

Dividend Policy in Indonesian Manufacturing Companies: Profitability, Liquidity, and Growth with Independent Commissioners as Moderators during Covid-19

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Abstract. This study aims to analyze the impact of profitability, liquidity, company growth on dividend policy with the proportion of independent commissioners as a moderating variable in manufacturing companies listed on the Indonesia Stock Exchange (IDX) before and during the Covid-19 pandemic. The populations of this study are manufacturing companies listed on the Indonesia Stock Exchange for the period 2018 to 2021, namely 64 companies. Data collection was carried out by purposive sampling. The study used the type of secondary data in the form of financial reports and annual reports for the 2018-2021 period. The data was obtained from the Indonesian Stock Exchange website. The data analysis method used panel data regression with Eviews 10 program. Based on the test results, it was concluded that prior to Covid-19 profitability and liquidity had a negative impact toward dividend policy. Then the company growth had no impact toward dividend policy. The proportion of independent commissioners could moderate the impact of profitability and liquidity toward dividend policy. The proportion of the independent commissioners could not moderate the impact of company growth toward dividend policy in manufacturing companies listed on the IDX in the period before the Covid-19 Pandemic. The test results during the Covid-19 pandemic found that profitability and liquidity had no impact toward dividend policy. The company's growth had negative impact toward dividend policy. Furthermore, the proportion of the independent commissioners could not moderate the impact of profitability and liquidity toward dividend policy. The proportion of the independent commissioners could moderate the impact of company growth toward dividend policy in manufacturing companies listed on the IDX during the Covid-19 pandemic.

Keywords: Profitability, Liquidity, Company Growth, Proportion of the Board of Commissioners and Dividend Policy

1. Introduction

In the current era of globalization, where developments in the economic sector are increasing and there is intense economic competition. To be able to continue running its business, every company always needs funds. Funding problems will not be separated from a company which includes how much the company's ability to meet the needs of funds that will be used to operate and develop its business. Funding can be obtained from various sources, one of which comes from investors. The main objective of investors in investing their funds in a company is to obtain income or return on investment (return) either in the form of dividend income (dividend yield) or income obtained from the difference between the selling price of the shares and the purchase price (capital gain).

In this case, the management is entrusted by the shareholders to manage the company in an effort to maximize shareholder welfare. However, along the way, management often ignores the interests of shareholders. There are various reasons why companies don't distribute dividends to shareholders, namely companies experiencing losses due to the pandemic, withholding profits for reserve funds, company expansion, reinvesting profits to develop the business, pursuing new acquisitions, buying back shares, and others. One of the reason companies don't distribute dividends to shareholders is due to a pandemic, namely the Covid-19 pandemic that occurred from 2020 to 2021, causing many companies to experience a decrease in corporate profits and even lose money, resulting in a decrease in a dividend distribution to the point where dividends are not distributed. Before the Covid-19 pandemic, companies, especially manufacturing sector companies listed on the Indonesia Stock Exchange (IDX) were known as sector companies that paid out the highest dividends. An example of a manufacturing company that experienced a decrease in dividend distribution in the first phase during the Covid-19 period included PT. Unilever Indonesia (UNVR). PT. Unilever Indonesia (UNVR) said that in the first stage of distributing dividends in 2020 (Pandemic Covid-19) of Rp. 4.1 trillion, previously in 2019 (before the Covid-19 pandemic in Indonesia) of Rp. 5.9 Trillion in the same period. The above phenomena are generally related to a company's dividend policy. So important is the dividend policy as measured by the Dividend Payout Ratio for many parties, so that the factors that influence the dividend policy based on the financial information published by the company need to be identified. This is the reason why the author is interested in researching dividend policy.

Since the pandemic was declared in early 2020, the worldwide victim of COVID-19 pandemic (approximately 194 million infections and 4.5 million deaths in 2021) has not stopped. In addition, the severe pressure from the COVID-19 crisis has taken its toll on the global economy. The spread of COVID-19 has forced the World Health Organization (WHO) to recommend quarantine measures resulting in a slowdown in the pace of trade which in turn gave birth to a world economic crisis. The economic crisis caused by COVID-19 has been proven by Baig and Chen (2021) as the cause of a drastic increase in global market volatility and an aggressive decline in stock prices due to disruptions to global economic prospects and world trade. In Indonesia, research by Umam et al. (2021) and Muliato, Wijaya, and Jogi (2021) have proven that the COVID-19 pandemic has had an economic impact on manufacturing companies in Indonesia. The study observed that there has been a significant decline in profitability since the start of the COVID-19 pandemic. The company's profit decreases along with the decrease in profitability. When determining how much dividend a company should pay, profit is the criterion to consider. As a result, a growing body of literature has emerged, which aims to analyze the adverse effects of uncertainty and fear related to the COVID-19 pandemic in different contexts, for example stock market performance.

The existing literature has also well documented the detrimental effects of crisis on firm performance (eg, lower profits, higher earnings volatility, and deteriorating share prices). In this case, dividend policy can be used by managers as a signal to reduce information asymmetry by conveying positive information about the company's long-term growth prospects (Baker and Wurgler, 2016; Hardy, 2021). From a theoretical perspective, information asymmetry and signaling models (eg, Miller and Rock 1985, John and Williams 1985) suggest that the market views

dividends as signals conveying new information about a firm's future profitability because an increase in dividends indicates high long-run growth prospects and financial stability, while cutting and eliminating dividends sends a negative signal about poor future profitability and earnings volatility. In a related context, the agency model of dividend policy implies that managers are highly reluctant to reduce or discontinue dividends in response to reduced earnings to maintain their personal gain (Lambrecht and Myers, 2012). MazurDang and Vo., 2020 consistently find that the majority of S&P 1500 companies maintain or increase dividends during the COVID-19 pandemic. However, empirical findings also show that in times of economic turbulence and increased uncertainty, companies may cut or discontinue dividends to retain the extra cash they have to increase their resilience. For example, Hauser (2013) shows that the probability of paying dividends decreased while the probability of withholding dividends increased during the 2008 financial crisis. Krieger et al. (2020) examined 213 dividend withholdings and 93 dividends waived by US companies in the second quarter of 2020 and found that dividend withholding increased more during the COVID-19 pandemic, compared to the 2008 financial crisis. Hardy (2021) investigates restrictions on dividend payments among US banks during the COVID-19 pandemic, and revealed that the authorities adopted restrictions on dividend payments to increase bank stability and provide capital for lending activities.

In this study, researchers argue that despite the adverse effects of the COVID-19 pandemic, companies will be more reluctant to cut or eliminate dividends to avoid sending negative signals about their long-term growth prospects. Conversely, firms may tend to increase dividends in order to achieve a more stable dividend policy in response to a crisis, and signal their financial prospects.

Based on the results of Zhu Nai Ping's research (2021), profitability is an important determinant and predictor of dividend payments for industrial companies on the Zimbabwe Stock Exchange. However, Kuzucu's research (2015) on Turkish listed companies concluded that the relationship between leverage, growth rates and profitability with dividends is negative.

The company's dividend policy is also heavily influenced by the company's cash status and not income (Anil, K., & Kapoor, 2008; DeAngelo et al., 2004). Deshmukh (2003) illustrates the relevance of liquidity in determining dividend payout policies using a sample of industrial businesses listed on the New York Stock Exchange and the American Stock Exchange. Deshmukh (2003) proves that the dividend payout ratio and cash position have a good relationship. However, according to research by Mauris and Rizal (2019) it is concluded that the size of liquidity does not affect the company's dividend policy.

In addition, based on Ho's research (2003) on the Australian stock market, dividend policy is positively influenced by the size of the company's growth. However, according to research by Narman Kuzucu (2015) on Turkish listed companies, the relationship between leverage, growth rates and profitability with dividends is negative.

Then, according to Mitton's research (2004), companies with stronger corporate governance have higher dividend payments. However, according to research by Sener and Selcuk (2019) the ratio of independent directors on the board is negatively related to dividends.

Profitability, liquidity, leverage, and firm size are just a few examples of variables that have been studied as predictors in dividend policy research. These four factors have been used by Ali (2021), Kristiani and Viriany (2018), Ginting (2018), Puspitasari (2014), Mazur, Dang and Vo (2020) and Mastuti, Saifi and Azizah (2012) with different results- different. Whether the factors mentioned have the same effect on dividend policy during the COVID-19 pandemic is an issue that deserves research. On the basis of the contradictions that have been described, the variables of profitability, liquidity, company size are important to be re-examined.

Thus, researchers are interested in conducting research with the title "Analysis of the Influence of Profitability, Liquidity, Company Growth on Dividend Policy with the Proportion of Independent Commissioners as Moderating Variables in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) Before and During the Covid-19 Pandemic."

2. Literature Review and Hypothesis Development

2.1. Effect of Profitability on Dividend Policy

According to A. Wirjolukito, H. Yanto, and Sandy (2019) states that management will pay dividends to provide a "signal" regarding the company's success in recording profits. The signal concludes that the ability of firms to pay dividends is a function of profits. The study Z. N. Ping and A. T. Murapiro (2021) found profitability to be an important determinant and predictor of dividend payout for industrial firms on the Zimbabwe Stock Exchange.

Hypothesis 1: Profitability has positive influence on Dividend Policy before and during the Covid-19 pandemic.

2.2. The Effect of Liquidity on Dividend Policy

Liquidity is characterized by a high amount of current assets and liquid assets. Company liquidity is one of the important variables that determine dividend policy. Even when the income statement shows good profits, no dividends will be paid if there is a cash shortage. S. Deshmukh (2003) proved that the dividend payout ratio (Dividend Payout Ratio) has a positive impact on dividend policy.

Hypothesis 2: Liquidity has positive influence on Dividend Policy before and during the Covid-19 pandemic.

2.3. Effect of Company Growth on Dividend Policy

The company's growth is marked by the company's activities to expand such as increasing the purchase of assets. The expansion causes the company to need a large source of funding. To avoid risks arising from the use of external data sources, companies prefer to use internal funding sources through the value of retained earnings. Research N. Kuzucu (2015) on Turkish listed companies concluded that the growth rate relationship has a negative impact on dividend policy.

Hypothesis 3: Company growth has negative influence on Dividend Policy before and during the Covid-19 pandemic.

2.4. The proportion of Independent Commissioners moderates the influence of Profitability, Liquidity, and Company Growth on Dividend Policy

Al Sabibi and Ramesh (2011) states that independent commissioners are needed by shareholders to ensure the fulfillment of their rights in decision-making by parties who have control over the company. Based on research T. Mitton (2004), companies with stronger corporate governance (corporate governance) have higher dividend payouts. However, according to research P. Sener and E. Akben Selçuk (2019) the ratio of independent directors on the board is negatively related to dividends. From the previous research, the hypothesis can be taken as follow:

Hypothesis 4: The proportion of Independent Commissioners moderate influence of Profitability on Dividend Policy before and during the Covid-19 pandemic.

2.5. The proportion of Independent Commissioners moderates the influence of Liquidity on Dividend Policy

The study L. W. Setiawati and L. Yesisca (2016) found by carrying out more effective monitoring, you can minimize the occurrence of information asymmetry and increase investor confidence in the company which is reflected in liquidity.

Hypothesis 5: The proportion of Independent Commissioners moderate influence of Liquidity on Dividend Policy before and during the Covid-19 pandemic.

2.6. The proportion of Independent Commissioners moderates the influence of Company Growth on Dividend Policy

The study Putri, Evita Ester Febrina Mustika (2022) shows that good corporate governance proxied by the proportion of Independent Commissioners cannot strengthen the growth variable on dividend policy. These results indicate that the role of independent commissioners is less effective for companies in the Manufacturing sector, so it can be concluded that independent commissioners tend to be less developed or not optimal.

Hypothesis 6: The proportion of Independent Commissioners moderate influence of Company Growth on Dividend Policy before and during the Covid-19 pandemic.

3. Research Methodology

This research was conducted with the aim of explaining quantitatively the tendency of the attitude of the population by examining a sample of the population. In this study, two models were tested, namely before and during the Covid-19 pandemic. This research consists of three independent variables, one dependent variable, and one moderating variable. The independent variables are profitability, liquidity, and company growth, the dependent variable is dividend policy, and the moderating variable is the proportion of independent commissioners. The population of this study is manufacturing companies listed on the Indonesia Stock Exchange for the period 2018 to 2021, namely 64 companies. Data collection was carried out by purposive sampling.

Research data is included in the type of secondary data in the form of financial reports and annual reports for the 2018-2021 period. The data was obtained from the Indonesian Stock Exchange website, namely www.idx.co.id. The data analysis method used in this study used panel data regression with the help of the Eviews 10 program. However, before that, a descriptive analysis was carried out which provided an overview of a variable as seen from the average value (mean) (I. Ghozali, 2013). After that, the classical assumption test was carried out, namely the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. The steps of this analysis are determination analysis (R²), F statistical test, and t statistical test.

In this study, the profitability variable is proxied using the ROA formula. ROA can be calculated by dividing net income by total assets. Then the liquidity variable is measured using the CR value, namely by distributing cash and banks divided by current debt. Furthermore, the company's growth is measured using the Growth formula with the current sales formula minus last year's sales divided by last year's sales. Meanwhile, the indicator for the proportion of independent commissioners is the number of independent commissioners divided by the number of commissioners. Then the calculation of the dividend policy is to use the dividend payout ratio with the dividend per share formula divided by earnings per share.

4. Results And Discussion

The data used is secondary data obtained from the financial reports of manufacturing companies listed on the IDX in the period 2018 - 2021. A summary of the sample selection procedure was presented in the following table:

Table 1: Sampling Criteria

| No | Sampling Criteria | Amount |
|----|--|--------|
| 1 | Manufacturing companies listed on the IDX for the period 2018 - 2021 | 160 |
| 2 | Sort manufacturing company incomplete financial statements | (14) |

| | | |
|---|--|-----------------|
| 3 | Manufacturing company denominated in dollars | (30) |
| 4 | Manufacturing companies that experience losses in the 2018-2021 period | (52) |
| 5 | Companies sampled 64 x 4 (2018-2021) | 256 data |
| 6 | Sort Data that does not pay dividends | (70 data) |
| 7 | data outliers | (73 data) |
| | Number of Sample Observations | 112 Data |

4.1. Descriptive Statistics Test

This analysis was conducted to determine the average value (mean), and standard deviation of the research data. The results of descriptive statistical tests on all variables can be seen in table 2 as follows:

Table 2: Descriptive Statistics Test Results Before and After the Covid-19 Pandemic

| | Mean | |
|--------|------------------------------|------------------------------|
| | Before the Covid-19 Pandemic | During the Covid-19 Pandemic |
| DPR | 0.350603 | 0.556917 |
| ROA | 0.103688 | 0.09554 |
| CR | 0.654160 | 1.043143 |
| GROWTH | 0.090325 | 0.120783 |
| PKI | 0.379355 | 0.431683 |

Source: Results of Data Processing with Eviews 10 (2023)

It can be seen that before the covid-19 pandemic, the dividend policy variable (DPR) had a mean or average value of 0.350603 Furthermore, the profitability variable (ROA) before the covid-19 pandemic had a mean or average value of 0.103688 Then on the liquidity variable (CR) before the Covid-19 pandemic obtained a mean or average value of 0.654160. Meanwhile, the company growth variable (GROWTH) before the Covid-19 pandemic obtained a mean or average value of 0.090325. Furthermore, the variable proportion of independent commissioners (PKI) before the Covid-19 pandemic obtained a mean or average value of 0.379355.

Furthermore, the descriptive results during the Covid-19 pandemic on the dividend policy variable (DPR) show a mean or average value of 0.556917. Furthermore, the profitability variable (ROA) during the Covid-19 pandemic has a mean or average value of 0.095540. Then the liquidity variable (CR) during the Covid-19 pandemic obtained a mean or average value of 1.043143. Meanwhile, the company growth variable (GROWTH) during the Covid-19 pandemic obtained a mean or average value of 0.120783. Furthermore, the variable proportion of independent commissioners (PKI) during the Covid-19 pandemic obtained a mean or average value of 0.431683. Before performing panel data regression analysis, the classical assumption test is performed first to ensure the parameter values for testing are valid. including tests for normality, multicollinearity, heteroscedasticity, and autocorrelation.

4.2. Normality Test

The results of the normality test can be seen in the following figure :

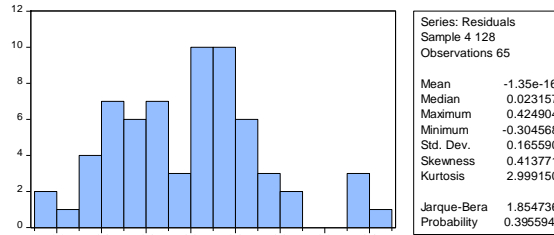


Figure 1: Normality Test Results Before the Covid-19 Pandemic

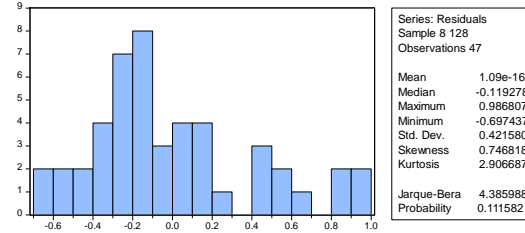


Figure 2: Normality Test Results During the Covid-19 Pandemic

It is known that the prob values before and during the covid-19 pandemic were greater than the significant level of 0.05, so it can be concluded that the data before and during the covid-19 pandemic in this study were normally distributed.

4.3. Multicollinearity Test

The results of the multicollinearity test can be seen below:

Table 3: Multicollinearity Test Results

| Variable | Centered VIF | |
|---|---------------------|---------------------|
| | Before the Pandemic | During the Pandemic |
| Profitability | 1.013938 | 1.680572 |
| Liquidity | 1.029815 | 1.182418 |
| Company Growth | 1.036829 | 1.431478 |
| The proportion of Independent Commissioners | 1.033513 | 1.357946 |

The VIF value before and during the Covid-19 pandemic on the variables of profitability, liquidity, company growth, and the proportion of independent commissioners is less than 10. Thus all variables are free from multicollinearity problems because the VIF value is < 10.

4.4. Heteroscedasticity Test

The results of the heteroscedasticity test can be seen below:

Table 4: Heteroscedasticity Test Results

| Prob. Obs*R-squared | |
|---------------------|---------------------|
| Before the Pandemic | During the Pandemic |
| 0.5861 | 0.0035 |

Source: Results of Data Processing with Eviews 10 (2023)

Prob Value Obs*R-squared before the Covid-19 pandemic showed a value of 0.5861 > alpha 0.05. Thus it can be concluded that the data before the Covid-19 pandemic did not have heteroscedasticity problems. Furthermore, the results during the pandemic showed a value of 0.0035 < alpha 0.05. Thus it can be concluded that the data during the Covid-19 pandemic had a heteroscedasticity problem.

4.5. Autocorrelation Test

The results of the autocorrelation test can be seen in the following table:

Table 5: Autocorrelation Test Results

| Prob. Obs*R-squared | |
|---------------------|---------------------|
| Before the Pandemic | During the Pandemic |
| 0.0011 | 0.3078 |

Source: Results of Data Processing with Eviews 10 (2023)

Prob Value Obs*R-squared before the Covid-19 pandemic showed a value of 0.0011 < alpha 0.05. Thus it can be concluded that the data before the Covid-19 pandemic occurred autocorrelation. Furthermore, the results during the pandemic showed a value of 0.3078 > alpha 0.05. Thus it can be concluded that the data during the Covid-19 pandemic did not occur autocorrelation.

4.6. Best Model Selection Recommendations

From the panel data regression model selection test that has been carried out, the results can be summarized in the table below:

Table 6: Results of Panel Data Regression Model Selection Before the Pandemic and During the Covid-19 Pandemic

| Test Name | | Keterangan | Prob | Hasil |
|--------------------------|---------------------|------------|--------|---------------------|
| Chow test | Before the Pandemic | Cem Vs Fem | 0.0000 | Fixed Effect model |
| | During the Pandemic | Cem Vs Fem | 0.0000 | Fixed Effect model |
| Hausman test | Before the Pandemic | Rem Vs Fem | 0.0433 | Fixed Effect Model |
| | During the Pandemic | Rem Vs Fem | 0.1295 | Random Effect Model |
| Lagrange Multiplier Test | Before the Pandemic | Cem Vs Rem | 0.0006 | Random Effect model |
| | During the Pandemic | Cem Vs Rem | 0.1620 | Common Effect model |

Source: Results of Data Processing with Eviews 10 (2023)

The results of selecting the panel data regression model in the table above show the Chow, Hausman, and Langrage multiplier tests before the Covid-19 pandemic it was decided that the best testing model for the regression equation was using the fixed effect model. Whereas in the Chow, Hausman, and Langrage multiplier tests during the Covid-19 pandemic, it was decided that the best testing model for the regression equation was using the fixed effect model.

4.7. Best Model Selection Recommendations

The results of panel data regression testing before and during the Covid-19 pandemic using the fixed effect model can be seen in the following table:

Table 7: Panel Data Regression Test Results Before the Covid-19 Pandemic

| Variable | Coefficient | Std. Error | t-Statistic | Prob |
|----------|-------------|------------|-------------|--------|
| C | 1.428723 | 0.458764 | 3.114288 | 0.0015 |
| ROA | -5.075198 | 2.058716 | -2.465225 | 0.0059 |
| CR | -0.208681 | 0.153832 | -1.356547 | 0.0477 |
| GROWTH | -0.021700 | 1.018266 | -0.021310 | 0.2458 |
| PKI | -1.925616 | 1.019044 | -1.889630 | 0.0186 |
| ROA_PKI | 5.165321 | 2.809169 | 1.838736 | 0.0204 |

| | | | | |
|------------|-----------|----------|-----------|--------|
| CR_PKI | 0.542479 | 0.403954 | 1.342924 | 0.0488 |
| GROWTH_PKI | -0.669364 | 2.870278 | -0.233205 | 0.2046 |
| R-square | | | 0.957572 | |

*Dependent variable: Dividend Policy
 Source: Results of Data Processing with Eviews 10 (2023)

Table 8: Panel Data Regression Test Results during the Covid-19 Pandemic

| Variable | Coefficient | Std. Error | t-Statistic | Prob |
|------------|-------------|------------|-------------|--------|
| C | 0.901546 | 1.564653 | 0.576195 | 0.1464 |
| ROA | 8.688998 | 28.08365 | 0.309397 | 0.1919 |
| CR | -1.601446 | 1.142863 | -1.401258 | 0.0527 |
| GROWTH | -5.368079 | 2.587993 | -2.074225 | 0.0209 |
| PKI | -1.264599 | 3.460018 | -0.365489 | 0.1819 |
| ROA_PKI | -11.07340 | 58.36252 | -0.189735 | 0.2140 |
| CR_PKI | 3.579686 | 2.713331 | 1.319296 | 0.0588 |
| GROWTH_PKI | 10.38978 | 6.218731 | 1.670724 | 0.0365 |
| R-square | | | 0.966526 | |

*Dependent variable: Dividend Policy
 Source: Results of Data Processing with Eviews 10 (2023)

4.8. Hypothesis Testing

Based on the results of hypothesis testing before the Covid-19 pandemic in the previous table, conclusions can be drawn:

- Based on the results of testing the first hypothesis (H1a) in Table 7, it is known that the coefficient (β) is -5.075198 and the one-tailed significance value is 0.0059 < 0.05 (5% significance level). So, hypothesis H1a is rejected.
- Based on the results of testing the second hypothesis (H2a) in Table 7, it is known that the coefficient (β) is -0.021700 and the one-tailed significance value is 0.0477 < 0.05 (5% significance level). So hypothesis H2a is rejected.
- Based on the results of the third hypothesis test (H3a) it is known that the coefficient (β) is -0.208681 and the one-tailed significance value is 0.2458 > 0.05 (5% significance level). So, hypothesis H3a is rejected.
- Based on the results of testing the fourth hypothesis (H4a) in Table 7, it is known that the coefficient (β) is 5.165321 and the one-tailed significance value is 0.0204 < 0.05 (5% significance level). Thus, hypothesis H4a is accepted.
- Based on the results of testing the fifth hypothesis (H5a) in Table 7, it is known that the coefficient (β) is 0.542479 and the one-tailed significance value is 0.0488 < 0.05 (5% significance level). Thus, hypothesis H4a is accepted.
- Based on the results of testing the sixth hypothesis (H6a) Table 7, it is known that the coefficient (β) is -0.669364 and the one-tailed significance value is 0.2046 > 0.05 (5% significance level). Thus, the H5a hypothesis is rejected.

Furthermore, the results of hypothesis testing during the Covid-19 pandemic are in the previous table, it can be concluded:

- Based on the results of testing the first hypothesis (H1b) in Table 8, it is known that the coefficient (β) is 8.688998 and the one-tailed significance value is 0.1919 > 0.05 (5% significance level). Thus, the H1b hypothesis is rejected.
- Based on the results of testing the second hypothesis (H2b) in Table 8, it is known that the coefficient (β) is -1.601446 and the one-tailed significance value is 0.0527 > 0.05 (5% significance level). So, it can be concluded that the H2b hypothesis is rejected.

- Based on the results of the third hypothesis test (H3b) in Table 8, it is known that the coefficient (β) is -5.368079 and the one-tailed significance value is 0.0209 < 0.05 (5% significance level). So, it can be concluded that hypothesis H3b is accepted.
- Based on the results of testing the fourth hypothesis (H4b) in Table 8, it is known that the coefficient (β) is -11.07340 and the one-tailed significance value is 0.2140 > 0.05 (5% significance level). So, it can be concluded that the H4b hypothesis is rejected.
- Based on the results of testing the fifth hypothesis (H5b) in Table 8, it is known that the coefficient (β) is 3.579686 and the one-tailed significance value is 0.0588 > 0.05 (5% significance level). So, it can be concluded that hypothesis H5b is rejected.
- Based on the results of testing the sixth hypothesis (H6b) in Table 8, it is known that the coefficient (β) is 10.38978 and the one-tailed significance value is 0.0365 < 0.05 (5% significance level). So, it can be concluded that hypothesis H6b is accepted.

4.9. Determination Coefficient

The test results of the coefficient of determination of the two models in this study will be explained below.

- Based on Table 7, the R-square value before the covid-19 pandemic was 0.957572. This shows that 95.75% of the dividend policy variable is influenced by the variables of profitability, liquidity, profitability, company growth, and the proportion of the board of commissioners while the remaining 4, 25% is influenced by other variables beyond those studied.
- Based on Table 8, the R-square value during the Covid-19 pandemic was 0.966526. This shows that 96.65% of the dividend policy variable is influenced by the variables of profitability, liquidity, profitability, company growth, and the proportion of the board of commissioners while the remaining 3, 35% is influenced by other variables beyond those studied.

4.10. Discussion

The results of this study found the following:

- The results of testing the first hypothesis (H1a) showed that profitability had a negative effect on dividend policy in manufacturing companies listed on the IDX in the period before the Covid-19 Pandemic. This means that the higher the profitability, the lower the dividend policy. Companies with high profitability tend to consider spending assets in the future with the decision of the company's earnings to retain profits and reinvest to increase the company's growth even better than by paying dividends to shareholders. according to N. Kuzucu (2015) which states that profitability hurts dividend policy. the same results shown by H. Abdullah (2021) found that profitability is negatively related to the dividend payout ratio.
- The results of testing the first hypothesis (H1b) showed that profitability did not affect dividend policy in Manufacturing companies listed on the IDX during the Covid-19 Pandemic. This shows that dividend payments are given during the Covid-19 Pandemic regardless of whether the company's profitability is getting higher or not. Because companies with a high level of profitability tend to use their funds for the needs of the company's growth needs so that the funds obtained by the company are not directly given to shareholders first. The results of this study are in line with research conducted by K. Jalung, M. M. M. Mangantar, and Y. M. Y. Mandagie (2017), D. Atmikasari, I. Indarti, and E. Muncaraditya (2020) which states that return on assets does not affect the dividend payout ratio.
- The results of testing the second hypothesis (H2a) showed that liquidity had negative effect on dividend policy in manufacturing companies listed on the IDX in the period before the Covid-19 Pandemic. That is, the higher the company's

- liquidity, the lower the dividend policy. According to N. K. B. Astuti, and I. P. Yadnya (2019), high current assets on the other hand can reduce the company's productivity in generating profits due to too high idle cash, so will reduce profitability. This shows that an excess current ratio will hurt company profitability so that the greater the company's liquidity, the greater the company's management will not be able to encourage dividend policy increases. Because the size of the current assets owned by the company will be used to fulfill short-term obligations that have matured. The results of this study are in line with research in which Dhurmawati et al (2021) stated that liquidity hurts dividend policy.
- The results of testing the second hypothesis (H2b) showed that liquidity did not affect dividend policy in Manufacturing companies listed on the IDX during the Covid-19 Pandemic. This shows that the increase or decrease in the liquidity ratio during the Covid-19 Pandemic did not affect the level of dividends paid to shareholders or investors. This condition can occur when the company is unable to manage its current assets efficiently, or it could be due to some of the funds in the company's fixed assets which makes the dividends paid by the company not optimal. The results of this study are in line with research conducted by Putri, Evita Ester Febrina Mustika (2022), A. N. Azizah, R. R. Dewi, and P. Siddi (2020) who found that liquidity does not affect dividend policy.
- The results of testing the third hypothesis (H3a) showed that company growth did not affect dividend policy in manufacturing companies listed on the IDX in the period before the Covid-19 Pandemic. This shows that the high or low growth of the company cannot affect the company's dividend policy. According to S. Wahyuliza and R. Fahyani (2019) the faster the company's growth rate will result in greater need for funds needed to finance its growth. So that it will reduce the distribution of dividends to shareholders. However, this does not affect companies that have a good financial performance which tend to be able to meet the company's needs and pay dividends properly and are not affected by the high or low growth of the company. The results of this study are in line with the findings of D. D. L. Maharisht and A. Riduwan (2022); A. Gunawan and K. Harjanto (2019); Cristina, Jackline, D. Gotami, Patricia, and N. Katharina (2021); Z. Safitri and F. Rohman (2019) which state that company growth has no significant effect on dividend policy.
- The results of testing the third hypothesis (H3b) showed that company growth had negative effect on dividend policy in manufacturing companies listed on the IDX during the Covid-19 Pandemic. During a pandemic, companies that are experiencing growth will focus company funds to focus more on operating activities and plan steps to find the right solution for bad possibilities that will occur instead of being used for dividend payments so that dividend payments are made by companies that are in a period of growth during the Covid Pandemic. - 19 is low. The results of this study are in line with research from D.A.D. Anggraini, and W. Wihandaru (2015); L. T. Hermanto and I. R. Fitriati (2022) which shows the company's growth results hurt dividend policy.
- The results of testing the fourth hypothesis (H4a) showed that independent commissioners could moderate the effect of profitability on dividend policy in Manufacturing companies listed on the IDX in the period before the Covid-19 Pandemic. This indicates that an increase in the independent board of commissioners will encourage the investee to pay larger dividends. This is based on an increase in the independent board of commissioners, which will increase the practice of good investee governance, with good investee governance, the dividend policy will increase. The results of this study are in line with research M. D. Halviani and E. A. Sisdyani (2014) which shows that good corporate governance as a proxy for the composition of independent commissioners can strengthen the relationship between return on assets and dividend payout ratio.
- The results of testing the fourth hypothesis (H4b) showed that the proportion of independent commissioners could not moderate the effect of profitability on dividend policy in manufacturing companies listed on the IDX during the Covid-19 pandemic. These results

support research F. A. M. Hamid, H. Dama, and M. A. S. Monoarfa (2022) Independent commissioners have a positive and not significant effect on profitability. In a state of positive influence, the objective attitude of the independent commissioner tends to make management disclose large profits even though they will pay large taxes. Research Z. Safitri and F. Rohman (2019) states that profitability has no effect and is not significant on dividend policy.

- The results of testing the fifth hypothesis (H5a) showed that the proportion of independent commissioners could moderate the effect of liquidity on dividend policy in Manufacturing companies listed on the IDX in the period before the Covid-19 Pandemic. Good corporate governance proxied by independent commissioners can improve company performance and efficiency through the creation of a better decision-making process, including decisions to protect the interests of shareholders, including the distribution of dividends. As previously stated, company liquidity is thought to have a positive effect on dividend payments D. Pahi and I. S. Yadav (2019); U. S. Iswara and T. G. Setyabudi (2018).
- The results of testing the fourth hypothesis (H5b) showed that the proportion of independent commissioners could moderate the effect of liquidity on dividend policy in manufacturing companies listed on the IDX during the Covid-19 Pandemic. The results of this study support the findings by B. Kaźmierska-Jóźwiak (2015) who found that liquidity does not affect dividend policy. Furthermore, the results of this study are in line with research E. E. F. M. Putri (2022) which found good corporate governance proxied by an independent board of commissioners unable to moderate the effect of liquidity on dividend policy. In this case, the board of commissioners as a corporate institution only acts as a representative of the shareholders to supervise and provide advice to the directors. So that the performance of the board of independent commissioners has not worked optimally, this could be due to the small number of independent commissioners.
- The results of testing the sixth hypothesis (H6a) showed that the proportion of independent commissioners could not moderate the effect of company growth on dividend policy in Manufacturing companies listed on the IDX in the period before the Covid-19 Pandemic. These results indicate that the role of independent commissioners is less effective for companies in the Manufacturing sector, so it can be concluded that independent commissioners tend to be less developed or not optimal. The number of independent auditors cannot be used as a guarantee to increase the company's growth. This can happen because the existence of an independent commissioner is only a means to comply with the regulations of the Financial Services Authority so the independent commissioner does not carry out its oversight function properly. The results of this study are in line with research E. E. F. M. Putri (2022) showing that good corporate governance proxied by DKI cannot strengthen the growth variable (growth) on dividend policy.
- The results of testing the sixth hypothesis (H6b) showed that the proportion of independent commissioners could moderate the effect of company growth on dividend policy in manufacturing companies listed on the IDX during the Covid-19 Pandemic. Companies that have high growth will tend to pay low dividends because they are interested in financing investments with their internal funds. However, if the company has reached the well-established stage, the company will pay high dividends (L. W. Setiawati and L. Yesisca, 2016). The results of research conducted by S. N. Aini, and A. P. Sawitri (2020) show that there is a significant effect of sales growth on dividend policy. This means that the greater the sales, the greater the profit that will be obtained by the company so the profit charged by the company will be even greater.

5. Conclusion

Based on the test results it was concluded that before Covid-19 profitability and liquidity hurt dividend policy. Then the company growth variable shows no effect on dividend policy. Furthermore, the proportion of independent commissioners shows that they can moderate the influence of profitability and liquidity on dividend policy. then the next result is that the proportion

of the board of commissioners shows that it cannot moderate the effect of company growth on dividend policy in Manufacturing companies listed on the IDX in the period before the Covid-19 Pandemic. Furthermore, the results of testing during the Covid-19 pandemic found that profitability and liquidity did not affect dividend policy. then the company's growth variable states a negative effect on dividend policy. The following results show that the proportion of the board of commissioners cannot moderate the influence of profitability and liquidity on dividend policy. Furthermore, the proportion of the board of commissioners during the Covid-19 pandemic can moderate the effect of company growth on dividend policies in manufacturing companies listed on the IDX during the Covid-19 pandemic.

Suggestions for companies can improve financial performance, where the company's performance can be judged by the number of dividend payments made by the company. Then the company is expected to give more consideration to the company's financial situation, so that the portion given is by the company's financial condition, in addition to achieving the goal of improving the welfare of shareholders. For investors in investing, investors should consider matters that influence a company's dividend policy, this will help investors to make decisions in investing their capital, especially investors who want dividends or long-term investments. Then for future researchers to be able to add different objects in researching dividend policy so that the samples obtained are more numerous and varied or in other ways to increase the number of samples, namely by extending the research period.

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