International Journal of Application on Economics and Business (IJAEB)
Volume 1, Issue 2, 2023. ISSN: 2987-1972

THE INFLUENCE OF PROFITABILITY, FINANCIAL LEVERAGE AND FREE CASH INFLOW ON CATERING DIVIDENDS AMONG MANUFACTURING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE DURING 2017-2020 PERIOD

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Submitted: 01-04-2022, Revised: 06-10-2022, Accepted: 16-02-2023

ABSTRACT

The purpose of this study was to examine the effect of profitability, financial leverage, and free cash inflow on the catering tip dividend in manufacturing companies listed on the BEI. The research time span is from 2017-2020. By using EViews 11, the results show that profitability has a positive and significant effect on dividend premium, Influence has a negative and significant effect on premium dividends, and free cash inflow has a positive effect on premium dividends in manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2020 period.

Keywords: *Profitability, Influence, Free Cash Inflow, catering dividend*

1. BACKGROUND

The company's financial performance is the main factor that needs to be considered in order to assess the company in the future because it provides an overview of the financial condition of a company in a certain period. Reference in measuring the company's fiscal performance using financial statements, namely the balance sheet and income statement. Funds obtained by the company can come from retained earnings, loans in the form of foreign capital or debt and by selling shares through the capital market. Managers must also be able to take advantage of the company's sources of finances and assets which aim to increase shareholder profits. The amount of dividend payment received by the proprietor or shareholder can raise the company's stock price which is a consideration for investors in purchasing shares of manufacturing companies.

The company's policy to use debt to increase capital with the aim of increasing profits, however, the effectiveness of using debt to growth profitability varies among corporations relying at the cap potential of employer control to control the debt [1] and [2] states that dividend policy is influenced by the need for funds to pay debts which have an impact on dividend payments, if the organisation is capable to repay its debts, the company will also be able to distribute dividend.

Management provides dividends to shareholders referring to several things that are decided in dividend policy, according to [3]. Dividend coverage worries how an awful lot proportion of the earnings is shipped to shareholders. Companies that experience profits tend to allocate these profits in the form of dividends. The decision refers to a number of aspects, especially the aspect of determining the dividend payout ratio which is considered the most profitable for the company. Meanwhile, according to [2] defines the dividend policy concerned by determining the distribution of earnings between the use of profits to be paid to shareholders

as dividends or for use withinside the company, this means that the income ought to be retained in it.

The distribution of dividends is carried out based on the Catering dividend theory by [4] which is different from the theory of [5]. The catering dividend principle states that dividend coverage is primarily based totally on investor demand, and dividend payments to investors are made when dividend premiums are high. Investors gets a better proportion fee in agencies that distribute dividends as compared to agencies that don't distribute dividends. So, dividend payments are influenced with the aid of using the dividend top rate and are measured with the aid of using the inventory price [4]. Researchers have discussed and studied catering dividends through premium market dividends. [6], [7], [8], show that the catering dividend as measured by the dividend premium on dividend policy has a positive effect, the higher the dividend premium of a company, the higher the dividend policy. Market sentiment impacts investor call for dividends. When traders listing a better proportion fee withinside the business enterprise that will pay dividends, then the manager will serve the investor's request for dividends. Investor demand can make the company pay higher dividends and spur the company to increase market prices.[9] state that Free Cash Inflow is the actual real coins go with to drift to be had to be disbursed to shareholders and lendered after the corporation invests in constant property and operating capital had to hold the corporation's operational costs. A company in carrying out its operating activities will incur various costs, these costs will reduce the company's cash so that in the company's operating cash inflow, the burden borne by the company will determine the company's profit level. If the result of the reduction is positive or profit, the company has a good financial position. Management will use the proceeds to be reinvested or to be distributed as dividends. Dividend policy will be greatly influenced by the calculation of the company's free cash inflow, to reduce agency conflicts, companies can use free cash inflow to increase the quantity of dividends disbursed to shareholders. [10] states that companies which have free cash inflow can be better if they are distributed as dividends to shareholders to avoid investments that are not necessarily gainful.

Profitability is described as the company's capacity to earn income associated with the company's sales, overall belongings and personal capital. Thus, long-time period buyers are anticipated to be greater inquisive about this profitability analysis, specifically shareholders will see the real income so that it will be acquired thru dividends, [11]. Good management will be reflected by a high level of profit, the profit is used by management for various purposes, the allocation of profit for retained earnings or distributed as dividends is the primary aspect of the enterprise's dividend policy. With the idea that if the company experiences a large level of profit in business activities for several periods, this indicates the company is in a healthy condition, and is able to provide benefits to its owner. So with this the management will decide the amount of profit in the dividend policy given along with the profits the experienced by the company, the positive perception of shareholders towards the management also increases. Research conducted by [12] and [13] found that profitability had a negative and considerable impact on dividend policy, [14] located that profitability had a positive and considerable on dividend policy.

According to [15] leverage is a ratio used to discover how plenty the company's capacity to pay all its duties each short-time period and long-time period. Management in its dividend policy will be strongly influenced by the amount of debt that have to be borne through the company, control considers the company's liabilities become more important than other financing activities, which also affect the distribution of the dividends to be distributed by the company. The high ratio of total debt to company equity results in management trying to reduce debt with the company's internal cash flow, which causes cash flow that should be

used for dividend payments to be kept by the company to cover corporate debt, so the higher the ratio, the smaller the dividends distributed. Research performed through [16] discovered that leverage has a high-quality impact on dividend assessment to [17] who located that leverage has a poor impact on dividend coverage.
The subject of this research is the manufacturing industry listed in the Indonesia Stock Exchange for the period from 2015 to 2019. This sector was chosen because the manufacturing industry plays an important role in increasing the value of investment and exports so that they become a mainstay sector in an effort to accelerate national economic growth. Currently, the manufacturing sector contributes to GDP by 20 percent, then for taxation around 30 percent, and exports up to 74 percent. This achievement was the largest contributed by the five manufacturing sectors.

2. THEORETICAL REVIEW

Catering Dividend

Dividend Catering theory invented by [4]. They examine the causes for the decline in the tendency of managers to pay dividends in America. In their research, [4] tested diverse factors primarily based totally on corporation costs, asymmetric information, tax awareness, dividend clientele, and catering. Their results reveal that catering incentives explain fluctuations in the propensity to pay dividends very well.

The basis for the creation of the dividend catering theory is a form of opposition to the dividend irrelevance theory of [5] which states that firm value depends only on the income generated by its assets, not how the profit is divided into dividends and retained earnings. Based on [4], catering theory is based on the following assumptions: (1) for psychological or institutional reasons, some investors do not have information and may at various times ask for cash dividends, (2) there is limited information that causes demand to affect the market price of stock that pays dividends and does not pay dividends (3) rationally managers will meet the demand for dividends when investors give a higher value. Based on this assumption, the manager will choose to pay cash dividends if investors provide a positive premium on cash dividends.

According to the dividend catering theory, dividend policy is influenced by investor demand. [4] argue that managers will opportunistically modify payment policies when market sentiment supports dividend payments. According to [4], catering theory states that management will distribute dividends when investors place a higher share price on companies that distribute dividends than companies that do not distribute dividends. In contrast, companies do not distribute dividends when investors place higher prices on companies that do not share dividends. dividends.[4] measure the value of dividend-paying firms by the "dividend premium" and they argue that managers are more likely to pay dividends if the dividend premium is high (positive) and less likely to pay dividends when the dividend premium is low (negative). When the dividend premium is high (positive), the dividend-dividing company value is greater than the value of the company that does not pay dividends.[4] offer four ways to measure investor demand for dividends. First, the dividend premium is obtained from the difference in the logarithm of the average market-to-book ratio of companies paying dividends and companies that do not pay dividends in one period. Second, the price is difference from Citizens Utilities (CU) cash dividend and stock dividend share. [4] measure the CU dividend premium as the difference between the logarithm of the cash dividend price and the logarithm of the stock price.

The third proxy to measure investor demand for dividends is the average announcement of the impact of the initiation, namely the announcement of cumulative abnormal returns. The latter proxy is the difference between the weighted index future returns of firms paying dividends and not paying dividends. According to [18], among the four proxies, the dividend premium variable is the best reflection of investor sentiment on dividends. In addition, the dividend premium is most often used in research such as [19], [20] and [7].

Dividend premium is the difference in the average logarithm of the market-to-book ratio of companies paying dividends and companies that do not pay dividends in one period. According to [21], market-to-book-ratio provides an assessment of how investors perceive company performance, which relates the market value of shares to the company's book value. The higher the market-to-book ratio, the better the investor's assessment of the company's book value [22].

Based on the catering theory of dividends, companies distribute pay dividends when investors place a higher price on companies that pay dividends than companies that do not distribute dividends, that is when investors demand dividends. This can be seen by the value of the market-to-book ratio between payers and non-payers, if the market-to-book ratio of companies that distribute dividends is greater than companies that do not distribute dividends. So that it can provide a positive dividend premium value. As a result, managers are supposed to pay dividends to maintain the market value of their equity.

The higher the dividend premium, the higher the tendency of investor demand. Conversely, the lower the dividend premium, the lower the tendency of investor demand for dividends.

Profitability

Profitability is the company's ability to earn a profit in relation to sales, total assets and own capital. [3] states that, Profitability is the ability of a company to generate profits at a certain level of sales, assets and share capital. Companies that experience a high level of sales do not necessarily get high profits, there are many factors that companies experience high profits, one of which is the production cost of a company's product, [23] defines that the profitability ratio is a measuring tool used to measure the effectiveness of a company in earning profits. Profits greatly affect the company's activities in the future, because the level of profitability indicates how the company's achievements are already in accordance with the targets that have been planned previously or not, and will affect the projected future profits. According to [24], the Return On Asset (ROA) ratio is used to measure a company's ability to generate net income based on a certain asset level. The amount of dividend payment in the dividend policy will be in line with the level of profit experienced by the company.

Based on agency theory, there are often conflicts between management and shareholders due to differences in interests and differences in the intensity of information obtained between the two parties. Management as the party who runs the company will know more about the company as a whole, as a result of this there is a sense of distrust of shareholders over the funds that have been given to the company to be processed by management. Management can reduce this conflict with a dividend policy, because shareholders have a motive to continue to benefit from what has been sacrificed, so shareholders will be happy if the company continues to distribute its profits to be allocated into dividends. [25] states that profitability has a positive effect on dividend policy, this influence shows that the size of the company's

profits will affect the size of the dividend distribution profits. If the company's profits are large, it means that the dividends distributed will be even greater, and vice versa. The amounts of dividends that will be given is influenced by the level of profitability experienced by the company. If the company experiences a high level of profitability, it indicates the profits experienced by large companies, and it can be allocated for various company needs, one of which is the dividend policy used by management to provide confidence and bind shareholders to continue investing their capital in it.
H1: Profitability has a positive effect on dividend premium.

Leverage

Financial Leverage is a ratio that shows how owners try to enlarge their finances by issuing debt capital [26]. The higher the ratio, the greater the lender's contribution to total assets. The reason companies use financial leverage [27] is that leverage requires companies to issue fixed expenses in the form of interest to investors and if the percentage of operating profit exceeds the interest rate on debt, the company can use it to buy assets, pay interest on debt and get remaining bonus for the shareholders.

Financial leverage can be calculated using the Debt-to-Equity Ratio to find out how much capital is financed by debt. Debt to Equity Ratio is the ratio of debt to equity which is used to measure the amount of debt to equity [28]. Based on [29] Debt to Equity Ratio is a ratio that shows the percentage of funds given by shareholders to lenders. The higher the Debt-to-Equity Ratio, the greater the profit. In conclusion, the Debt-to-Equity Ratio is one of the ratios used to calculate how much capital comes from debt, both long-term debt and short-term debt, compared to own capital.

Companies with high operating or financial leverage will pay low dividends, and a capital structure with a larger portion of debt causes management to prioritize the settlement of obligations before distributing dividends. Shareholders will be happy if the capital that has been issued provides the return that they want, so the greater the dividends given, it will affect the level of trust experienced by shareholders in management. However, management has various interests based on the needs of the company and impacts the policies to be taken, especially dividend policies, the amounts of dividends distributed is also influenced by the level of corporate leverage, because leverage indicates the amount of company capital that is funded by debt.
H2: Leverage has a negative effect on the premium dividend policy.

Free Cash Flow

Free Cash Flow Free cash flow, or more commonly known as free cash flow, can be defined as cash flow that is available to be distributed to shareholders or owners after the company has invested in fixed assets and working capital required for the continuity of its business. It can be said that free cash flow is cash available above the need for profitable investments [11]. [9] state that Free Cash Flow is the actual cash flow available to be distributed to shareholders and creditors after the company invests in fixed assets and working capital needed to maintain the company's operations. According to [10] it would be much better for companies if free cash flow is distributed as dividends to shareholders to avoid investments that are not necessarily profitable for the companies. Management is very dependent on the amount of funds owned by the company, if the amount of free cash flow of the company concerned is large enough then this amount can be used to pay dividends to shareholders.

However, if management feels that the remaining cash from operating activities is small, it will be more concerned with holding cash to be invested. [30], examined the determinants of dividend policy, with a sample of 85 companies listed on the Jakarta Stock Exchange in the 1998-2001 period. The results of the study found that free cash flow had a significant positive effect on dividend policy. [31] and [32] state that free cash flow has a positive effect on dividend policy, meaning that the higher the free cash flow, the higher the dividend payout ratio or the lower the free cash flow, the lower the dividend premium. This indicates that free cash flow affects the company's dividend policy.
H3: Free Cash Flow has a positive effect on Premium dividends.

3. METHOD

Type of Research

This research uses quantitative method and this research is an associative study.

Population and Samples

The population of this study were manufacturing companies listed on the Indonesia Stock Exchange (IDX) for 5 years, from 2015 to 2019 with 35 companies using purposive sampling techniques.

Data Collection Method

The data collection was carried out through documentation techniques, the data were obtained from annual reports and annual financial reports of sample companies available on the Indonesia Stock Exchange through the website www.idx.co.id.

Variable Operationalizations

There are two variables used in this study, namely the independent variable and the dependent one. Independent variables used are free cash flow, profitability, and leverage. Meanwhile, the dependent variable is dividend premium. Each of these variables is explained as follows.

Dividend Premium

The dependent variable of this study is Dividend Premium, which is the logarithmic difference between the price to book value ratio of companies that pay dividends and companies that do not pay dividends. This dividend reflects the trend of investor demand for dividends. When the dividend premium is higher, the investor's demand for dividends will be higher, and vice versa. The following calculations are some modifications of the [4]:

$$\text{PBV} = \frac{Net\ Equity\ Market\ Value\ by\ PER}{Net\ Book\ Value\ by\ BV}$$

Divprem = log (PBV) of the current year - last year's log (PBV)

Profitability

Profitability is the company's ability to earn a profit in relation to sales, total assets and own capital. [3] defines that, Profitability is the company's ability to generate profits within a certain level of sales, assets and share capital. According to [24], the Return on Asset Ratio (ROA) is used to measure a company's ability to generate net income based on a certain asset level, here is a formula to determine the amount of ROA in measuring company profitability:

$$Return\ On\ Asset = \frac{Profit}{Total\ Asset}$$

Leverage

Leverage is a ratio that reflects the company's ability to meet its obligations as shown by the share of its own capital used to pay debts [15]. The use of debt for company operations aims to increase the value of the company, which can also result in high risks arising from the increasing debt. According to [33] the leverage ratio shows the proportion of the use of debt to finance investment . Then the formula used in this research is:

$$\text{Debt To Equity Ratio} = \frac{Total\ Debt}{Total\ Equioty}$$

Free Cash Inflow

Free cash inflow is discretionary cash inflow available to the company, free cash flow is cash from operating activities minus the capital expenditures that the company spends to meet its current production capacity [34]. The free cash inflow ratio is measured by dividing free cash inflow by total assets in the same period with the aim of making it more comparable to the companies. The size of free cash flow, as referred to in [35], is as follow:

$$Free\ cash\ flow = \frac{FCF}{Total\ Asset}$$

The analysis technique of this study uses panel data regression, which means a combination of cross section and time series. There are three methods that can be used in this study, namely: Common Effect Model which views the data behavior between the same companies in several periods using the pool least square method. This method estimates panel data using the ordinary least square method. Fixed Effect Model is done by estimating panel data by adding a dummy model to see the difference in the intercepts. And the Random Effect Model, this model is used to calculate the error from the panel data with the least square method.

Statistical Tests

The following tests are conducted to determine the best approach that can be used in this research, such as:

Chow-Test

This test is used to determine which is the most appropriate between the common effect model and the fixed effect model to estimate panel data, with the following hypothesis:
Ho : Common Effect Model
Ha : Fixed Effect Model

When (p-value) cross-section F > 0.05, then Ho is accepted. It means that the most appropriate model to use is the Common Effect Model (CEM). But when (p-value) cross-section F < 0.05, then H0 will be rejected. It means that the most appropriate model to use is the Fixed Effect Model (FEM).

Hausman-Test

This test is to determine which is the most appropriate between the random effect model and the fixed effect model used to estimate panel data, with the hypothesis:
Ho : Random Effect Model
Ha : Fixed Effect Model

When (p-value) cross section F > 0.05, then Ho is accepted. It means that the most appropriate model to use is the Random Effect Model (REM). But when (P-value) cross section F < 0.05, then Ho is rejected. It means that the most appropriate model to use is the Random Effect Model (FEM).

Lagrange Multiplier Test

This test is used to compare which is more appropriate between the common effect model and the random effect model.

Multiple Regression Analysis

This analysis is formulated in the mathematical equation as follows :

$$DivPrem = \alpha + \beta 1Roait + \beta 2Levit + \beta 3CFCit + eit$$

Whereas :
DivPrem = Premium Dividend
ROA = Profitability is proxied by ROA
Lev = Leverage
CFC = Free Cash Premium

Regarding this multiple linear regression analysis, several statistical tests were carried out including:

1. F-Test
   The test is carried out to see the multiple regression coefficient with zero or in other words, the model is decided to be accepted. Aim to determine the effect of profitability, leverage, Free Cash Inflow on dividend premium.
2. t-Test
   This test is carried out on the coefficients of the estimating variables or independent variables. The purpose of this test is to see the effect of liquidity, profitability, price earnings to ratio, leverage, retention ratio is significant or not to the dividend premium. If the significance <0.05, then Ho is rejected, meaning that the independent variable individually has a significant effect on the dependent variable. Vice versa.
3. Coefficient of Determination (R^2) Test
   This coefficient measures the ability of the regression model to explain the dependent variation.

4. RESULTS

The subjects of this research are 35 companies listed on the BEI for the 2015-2019 period. The data in this study were obtained from the financial statements available on www.idx.co.id and the company's official website. The objects of this research are liquidity, profitability, price earning to growth ratio, leverage and retention ratio. The researcher uses secondary data based on the results listed in the financial statements.

The following are the results of the description of the research object:

Table 1 Statistical Test Results

Parameter	DivPrem	ROA	DER	FCF
Mean	0.116395	10.48465	35.438657	-0.018341
Median	0.105827	7.235543	25.367200	0.00576
Maximum	2.408710	485.1354	376.894394	0.86483
Minimum	0.001000	0.00000	0.073650	-0.75639
Std. Dev.	0.302876	48.59376	0.205848	0.23287
Skewness	5.012746	7.13956	0.402857	0.834566
Kurtosis	24.84723	27.5476	2.682546	2.719863
Jarque-Bera	4873.649	6374.72	8.628736	5.864915
Probability	0.000000	0.00000	0.014713	0.027562
Observations	175	175	175	175

Source: Data processed with EViews 11 software

Based on the Table above, it is found that the dividend premium variable (DivPrem) has a mean value of 0.116395 with a range of 0.001000 to 2.408710, the standard deviation of dividend premium is 0.302876. The profitability variable has a mean value of 10.48465 and a standard deviation of 48.59376, and a minimum value of 0.00000 and a maximum of 485.1354. The leverage variable has a mean value of 35.438657 and a standard deviation of 0.205848, and has a range of 0.073650 to 376.894394. The Free Cash Inflow variable has a mean value of -0.018341 and a standard deviation of 0.23287, and has a minimum value of -0.75639 and a maximum value of 0.86483.

In order to analyze multiple regression after testing the classical assumption test and to determine which model is better at estimating panel data, the authors use the Fixed Effect Model as presented in Table 2.

Table 2 Multiple Linear Regression with Fixed Effect Model

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	2.567835	1.156748	1.846274	0.0583
Roa	2.678357	0.218675	7.847392	0.0000
Lev	-0.549673	0.192547	-2.015464	0.0316
FCF	0.683629	0.137845	3.657326	0.0246
R-squared		0.782541		
Adjusted R-squared		0.763726		

F-Statistics = 12.45638	Prob (F-Statistics) = 0.0000

Source: The results of data processing using EViews 11

From the results of the regression analysis above, it is found that profitability has a significant positive effect on premium dividends with a significance level of 0.0000. The leverage variable of the company has a negative significant effect on dividend premium with a significance level of 0.0316. And the Free Cash Flow variable has a significant positive effect on premium dividends with a significance level of 0.0246.

The adjusted R-squared value was 0.763726, meaning that the contribution of profitability, leverage, and free cash flow to premium dividends was 76.37%, while the remaining 23.63% was due to the contribution of other variables not examined in this study. The F statistical value is 12.45638 with a significance of 0.0000, this means that the variables of profitability, leverage, and Free Cash Flow together have a significant effect on the premium dividend.

5. DISCUSSIONS

Based on the results of the study, it was found that profitability had a positive effect on dividend premium. This finding is in line with research conducted by [25] which suggests that there is a relationship between profitability and dividend policy. This shows that the company's ability to generate returns on assets owned by the company is directly proportional to the dividend policy that the company will take. Profits greatly affect the company's activities in the future, because the level of profitability indicates how the company's achievements are already in accordance with the planned targets or not, and will affect the projection of these profits for the future. This is in line with the signaling theory to see good opportunities in the future. In addition, the residual dividend policy theory shows that the company pays dividends when there are excess funds that exceed the company's profits for financing planned projects. The results of this study are supported by the results of research by [33], [36] and [37] which state that profitability has a positive and significant impact on dividend payments.

Leverage has a negative and significant effect on dividend policy. Increasing the use of debt will reduce dividend payments because the company has high fixed expenses so that the company will prioritize debt payments which will have an impact on dividend payments. This shows that the high company capital obtained from debt will actually reduce the company's dividend policy. The higher the Debt-to-Equity Ratio, the higher the amount of debt that will affect the company's ability to distribute dividends, but the high amount of debt will prevent the company from distributing dividends because the company also pays attention to the interests of the owners of capital. The results of this study are supported by [17] and [38], and the results of this study are different from the research conducted by [39] which states that there is an effect of leverage which is directly proportional to dividend policy. Meanwhile, this is in line with investors supporting the signaling theory which states that companies increase dividend payments, which is interpreted by investors as a signal of management's expectations about the improvement in the company's performance in the future.

Free cash flow has a significant positive effect on Premium dividends. The results of this study are in line with research conducted by [31] and [32] which states that free cash flow has a positive effect on dividend premium, meaning that the higher the free cash flow, the higher the dividend premium or the lower the free cash flow, the lower the dividend premium. This shows that in determining the amount of dividends to be distributed to shareholders, the company pays close attention to the Free Cash Flow factor. If the company wants to

maximize shareholder wealth by distributing dividends, it will prioritize cash flow. In accordance with the concept of Pecking Order Theory which states that companies tend to prioritize internal funding to pay dividends. The results of this study are different from research conducted by Arilaha (2009) which states that free cash flow has no effect on dividend policy.

6. CONCLUSIONS

This research analyzes the effect of profitability, leverage, and free cash inflow on catering in the area which is proxied by the premium dividend. Benefit meaningfully affects the profit premium in assembling companies listed on the Indonesia Stock Exchange for the 2015-2019 period. This shows that investors see profitability as a reference in investing. The higher the profitability of the company, the greater the dividend at the premium price paid. In addition, investors see this as a guarantee for future prospects. Leverage has a negative and significant effect on premium dividends, companies with high levels of debt utilization will prioritize debt payments so that dividends paid will decrease. Leverage makes a negative difference on premium dividends, this shows that the more significant the level of use of debt, the fixed expenses owned by the company will increase and have an impact on reducing the dividend premium. free cash inflow has a beneficial outcome on premium dividends, the higher the free cash inflow, the higher the profit premium or the lower the free cash inflow, the lower the profit premium.

7. SUGGESTIONS

Considering that this research still contains a number of limitations, it is highly considered that discussion of related variables is carried out through discussion. Here are some suggestions that can be given:

1. For investors
   Paying attention to profitability, leverage, and retention ratio in making a decision to invest in a company that can provide maximum returns is considered as an important step. High profitability, low leverage, and low retention ratio in the company attract investors to invest their capital.
2. For companies
   The prospect of the company in the future is very important for investors because in this way they can determine how much return the company can give to investors. Therefore, the need for good company performance in managing company finances and assets and being able to minimize unnecessary costs and company debt.
3. For further researchers
   It is hoped that further researchers can add independent variables that can affect the dividend premium to be studied. Further research can expand the sample and the time span of the study in order to obtain more accurate results.

ACKNOWLEDGMENT

We thank the Institute for Research and Community Service, Universitas Tarumanagara, which is led by Mr. Ir. Jap Tji Beng, MMSI., PhD., who has given the author the opportunity to carry out this research. We also thank Dr. Sawidji Widoatmodjo, SE, MM, MBA as Dean of the Faculty of Economics and Business, Universitas Tarumanagara, who has provided the insight and expertise that is very helpful in this research. We also thank to the Organizing Committee of the International Conference on Economics, Business, Social, and Humanities

(ICEBSH) who have given us the opportunity to participate in this event. We express our gratitude deeply to all of them.

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