati, 2016). Permana & Hidayati (2016) explain that company management must make decisions regarding optimal dividend policy to reduce agency conflicts.

There are several phenomena that occur regarding dividend policy. One example is PT Bank OCBC NISP Tbk who decided not to distribute dividends in 2018 because the net profit earned was used for increasing business and strengthening the capital structure. Parwati Surjaudaja, as President Director of NISP explained that 2018 became the 15th year the company did not distribute dividends to shareholders. For your information, in 2018 NISP recorded a net profit of Rp. 2.6 trillion, an increase of 21% from the previous year. (2018 Annual Report, www.keuangan.kontan.co.id released on April 09, 2019).

Another phenomenon that occurred was PT Goodyear Indonesia Tbk (GDYR), which decided not to distribute dividends from the profits it had earned in 2018 to its shareholders. In the Annual General Meeting of Shareholders, it was agreed that the allocation of all net income for the 2018 financial year will be recorded as retained earnings in order to improve business and strengthen the company's capital structure. As for 2018, the tire manufacturer with the GDYR stock code managed to earn a profit after recording a loss in the previous year. GDYR earned a net profit of US$ 505,306, reversing the previous year's loss of US$ 894,214 (2018 Annual Report, idxchannel.com released on May 29, 2019).

Based on the explanation of the phenomenon above, it does not guarantee that the company will distribute dividends to its shareholders even though it earns a large profit. This is due to the fact that some companies prefer to use these profits to fund operational activities and expand their companies. There is also a theory that investors prefer companies that pay less dividends.

II. LITERATURE REVIEW

2.1. Theoretical basis

Agency Theory

Supriyono (2016: 63) defines agency theory as a contractual relationship between principal and agent. This relationship is carried out for a service in which the principal authorizes the agent to make the best decisions for the principal by prioritizing the interests of optimizing company profits so as to minimize expenses. Agency theory explains that the interests held by company shareholders (principals) are different from management (agents). The difference in interests can cause two problems, namely information asymmetry, where managers as company managers have more internal information and how the company's prospects in the future and conflicts of interest between shareholders and company managers.

Susilowati (2015) states that agency conflicts can be reduced by aligning the interests of principals and agents, namely by providing opportunities for managers to be involved in share ownership because by owning company shares the manager will directly benefit from every decision he makes.

Dividend

Rudianto (2012: 290) defines dividends as part of the profits earned by the company which will be distributed to shareholders as a reward for their willingness to invest their assets in the company. Meanwhile, Gumanti (2015: 226) defines dividends as part of profits distributed to shareholders in the form of cash dividends or stock dividends. The amount of dividends distributed by the company is based on the dividend policy determined at the General Meeting of Shareholders (GMS).

Type Of Dividend

There are several types of dividends that can be paid to shareholders, depending on circumstances and the current capabilities of the company concerned dividend distribution. Rudianto (2012: 290) describes the types of dividends that can be paid to shareholders are as follows:

1. Cash dividend, which is the portion of operating profits that is distributed to shareholders in the form of cash.
2. Asset dividend, which is part of the company's operating profits which are distributed in the form of assets other than cash such as securities owned by the company.
3. Script dividend or debt dividend, which is part of the company's operating profit which is distributed to shareholders in the form of a written promise to pay a certain amount of money in the future.
4. Share dividend, which is part of the operating profit to be distributed to shareholders in the form of new shares of the company itself.
5. Liquidation dividend, which is the return on the investment of the owner by the company.

Dividend Policy

Riyanto (2011: 265) defines that dividend policy is a policy concerned with determining the distribution of income between users of income to be paid to shareholders as dividends or to be used in companies, which means that the income must be invested in the company. Dividend policy measurement is proxied by the dividend payout ratio. Sartono (2015) argues that the dividend payout ratio is the percentage of profit paid in the form of dividends, or the ratio between the profit paid in the form of dividends and the total profit available to shareholders. Mathematically, the dividend payout ratio is calculated using a formula (Gumanti, 2013: 22):

$$\text{DPR} = \frac{Dividen\ per\ share}{Earning\ per\ share} \text{x}100 \quad (1)$$

Dividend Policy Theory

Gumanti (2013: 8) describes several theories used in dividend policy, namely:

1. The bird in the hand theory, states that investors prefer cash dividends rather than being promised a return on investment (capital gain) in the future, because receiving cash dividends is a form of certainty which means reducing risk.
2. Signaling theory, states that dividends will reduce the inequality of information between management and shareholders by implying private information about the company's future prospects.
3. The theory of tax preparations (tax preference), states that investors or shareholders prefer companies that pay less dividends because if the dividends paid are high, the tax burden to be borne by investors or shareholders will also be high.
4. Client effect theory, states that any difference in the amount of dividends distributed will create different clients as well.
5. Agency theory, states that dividends help reduce agency costs associated with the separation of ownership and control over the company.
6. Catering theory, states that managers give investors what investors really want, namely managers pleasing investors by paying dividends when investors dare to give a high share price premium, but managers will not distribute dividends when investors prefer companies that do not pay dividends. .

Dividend Payment Policy

Sutrisno (2012: 268-269) describes the form of dividend policy that the company provides to investors or shareholders, as follows:

1. Stable dividend policy, namely dividends will be given regularly per share for a certain period of time even though the profits earned by the company fluctuates.
2. An increasing dividend policy, namely the payment of dividends to shareholders in an ever-increasing amount with stable growth.
3. Dividend policy with a constant ratio, namely a policy that provides dividends where the amount follows the amount of profit earned by the company.
4. The policy of giving a low regular dividend plus extra, is a dividend payout policy where the company determines a small amount of dividend payments per share, then adds extra dividends if the profit reaches a certain amount.

Dividend Payment Procedure

Gumanti (2013: 19) explains that in dividend payments there are several stages or procedures, namely:

1. Dividend declaration date
   The date that the board of directors first announces dividend payments is known as the dividend declaration date, which is the date on which the board of directors or the results of the General Meeting of Shareholders declare the amount of cash dividends the company will pay for a certain period of time.
2. Ex-dividend date
   This date is important to watch because investors must buy shares in order to receive dividends. This means that investors must know when they should buy shares in order to receive dividend payments in accordance with applicable regulations, namely 3 days before the date of recording. After the listing, these shares no longer have rights to dividends on the payment date.

3. Holder-of-record date
   On the closing date after a few days of the ex-dividend date, the company closes the share book transfers and maintains a register of shareholders up to a specified date known as the record keeping date of the owners. The shareholders registered on that date, are those who are entitled to receive cash dividends.
4. Dividend payment date
   The dividend payment date is the date on which management makes payments to shareholders, either by mail a check or via a bank transfer mechanism.

Managerial Ownership

Matondang & Yustrianthe (2016) defines managerial ownership as share ownership by company management (directors, commissioners, managers, and employees) which is measured by the percentage of the number of shares owned by management. Management will be more careful in making decisions because it will have a direct impact on him as a shareholder. The greater the managerial ownership in the company, the more active the management will be to improve its performance.

Managerial ownership is measured by the proportion of shares owned by the company at the end of the year and expressed as a percentage. Managerial ownership proxy is to use the percentage of ownership of managers, commissioners, and directors to the total shares outstanding. Matondang & Yustrianthe (2016) states that the formula for calculating managerial ownership is as follows:

$$\text{MO} = \frac{Number\ of\ shares\ owned\ managerial}{Number\ of\ shares\ outstanding} \text{x}100 \qquad (2)$$

Profitability

Profitability is the ratio to assess the company's ability to seek profit or profit in a certain period. This ratio also provides a measure of the level of management effectiveness of a company as indicated by the profit generated from sales or from investment income (Kasmir, 2015). The purpose of using profitability ratios is to measure and calculate the profit earned in a certain period, assess the company's profit position from the previous year to the current year, assess the progress of profit over time, and measure the productivity of the company's funds used.

One of the formulas that is often used to calculate profitability is Return on Equity (ROE), which is the ratio used to measure net profit after tax and the company's owner's equity. This ratio shows the efficient use of the company's owner's equity. The formula used in calculating ROE according to Kasmir (2015:199) is:

$$\text{ROE} = \frac{Earning\ After\ Interest\ and\ Tax}{Total\ Equity} \qquad (3)$$

Firm Size

Firm size is a scale in which a company can be classified as large and small according to various ways, including total assets, sales, log size, stock market value, market capitalization, and others, all of which are highly correlated (Wijaya, 2017). Meanwhile, Riyanto (2011: 343) explains that firm size describes the size of a company which is shown in total assets, total sales, and average sales. The size of the company is classified into 4, namely, micro companies, small companies, medium enterprises, and large companies. According to Wijaya (2017) the formula for firm size is as follows:

$$Size = Ln\ Total\ Aset \qquad (4)$$

2.2. Hypothesis Development

The Effect of Managerial Ownership on Dividend Policy

Managerial ownership is the proportion of share ownership of management who actively participates in corporate decision making, for example directors, managers and commissioners. Management involvement in share ownership will motivate managers to improve performance in company management and act prudently in decision making because they share the benefits of the decisions taken and also bear losses as a consequence of making wrong decisions (Hidayah, 2015).

Managers will control financial policy to improve the company's financial performance as best as possible in the interests of shareholders and managers as shareholders so that it will affect the amount of dividends distributed. The higher the managerial ownership, the higher the amount of dividends paid to shareholders. This is supported by Mohamadi & Amiri's (2016) research which shows that managerial ownership has a positive and significant effect on dividend policy.

H_1: Managerial ownership has a significant effect on dividend policy

The Effect of Profitability on Dividend Policy

Profitability, which is proxied by return on equity, describes the company's ability to generate profits by utilizing its own capital. Profitability ratios are related to dividend policy because companies need profits to pay dividends to shareholders. The greater the profit, the greater the company's ability to pay dividends. Based on this description, profitability has a positive effect on dividend policy.

Pradana & Sanjaya's (2017) research results reveal that the profitability ratio has a positive and significant effect on dividend policy. Companies that are able to manage their equity effectively and efficiently tend to produce good financial performance. This is realized in the presence of high profits. Thus, the company is considered capable of paying a portion of its profits in the form of cash dividends. The higher the profit that can be generated, the greater the probability of the company to distribute dividends.

H_2: Profitability has a significant effect on dividend policy

The Effect of Firm Size on Dividend Policy

The size of the company reflects that a large, well-established company has easier access to the capital market and vice versa (Deni, Aisjah & Djazuli, 2016). Companies that have easy access to the capital market will be able to obtain external sources of funds relatively quickly. Therefore, companies with a larger size will have the ability to generate greater profits, so they can pay higher dividends. While small companies will experience many difficulties in having access to the capital market so that their ability to obtain capital and obtain loans from the capital market is also limited, so they tend to hold their profits to finance their operations, and this means that the dividends that will be received by shareholders will be smaller. .

This is supported by research conducted by Deni, Aisjah & Djazuli (2016) and Sulistiyo, Hartoyo & Maulana (2016) which state that firm size has a positive and significant effect on dividend policy because large companies have easier access to the capital market than small companies so that they can obtain external sources of funds more easily and are able to distribute larger dividends.

H_3: Firm size has a significant effect on dividend policy

Based on the relationship between the independent variables and the dependent variable as described above, the conceptual framework can be described as follows:

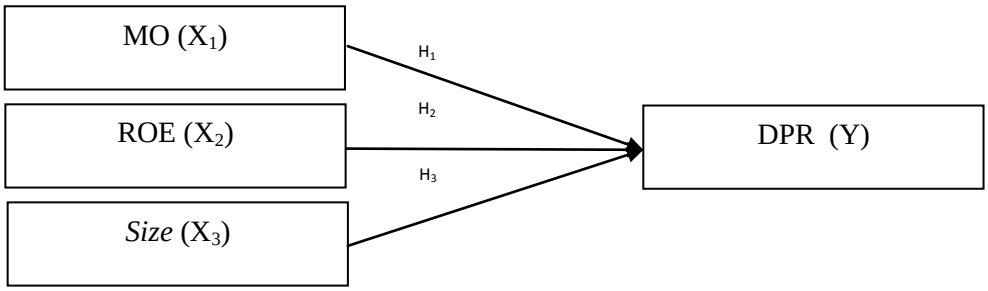


Figure 2.1. Conceptual Framework

III. RESEARCH METHODS

This study uses a strategy that has an associative nature with a quantitative approach technique. Associative research is research that aims to determine the relationship between two or more variables (Sugiyono, 2018: 92). The data used in this study are secondary data, namely, data obtained indirectly through intermediary media (obtained and recorded by other parties). In this study, secondary data used are in the form of evidence, notes or historical reports on company annual reports and financial reports as well as literature from the internet related to dividend policy. The data collection technique is carried out by using the literature study technique, namely reading and studying various literatures such as journals, books, papers and other sources related to research to obtain materials that will be used as a theoretical basis and documentation techniques, namely searching for a list of manufacturing companies in various industrial sectors. 2015-2018 period at www.edusaham.com and then access financial reports and annual reports through the official IDX website www.idx.co.id.

The study population was 45 miscellaneous industry sector manufacturing companies listed on the IDX for the 2015-2018 period, with a sample of 22 companies. The data that has been obtained are analyzed quantitatively to test the research hypothesis with statistical methods. The data analysis technique used in this research is panel data regression technique, namely, a combination of time series and cross section using E-views software. The general form of the panel data regression equation model used is as follows (Basuki and Prawoto, 2017):

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + €$$

Information:
Y = Dividend Policy
α = Constant Coefficient
β_1 = Managerial Ownership Regression Coefficient
X_1 = Managerial Ownership
β_2 = Profitability (ROE) Regression Coefficient
X_2 = Profitability (ROE)
β_3 = Firm Size Regression Coefficient
X_3 = Firm Size
€ = Error rate

IV. RESEARCH RESULT

4.1. Descriptive statistics

From the results of descriptive statistical testing on four variables with a research sample of 88, the descriptive statistics were obtained according to the table below:

Table 4.1: Descriptive Statistical Test Results

	DPR	MO	ROE	*Size*
Minimum	0.00	0.00	0.03	419.701.649.147
Maximum	99.02	87.50	45.88	344.711.000.000.000
Mean	20.94	7.07	9.91	16.549.993.220.620
Std. Dev.	22.60	18.10	9.30	60.063.415.692.620
Observations	88	88	88	88

Source: E-views Version 9 Output

Based on the results of descriptive statistics in the table above, it can be seen that the dependent variable dividend policy proxied by the dividend payout ratio shows a minimum value of 0.00, which means that the dividend payment is at least 0% of the profit generated by the company. These values are found in INDR, NIPS, PTSN, STAR, and UNIT in 2015-2018, BRAM in 2017-2018, INDS in 2016 and VOKS in 2015-2016 and 2018. While the maximum value shows a value of 99.02 which means the biggest dividend payment is 99.02% of the profit generated by the company, and this value is owned by PT. Garuda Metalindo Tbk in 2018. The average value of the DPR in this study shows a value of 20.94 with a standard deviation of 22.60. This shows that on average the company can pay dividends of 20.94% of the profit generated by the company.

The independent variable of managerial ownership shows a minimum value of 0.00, which means that the minimum share ownership by management is 0% or there is no managerial ownership in the company. These values are found in AUTO, BATA, BRAM, INDR, RICY, STAR, and UNIT in 2015-2018, JECC in 2015-2016 and KBLI in 2016 and 2018. While the maximum value shows a value of 87.50 which means share ownership by management is at most 87.50% of the total outstanding shares, this value is owned by PT. Sat Nusa Persada Tbk in 2015-2017. The average value of the managerial ownership variable in this study was 7.07 with a standard deviation of 18.10. This shows that the average number of shares owned by management is 7.07% of the total shares outstanding.

The independent variable of profitability, which is proxied in Return On Equity (ROE), shows a minimum value of 0.03, which means that the company earns the lowest profit of 0.03% of the total equity owned by the company, and this value is owned by PT. Star Petrochem Tbk in 2018. While the maximum value of profitability shows a value of 45.88, which means that the company can generate the highest profit of 45.88% of the total equity owned by PT. Astra Otoparts Tbk in 2016. Then the average value of profitability shows a value of 9.91 with a standard deviation of 9.30. This shows that on average the company earns a profit of 9.91% of the total equity held.

The independent variable firm size is measured by the natural logarithm (Ln) of total assets to facilitate calculation and interpretation of the regression results. Descriptive statistics displayed by this variable show the total value of assets owned by the company. From the descriptive statistical test results in table 4.1 it can be seen that the size of the company shows a minimum value of 419.701.649.147, which means that the company has total assets of at least Rp. 419.701.649.147 and this value was owned by PT Nusantara Inti Corpora Tbk in 2018. Meanwhile, the maximum value of the firm size is 344.711.000.000.000, which means the company has the maximum total assets of Rp. 344.711.000.000.000 which happened to PT Astra International Tbk

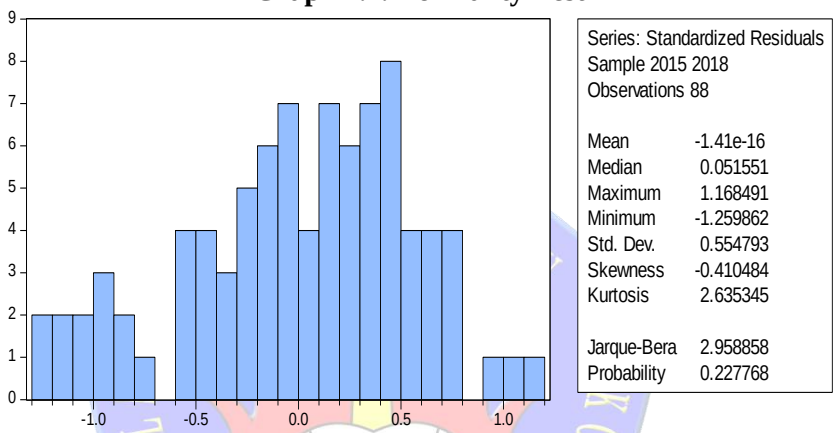
in 2018. The average value of the firm size variable is 16.549.993.220.620 with a standard deviation value of 60.063.415.692.620. This shows that the companies studied have an average total assets of Rp. 16.549.993.220.620.

4.2. Classic Assumption Test

1. Normality Test

The normality test is used to test and find out whether the data from the dependent and free variables are normally distributed or not. In this study, the normality of the data was tested using the histogram graph method and the Jarque-Bera test. A distribution is said to be normal if the probability value from the Jarque-Bera test shows a greater value when compared to the value of the degree of confidence used, which is 5% (0.05). If the Jarque-Bera test probability value is smaller than the degree of confidence used, the data has an abnormal distribution pattern (Ghozali, 2018: 145).

Graph 4.1. Normality Test



Source: E-views Version 9 Output

The results of the histogram graph above show a probability value greater than 0.05, namely, 0.227768 ≥ 0.05, thus it can be concluded that in this study the data used are normally distributed.

2. Multicollinearity Test

Multicollinearity test is used to test whether the regression model found a correlation between independent variables. Multicollinearity testing can be done with the following conditions (Ghozali, 2018: 71):

a. If the correlation value > 0.80, the regression model contains multicollinearity.
b. If the correlation value < 0.80, the regression model does not contain multicollinearity.

Table 4.2: Multicollinearity Test

	MO	ROE	Size
MO	1	-0.050836	-0.165049
ROE	-0.050836	1	0.259872
Size	-0.165049	0.259872	1

Source: E-views Version 9 Output

Based on the results onthe table above can be seen that the independent variables consisting of managerial ownership, profitability, and firm size are free from the multicollinearity test because they have a correlation value below 0.80.

3. Heteroskedastitas Test

The heteroscedasticity test aims to test whether in the regression model there is an inequality of residual variance from one observation to another (Ghozali, 2018: 85). A good regression model is homoscedasticity or heteroscedasticity does not occur. To detect the presence or absence of heteroscedasticity in this study, the Glejser test was used with the following conditions (Ghozali, 2018: 92):

a. If the probability value on Obs * R-squared > 0.05 then there is no heteroscedacity problem.
b. If the probability value on Obs * R-squared < 0.05 then there is heteroscedasticity problem.

Table 4.3: Heteroscedastity Test

Heteroskedasticity Test: Glejser			
F-statistic	0.340627	Prob. F(3,84)	0.7960
Obs*R-squared	1.057676	Prob. Chi-Square(3)	**0.7873**
Scaled explained SS	1.059335	Prob. Chi-Square(3)	0.7869

Source: E-views Version 9 Output

Based on the results of the Glejser test in the table above, it can be concluded that in this study the data used did not have heteroscedasticity symptoms because the probability value on Obs*R-squared was greater than 0.05, namely 0.7873> 0.05.

4. Autocorrelation Test

The autocorrelation test aims to test whether in the regression model there is a correlation between confounding error in period t and confounding error in period t-1 (previous). A good regression model is a regression model that is free from autocorrelation. To test for the presence or absence of autocorrelation symptoms, it can be detected using the Durbin-Watson test and comparing it with the Durbin-Watson table (Ghozali, 2018: 122). Decision making whether autocorrelation occurs or not is as follows:

a. If the Durbin-Watson test result (d) lies between the upper bound (du) and (4-du), then the autocorrelation coefficient is zero, meaning there is no positive autocorrelation.
b. If the Durbin-Watson test result (d) is lower than the lower bound (dl), then the autocorrelation coefficient is greater than zero, meaning there is positive autocorrelation.
c. If the value of the Durbin-Watson test result (d) is greater than the lower bound (4-dl), so the autocorrelation coefficient is smaller than zero, meaning that there is negative autocorrelation.
d. If the Durbin-Watson test result (d) lies between the upper limit (du) and the lower limit (dl) or d lies between (4-du) and (4-dl), the results are inconclusive.

Table 4.4: Autocorrelation Test

Dependent Variable: DPR			
Method: Panel Least Squares			
Date: 08/24/20 Time: 12:58			
Sample: 2015 2018			
Periods included: 4			
Cross-sections included: 22			
Total panel (balanced) observations: 88			
R-squared	0.732701	Mean dependent var	20.94632
Adjusted R-squared	0.630872	S.D. dependent var	22.60814
S.E. of regression	13.73578	Akaike info criterion	8.311865
Sum squared resid	11886.31	Schwarz criterion	9.015653
Log likelihood	-340.7220	Hannan-Quinn criter.	8.595403
F-statistic	7.195447	Durbin-Watson stat	2.262280
Prob(F-statistic)	0.000000		

Source: E-views Version 9 Output

Based on the test results using the Durbin-Watson test in the table above, the Durbin-Watson value (d) shows a value of 2.262280. Based on the Durbin-Watson table with $\alpha = 5\%$, $n = 88$ and $k = 3$, the value of du = 1.7243 and the value of dl = 1.5836 is obtained, so the DW value obtained is 2.262280, which is between $1.7243 < 2.262280 < 2.2757$ or the same as $du < d < 4\text{-}du$ which means that in this regression model there is no positive or negative autocorrelation.

4.3. Panel Data Regression Analysis

Table 4.5: Results of Panel Data Regression Analysis and t Test

Dependent Variable: DPR				
Method: Panel Least Squares				
Date: 08/24/20 Time: 12:58				
Sample: 2015 2018				
Periods included: 4				
Cross-sections included: 22				
Total panel (balanced) observations: 88				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.043513	201.1304	0.030048	0.9761
MO	0.098143	0.935947	0.104860	0.9168
ROE	0.683979	0.248667	2.750578	0.0078
SIZE	0.734297	6.999135	0.104913	0.9168

Source: E-views Version 9 Output

Based on the results of panel data regression analysis in the table above, a panel data regression equation can be formulated as follows:

DPR = 6.043513 + 0.098143 MO + 0.683979 ROE + 0.734297 SIZE

Information :
DPR = Dividend Policy (*Dividend Payout Ratio)*
MO = Managerial Ownership
ROE = Profitability (*Return on Equity*)
SIZE = Firm Size

Based on the panel data regression equation above, it can be interpreted as follows:

1. A constant value of 6.043513 (a = 6.043513) can be interpreted if managerial ownership, profitability, and firm size worth 0, then DPR is equal to 6.043513% of the company's net income.
2. Managerial ownership variable (MO) has a coefficient value of 0.098143 (β = 0.098143), the positive results indicate that any changes managerial ownership 1% will be followed by a unidirectional change to the DPR of 0.098143% if other independent variables have not changed.
3. Profitability variable (ROE) has a coefficient value of 0.683979 (β = 0.683979), the positive results indicate that any changes profitability of 1% will be followed by a change in the direction of DPR amounting to 0.683979% if other independent variables have not changed.
4. The variable size of the company (size)has a coefficient value of 0.734297 (β = 0.734297), the positive results indicate that any changes firm size of 1 Ln will be followed by unidirectional changes to the DPR of 0.734297% if other independent variables have not changed.

4.4. Hypothesis Test

1. The t Test

The t test used to determine the effect managerial ownership (X_1), profitability (X_2), and firm size (X_3) to dividend policy (Y) partially. The t test can be done by comparing the t count with the t table at a significant level of 5%.The hypothesis used is:

H_0: the independent variable is not have significant effect on dependent variable partially.

H_1: the independent variable have significant effect on dependent variable partially.

The test criteria for the t statistical test are as follows (Ghozali, 2018: 79):

1. If $t_{count} < t_{table}$ and p-value> 0.05 then H_0 is accepted and H_1 is rejected, which meanspartially the independent variable does not have a significant effect on the dependent variable.
2. If $t_{count} > t_{table}$ and p-value <0.05 then H_0 is rejected and H_1 is accepted, which meanspartially the independent variable has a significant effect on the dependent variable.

It is known that the number of studies (n) = 88, the number of independent variables (k) = 3, then the formula for degree of freedom (df) = nk - 1 is 88 - 3 - 1 = 84, with df 84 and a significance level of 0.05, then the t_{table} is 1.98861.

Based on t_{table} and t_{hitung} on table 4.5 shows the following hypothesis results:

1. The Effect of Managerial Ownership on Dividend Policy
   The statistical test in table 4.5 shows that the t_{count} value is smaller than t_{table} (0.104860 < 1.98861) and the probability result is greater than the significance level (0.9168 > 0.05) then H_0 is accepted and H_1 is rejected. So it can be concluded that partially managerial ownership (X_1) has no significant effect on dividend policy (Y) in miscellaneous industry sector companies on IDX for the 2015-2018 period.
2. The Effect of Profitability on Dividend Policy
   The results of statistical tests are in table 4.5 indicates that the value of t_{count} is greater than t_{table} (2.750578 > 1.98861) and the probability result is smaller than the significance level (0.0078 < 0.05) then H_1 is accepted and H_0 is rejected. So it can be concluded that partially profitability (X_2) has a significant effect on dividend policy (Y) in miscellaneous industry sector companies on IDX for the 2015-2018 period.
3. The Effect of Firm Size on Dividend Policy
   The results of statistical tests are in table 4.5 indicates that the value of t_{count} is smaller than t_{table} (0.104913 < 1.98861) and the probability result is greater than the significance level (0.9168 > 0.05) then H_0 is accepted and H_1 is rejected. So it can be concluded that partially

firm size (X_3) has no significant effect on dividend policy (Y) in miscellaneous industrysector companies on IDX for the 2015-2018 period.

2. The Coefficient Of Determination

Table 4.6: Results of the Determination Coefficient Test

Dependent Variable: DPR Method: Panel Least Squares Date: 08/24/20 Time: 12:58 Sample: 2015 2018 Periods included: 4 Cross-sections included: 22 Total panel (balanced) observations: 88			
R-squared	0.732701	Mean dependent var	20.94632
Adjusted R-squared	0.630872	S.D. dependent var	22.60814

Source: E-views Version 9 Output

Based on table 4.6, the coefficient of determination as seen from the adjusted R^2 is 0.630872 or 63.0872%. It can be concluded that the independent variable is able to explain the dependent variable by 63.0872%, while the remaining 36.9128% is explained by other independent variables which are not used in this research model.

V. CONCLUSIONS, SUGGESTIONS AND LIMITATION

Conclusion

Based on the panel data regression testing that was carried out in the previous chapter, the following conclusions can be drawn:

1. Managerial ownership does not have a significant effect on dividend policy. This means that the size of the amount of share ownership by management will not affect the amount of dividends distributed. This happens because most of the companies sampled in this study are companies with low managerial ownership. The management of the company only has a small number of shares, so the decision to pay dividends is mostly determined by the shareholders outside the company.
2. Profitability, which is proxied by ROE, has a significant effect on dividend policy. This proves that the higher the company's ability to generate profits from the total equity it has, the higher the dividends will be distributed to shareholders.
3. Firm size as measured by total assets is not has a significant effect on dividend policy. This means that the size of the company will not affect the amount of dividends distributed. This is due to the unstable economic condition, so that the management of funds carried out by the company in running its business has not been effective. The profit generated is not optimal. This situation makes both small and large companies more oriented towards company growth.

Suggestion

Based on the results of the analysis in the previous discussion, the authors suggest:

1. Investors who want to invest in miscellaneous industry sector companies listed on the IDX should consider the profitability factor because this factor has a significant effect on the dividend payout ratio.
2. The management of the company is expected to pay more attention to the aspect of the dividend payout ratio or dividend distribution to shareholders, because this aspect of the dividend payout ratio provides great appeal to investors who will invest their funds in the company.

Research Limitations

This study has several limitations, including:

1. This study only uses miscellaneous industry sector companies listed on the IDX as research samples, for further research it is suggested to use a wider sample such as all manufacturing companies listed on the IDX.
2. This study did not use data until the latest period due to the Covid-19 pandemic which resulted in companies being late in submitting their annual reports. Researchers who want to study the same problem should conduct research in a more recent period, namely until 2019 or up to the last year before the research year.
3. This study only uses a research period of 4 years, for further research it is recommended to use a larger period of at least 6 years.
4. The number of independent variables used in this study is very limited. Further research is suggested to add other independent variables such as Current Ratio, Debt to Equity Ratio, Net Profit Margin, Company Growth, Investment Opportunities and Institutional Ownership.

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