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Recent Developments in Dividend Policy: Evidence from Indonesia

Abstract

This study aims to describe the development of dividend policy research in Indonesia. This study analyzes 7 accreditation journals in Indonesia from 2002–2017 periods, there are 35 articles discussing about dividend policy. We have classified this article based on topics, research methods, models used, and descriptions of research results in Indonesia. The result obtained are mostly published in Jurnal Keuangan dan Perbankan (JKP) 11 articles out of 35 articles. The most of studied antecedent topics are financial ratios, ownership structures, and capital structures while for the most consequences topic is firm value. Overall, this research uses analytical method and the measurement of dividend policy most use dividend payout ratio. This research period in the articles ranged from an average 5,5 years. This research aimed to give perspective about researches that have been done in Indonesia about dividend policy and the research result can be used as reference for next research or others such as investor and practitioner.

Keywords: Analytical Method, Dividend Payout Ratio, Dividend Policy, Literature Review, National Accredited Journal

JEL Classification: G30; G35

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Abstrak

Penelitian ini bertujuan untuk mendeskripsikan perkembangan penelitian mengenai kebijakan dividen di Indonesia. Penelitian ini menganalisis 7 jurnal akreditasi di Indonesia dari tahun 2002 sampai dengan 2017, didapat sebanyak 35 artikel yang membahas tentang kebijakan dividen. Kami telah mengklasifikasikan artikel ini berdasarkan topik, metode penelitian, model yang digunakan, serta mendeskripsikan tentang berbagai hasil penelitian di Indonesia. Hasil yang diperoleh sebagian besar diterbitkan di Jurnal Keuangan dan Perbankan (JKP) yaitu 11 artikel dari 35 artikel. Topik Anteseden yang paling banyak diteliti yaitu rasio keuangan, struktur kepemilikan, struktur modal sedangkan untuk topik konsekuensi paling banyak yaitu nilai perusahaan. Secara keseluruhan Penelitian ini menggunakan metode analytical, serta pengukuran kebijakan dividen paling banyak menggunakan dividen payout ratio. Periode penelitiannya pada artikel berkisar rata-rata 5,5 tahun. Penelitian ini diharapkan mampu memberikan gambaran tentang penelitian yang telah dilakukan di Indonesia terkait dividen, dan hasil penelitian yang bisa digunakan sebagai acuan bagi penelitian selanjutnya maupun pihak berkepentingan seperti calon investor dan praktisi.

Kata kunci: Metode Analitikal; Dividend Payout Ratio; Kebijakan Dividen, Kajian Literatur, Jurnal Nasional Terakreditasi

Dividend policy is one of the indicators in the company for the welfare of its investors. Baker & Powell (2012) stated that dividend policy is used as a signal for investors regarding future cash flow. Each company must have different policies that will affect the decision of the manager to share the benefits to shareholders in the form of dividends or will hold them in the form of held earnings. The size proposition of the dividend will depend on each company that requires the decision of the manager. Therefore dividend distribution is a very interesting phenomenon to be studied because the management of course will face difficulties on how to make decisions in dividend policy appropriately. The decision of the company in determining the dividend policy could lead to problems with shareholders. This is due to the interest in the use of profits generated by the company. The company seeks to ensure that the profit earned is expected to be withheld to make future investment decisions, while the investor judges the company's decision will raise concerns for shareholders on the use of profits that only provide benefits only to managers because it will trigger a conflict between shareholders and managers of a company called agency conflict (Jensen & Meckling, 1976). This conflict arises because of the tendency of the management to do moral hazard in maximizing their own interests and sacrificing the interests of the principal.

This study refers to the research done by Hesford et al. (2007) and Suprianto & Setiawan (2017) that examined the development of earnings management in Indonesia during the period of 1999-2016. This study attempts to review how the development of dividend policy in Indonesia such as measurement, as well as factors that motivate companies to issue a dividend. This study uses 35 articles on dividend policy in 7 accredited Journals over a period of 16 years (from 2002-2017). This research uses two approaches namely analyzing and also re-classification of dividend policy development for 16 years from several accredited journals in Indonesia seen from several aspects. This research is

conducted to know the direction of the development of dividend research in Indonesia. This study is expected to contribute: firstly provide evidence on the development of research on dividends in Indonesia period (2002-2017) and provide an overview of what research focus has been studied. Second, it can help in the formulation of problems for further researchers who refer based on the topic, a method that is still rarely studied in Indonesia. Third, it provides information about factors that can influence dividend policy on go public company in Indonesia with description of research result for 16 years. Thus, this information can be used as reference for the potential investors.

METHODS

The method used in this research was "Charting the Field" method developed by Hesford et al. (2007). "Charting the field" is a method used to identify articles according to the object to be researched, then to classify the articles based on the topics and methods. This method made the researchers easy to classify articles, so it would be clear about the topics studied, what methods were used on 35 articles on dividends. Observation on study of Hesford et al. (2007) was divided into two periods. This was done to show changes over time about the development of research with the calculation results that were still in limited percentage. The first phase of this study identified the 2002-2017 articles on 7 accredited journals on dividend policy in Indonesia. Selection of articles was based on accredited journals because the quality of the journal had met the adequate standardization of the Ministry of Research, Technology, and Higher Education of Republic of Indonesia and had passed a fairly strict editing process such as: free of plagiarism, data falsification. Second, the journals could be accessed online. Third, only choosing articles related to dividend policy in Indonesia by using keyword dividend policy/ dividend in journal website respectively.

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Table 1 is the accredited journal resources used in the study.

RESULTS

This study used 35 articles sourced from 7 national accredited journals that had met the three

criteria previously mentioned. Table 2 consists of the sample articles such as: name of journal, title of article, name of researcher, and number of citations. The researchers chose the period of 16 years among 2002-2017 because at this period the development of research on dividends in Indonesia had much progress.

Table 1. List of Journals

Journal Name	Name of Institution
Jurnal Akuntansi & Auditing Indonesia (JAAI)	Universitas Islam Indonesia
Jurnal Akuntansi & Keuangan Indonesia (JAKI)	Indonesia University
Jurnal Ekonomi & Bisnis Indonesia (JEBI)	Gadjah Mada University
Journal of Economic, Bussines, Accountancy Ventura (JEBA)	University of STIE Perbanas Surabaya
Jurnal Keuangan & Perbankan (JKP)	University of Merdeka Malang
Jurnal Akuntansi dan Keuangan (JAK)	PETRA Christian University
Jurnal Manajemen Kewirausahaan (JMK)	PETRA Christian University

Table 2. List of Sample Articles (Dividends in Indonesia: Study of a Bibliography)

Name of Journal	Title	Name of Researcher	Number of Citation
JAAI	Efek Informasi Asimetri terhadap Kebijakan Dividen (The Effect of Asymmetry on Dividend Policy)	Kusuma (2006)	7
JAAI	Hubungan Kebijakan Hutang, Insider Onwership dan Kebijakan Dividen dalam mekanisme Pengawasan Masalah Agensi di Indonesia (The Relationship among Debt Policy, Insider Ownership, and Dividend Policy in the Mechanism of Agency Problem Control in Indonesia)	Harjito & Nurfauziah (2006)	32
JAAI	Pengaruh Kecanggihan Investor terhadap Ketepatan Reaksi Pasar dalam Merespon Pengumuman Dividen Meningkat (The Influence of Sophisticated Investors on Market Reaction Accuracy in Responding the Increase Dividend Announcement)	Marfuah (2006)	0
JAAI	Persamaan Struktural: Aktivisme Institusi, Kepemilikan Institusional dan Manajerial, Kebijakan Dividen dan Utang (Structural Equality: Institution Activism, Institutional Ownership and Managerial, Dividend Policy and Debt)	Mursalim (2009)	0
JAAI	Likuiditas Saham, Kebijakan Dividen dan Nilai Perusahaan (Stock Liquidity, Dividend Policy and Firm Value)	Mursalim (2011)	0
JAAI	Pengaruh Keputusan Investasi, Keputusan Pendanaan, Kebijakan Dividen dan Ukuran Perusahaan terhadap Nilai Perusahaan (Influence of Investment Decision, Funding Decision, Dividend Policy and Company Size to Firm Value)	Pamungkas & Puspaningsih (2013)	4

JAAI	Pengaruh Profitabilitas, Leverage, Growth, dan Free Cash Flow terhadap Dividend Payout Ratio Perusahaan dengan Mempertimbangkan Corporate Governance sebagai Variabel Intervening (The Influence of Profitability, Leverage, Growth, and Free Cash Flow on Corporate Dividend Payout Ratio by Considering Corporate Governance as Intervening Variable)	Adnan, Gunawan, & Candrasari (2014)	3
JAKI	Hubungan antara Konservatisme Akuntansi dengan Konflik Bondholders-Shareholders Seputar Kebijakan Dividen dan Peringkat Obligasi (Relationship between Accounting Conservatism and Bondholders-Shareholders Conflict on Dividend Policy and Bond Ranking)	Sari (2004)	49
JAKI	Analisis Pengaruh Kepemilikan Manajerial, Kebijakan Utang, ROA dan Ukuran Perusahaan terhadap Kebijakan Dividen: 1995-1996 (Analysis of the Influence of Managerial Ownership, Debt Policy, ROA and Firm Size on Dividend Policy: 1995-1996)	Nuringsih (2005)	100
JAKI	Pengaruh Dividen Tunai dan Ukuran Perusahaan pada Industri Manufaktur terhadap Perilaku Investor (Influence of Cash Dividend and Company Size on Manufacturing Industry on Investor Behavior)	Ria (2006)	1
JAKI	Hubungan antara Sinyal Dividen Tunai dengan Kinerja Operasional dan Kinerja Pasar (Relationship between Cash Dividend Signals and Operational Performance and Market Performance)	Astuty & Siregar (2008)	3
JAKI	Pengaruh Interdependensi Mekanisme Corporate Governance terhadap Kinerja Perbankan (Influence of Interdependence of Corporate Governance Mechanism on Banking Performance)	Muktiyanto (2011)	3
JAKI	Pengaruh Premanaged Earnings dan Dividen yang diharapkan terhadap Praktik Manajemen Laba (The Influence of Premanaged Earnings and Expected Dividends on Profit Management Practices)	Wibiksono & Rudiawarni (2015)	3
JEBI	Speed of Adjustment and Target Dividend Payout Ratio In Indonesia	Tandelilin (2002)	0
JEBI	The Dilution Effect of Accounting Information	Hartono (2003)	0
JEBI	Conflict of Interest on Ownership Versus Free Cash Flow: Dividend Policy Effectiveness	Mahadwartha (2008)	2
JEBA	The Company Fundamental Factors and Systematic Risk In Increasing Stock Price	Hatta & Dwiyanto (2012)	22
JEBA	The influence of Liquidity and Profitability Toward the Growth at Stock Price Mediated by the Dividends Paid Out (Case in banks listed in Indonesia Stock Exchange)	Sitorus & Elinarty (2017)	0
JAK	Pengaruh Profitabilitas dan Investment Opportunity Set terhadap Kebijakan Dividen Tunai dengan Likuiditas sebagai Variabel Penguat (The Influence of Profitability and Investment Opportunity Set on Cash Dividend Policy with Liquidity as Strengthening Variable)	Suharli (2007)	108

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JAK	Pengaruh Aliran Kas Bebas dan Keputusan Pendanaan Terhadap Nilai Pemegang Saham dengan Set Kesempatan Investasi dan Dividen sebagai Variabel Moderasi (The Influence of Free Cash Flow and Funding Decision on Shareholder Value with Investment Opportunity Set and Dividend as Moderation Variable)	Arieska & Gunawan (2011)	33
JAK	Pengaruh Kebijakan Dividen terhadap Kepemilikan Individual dan Kepemilikan Institusional dengan Perubahan Peraturan Perpajakan sebagai Variabel Pemoderasi (The Influence of Dividend Policy on Individual Ownership and Institutional Ownership with Changes in Tax Regulation as Moderating Variables)	Kartikasari & Lasmana (2013)	2
JAK	Kepemilikan Manajerial, Kebijakan Pembayaran Dividen dan Efek Moderasi Penurunan Tarif PPh Dividen WPOP dalam Negeri (Managerial Ownership, Dividend Payment Policy and Moderation Effect Decrease Rate of Income Tax of Domestic WPOP Dividend)	Zulaikah & Lasmana (2013)	5
JMK	Studi Kebijakan Dividen: Antecedens dan Dampaknya terhadap Harga Saham (Study of Dividend Policy: Antecedents and Its Influence on Stock Prices)	Muhardi (2008)	30
JMK	Pengaruh Biaya Agensi, Tahap Daur Hidup Perusahaan, dan Regulasi terhadap Kebijakan Dividen pada Perusahaan Manufaktur di Bursa Efek Indonesia (The Influence of Agency Costs, Company Life Cycle, and Regulation on Dividend Policy in Manufacturing Companies in Indonesia Stock Exchange)	Djumahir (2009)	0
JKP	Analisis Keterkaitan antara Kebijakan Hutang, Dividen, Kepemilikan Manajerial dan Kepemilikan Intitusional dalam Rangka Mengurangi Konflik antara Manajer dengan Pemilik Modal (Relation Analysis among Debt policy, Dividend, Managerial Ownership and Institutional Ownership in Order to Reduce Conflicts between Managers and Capital Owners)	Chalimah (2006)	0
JKP	Faktor Penentu Dividen dan Biaya Keagenan serta Pengaruhnya pada Nilai Perusahaan (Dividends Determinants Factors and Agency Costs and their Influence on Firm Value)	Fadah (2010)	3
JKP	Faktor-faktor yang mempengaruhi Dividend Payout Ratio pada Perusahaan Jasa Keuangan Periode 2002-2006 (Factors Affecting the Dividend Payout Ratio of Financial Services Companies Period 2002-2006)	Sutoyo, Prasetio, & Kusumaningrum (2011)	2
JKP	Testing of Pecking Order Theory Through the Relationship: Earnings, Capital Structure, Dividend Policy, and Firm's Value	Harmono (2012)	0
JKP	Dampak Interaksi antara Kebijakan Utang dan Kebijakan Dividen dalam Menilai Perusahaan (The Impact of Interaction between Debt Policy and Dividend Policy in Assessing Companies)	Meythi (2012)	0

JKP	Efek Intra Industri, Dampak Perusahaan Reporter dan Nonreporter Dividen terhadap Kandungan Informasi (The Effect of Intra-Industry, The Impact of Corporate Reporter and Non-reporter Dividend on Information Content)	DP, Utomo & Mardjono (2013)	0
JKP	Sinyal profitabilitas dan Reaksi Pasar Modal Terkait Peningkatan Dividen saat Laba Meningkatkan (Profitability Signals and Capital Market Reactions Related to Dividends Increase as Profits Rise)	Suganda & Sabbat (2014)	1
JKP	Perspektif Bird in the hand: Penentu Dividend Payout Ratio Perusahaan Manufaktur periode 2006-2011 (Perspective Bird in the hand: Dividend Payout Ratio Determinants on Manufacturing Companies period 2006-2011)	Ambarwati (2014)	1
JKP	Konflik Keagenan: Hubungan Simultan Kepemilikan Manjerial, Kebijakan Hutang, dan Kebijakan Dividen (Agency Conflict: Simultaneous Relationship of Managerial Ownership, Debt Policy, and Dividend Policy)	Susilowati (2015)	2
JKP	Corporate Governance dan Interdependensi antara Leverage, Profitabilitas serta Kebijakan Dividen dalam Mencapai Nilai Perusahaan (Corporate Governance and Interdependency among Leverage, Profitability and Dividend Policy in Achieving Firm Value)	Mai (2015)	1
JKP	Ex-dividend Date dan Perubahan Harga Saham (Ex-dividend Date and Stock Price Changes)	Taungke & Supramono (2015)	0

Table 3. Sample Description

Journal Name	2002-2017		2002-2009		2010-2017	
	Number	Percentage	Number	Percentage	Number	Percentage
JAAI	7	0.20	4	0.27	3	0.15
JAKI	6	0.17	4	0.27	2	0.10
JEBI	3	0.09	3	0.20	0	0.00
JEBA Ventura	2	0.06	0	0.00	2	0.10
JAK PETRA	4	0.11	1	0.07	3	0.15
JMK PETRA	2	0.06	2	0.13	0	0.00
JKP	11	0.31	1	0.07	10	0.50
TOTAL	35		15		20	

Table 3 is about the sample description. It can be seen that in total (from 2002/2016), the highest number of articles about dividend is JKP 31%, and others JAAI 20%, JAKI 17.14%, JAK 11.43%, JEBI 8.57%, while for JEBA and JMK only 5.71% or only 2 articles related to dividends.

Based on Table 3, the average comparison of two periods namely period 1 between 2002 and 2009

and period 2 between 2010 and 2017 also shows there is an increase in the number of articles on dividends published in the last decade from 15 articles to 20 articles or about 20% mainly due to the increase in the number of articles in journals that is very significant JKP and JAK and others experience fluctuations.

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DISCUSSION

Article Classification

This study referred to research that had been done by Hesford et al. (2007) by classifying each article based on the topic and research method.

Classification Based on Topic of Discussion

The classification of articles on dividend policy if viewed from the research topics was divided into two namely antecedents (factors that motivated dividend policy) and the consequences (the impact of dividend policy). Table 4 shows the classification of dividend policy articles in Indone-

sia by topic. As explained earlier that the topics covered were classified into two. From the table it was concluded that during the 16 years the topic of antecedents of the dividend policy was about 34 percent (12 articles), while those that discussed the consequences were about 29 percent (10 articles). Compared between period 1 and period 2 there had been a decrease in antecedent topics by about 20% percent (from 8 articles to 4 articles), while the consequences also increased more than 2 times than ever (from 3 articles to 7 articles). In the classification of topics for a combination of antecedent and consequences the results remained the same in the first and second periods of 4 articles, and there was discussion for other topics of 14 percent (5 articles).

Table 4. Classification of Articles by Topic

Name of Journal	2002-2017		2002-2009		2010-20117	
	number	Percentage	number	Percentage	number	Percentage
Antecedents	12	0.34	8	0.53	4	0.20
Consequences	10	0.29	3	0.20	7	0.35
Antecedents and Consequences	8	0.23	4	0.27	4	0.20
Others	5	0.14	0	0.00	5	0.25
Total	35		15		20	

Table 5. Classification of Antecedent Variables

Variable Antecedents	Number	Percentage
Financial Ratios	12	0.52
Asymmetry Information	2	0.09
Ownership structure	6	0.26
capital structure	2	0.09
Ex-dividend date	1	0.04

Table 6. Explanation of Antecedent Variables

Antecedent Variables	Number of articles	Influence		
		+	-	No effect
Financial ratios				
a. Profitability	5	1	2	2
b. Leverage	3	3	-	-
c. Growth	3	3	-	-
d. Size	2	-	-	2
Ownership structure				
a. Institutional Ownership	6	4	-	2
b. Managerial ownership	6	3	-	3

Table 5 describes what antecedent variables have been discussed in this study. Overall of the 14 most discussed articles about the antecedent variable was the financial ratio of about 52 percent (12 articles). Here various financial ratios were very influential in the emergence of dividend policy of financial ratios proxy such as profitability, leverage, growth, size while the variable for which discussed the ownership structure was around 26 percent (6 articles). In the capital structure variable and asymmetry information there were 2 articles, about 8 percent. Next on the discussion ex-dividend date there was only one article only or about 4 percent.

Table 6 is an explanation of the results of financial ratios, profitability variables tending to have a negative direction. It was because companies that have high profitability not necessarily would distribute higher dividends. As in research of Sutoyo, Prasetyo, & Kusumaningrum (2011) it was possible that company with high profits would provide a small dividend because the company was growing and profit would be used as expansion especially for newly established companies. In the research of Adnan, Gunawan, & Candrasari (2014)) leverage financial ratios had a significant positive result due to the higher the leverage was, the higher the dividends that the company paid as most companies financed capital expenditures from loans.

The growth variable influenced as the research of Adnan, Gunawan, & Candrasari (2014). It indicated that many growing companies would need funds, including funds to pay dividends to shareholders, as well as signals that the company had good prospects in the future. Company size variables tended not to have an effect on Nuringsih's (2005) study. It argued that large companies (large assets) indicated expansion financed through additional debt or stocks, and it was also to protect their reputation that would tend to pay dividends, otherwise small-scale firms tended to pay low dividends due to profit into retained earnings to be able to increase its assets.

The ownership structure was divided into two proxies: institutional and managerial ownership structures. In institutional ownership structure variables, results obtained were tended to have a positive effect. According to Mursalim (2009) there was increase along with an increase in the proportion of institutional ownership. It was because institutional investors had an external supervisory role and became a barrier to the opportunistic actions of corporate managers.

The variable of managerial ownership structure tended not to have an effect. It was also proved by Nuringsih (2005). Her research result showed there was no effect of managerial ownership on dividend. It indicated that the increase of managerial ownership would cause the non diversified wealth optimally. Fadiah (2010) also proved that managerial ownership in Indonesia was around 3.94%. it indicated that the composition of managerial ownership was relatively small. Ownership in Indonesia was concentrated or dominated by the family, so it tended to share high dividends because managers had multiple roles as managers and investors in which it would make them like big dividend income (managers as investors).

Table 7. Classification of Consequence Variables

Consequence Variables	Number	Percentage
Firm value	5	0.38
Market reaction	3	0.23
Stock price	2	0.15
Agency Conflict	3	0.23

Table 7 shows the consequence variables or the influence of dividend policy discussed by the researcher. From 13 articles, there were 38 percent (5 articles) that discussed the effect of dividend policy on firm value. Thus, it could be concluded that the existence of dividend policy would have an impact on firm value. It indicated that investors would be more motivated to invest in companies that guaranteed high returns in the form of dividends as dividends became signal of the company

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prospects (Mursalim, 2011). In the consequence variables of market reaction and agency conflict there were 23 percent or (3 articles) on the impact on stock prices and there were only 2 articles or about 15 percent.

Table 8. Classification of Other Variables

Other variables	Number	Percentage
Corporate Governance	2	0.40
Taxation	2	0.40
Profit management	1	0.20

Table 8 shows the existence of other topics discussed. The other topics were such as Corporate Governance (CG) factor in the dividend policy paradigm with 40 percent (2 articles). It certainly could still provide opportunities for further research because it was still very rare. GCG research had been conducted by Kowalewski, Stetsyuk, & Talavera (2008), Setiawan & Kee Phua (2013), Susilowati (2015), which proved that good governance would be a safeguard for investor to ensure dividend payment in company. As well as in agency theory, CG was used as a tool to provide confidence to the investor about stock return on investment that he did. The research result proved that companies that implemented CG well would be able to pay bigger dividends. Putri (2012) proved that dividend policy had a positive effect on earnings management, so the higher dividend payout would motivate the manager to earn earnings management. This hap-

pened because a company could be indebted to pay dividends that would have an impact on earnings so that it would motivate management to manage profits in such a way as to keep giving a positive signal that the company would still provide dividends for the next period.

Table 9 shows the characteristics of journals compared to the research topics discussed by researchers in Indonesia. For antecedent research topics of dividend policy in JAAI, JAKI, JEBI, JEBA Ventura, JAK PETRA, JMK PETRA, JKP were respectively 21 percent, 7 percent, 21 percent, 0 percent, 14 percent, 7 percent, 29 percent while on the consequences topic for dividend policy for JAAI, JAKI, JEBI, JEBA Ventura, JAK, JMK, JKP journal sources were each about 15 percent, 38 percent, 0 percent, 15 percent, 15 percent, 0 percent, 15 percent. For the antecedent topic and the consequences were only available in 3 journals namely JAAI, JMK, and JKP and respectively were about 25 percent, 13 percent, 63 percent.

Table 10 shows the classification of articles discussing dividend policy in Indonesia which are classified into three methods: analytical, survey and literature review. For 16 years the research method used by Indonesian researchers was only analytical method that was 100% (35 articles). The other method was not yet used. This happened both in the first and second periods. When viewed from the first period there were about 15 articles and in-

Table 9. Journal Classification Based on Research Topics

Name of Journal	Topic					
	Antecedents	%	Consequences	%	Antecedents & consequences	%
JAAI	3	0.21	2	0.15	2	0.25
JAKI	1	0.07	5	0.38	0	0.00
JEBI	3	0.21	0	0.00	0	0.00
JEBA Ventura	0	0.00	2	0.15	0	0.00
JAK PETRA	2	0.14	2	0.15	0	0.00
JMK PETRA	1	0.07	0	0.00	1	0.13
JKP	4	0.29	2	0.15	5	0.63
TOTAL	14		13		8	

Table 10. Journal Classification Based on Research method

Name of Journal	2002-2017		2002-2009		2010-20117	
	Number	Percentage	Number	Percentage	Number	Percentage
Analytical	35	1.00	15	1.00	20	1.00
Survey	0	0	0	0	0	0
Review	0	0	0	0	0	0
Total	35		15		20	

creased in the second period to 20 articles. On the whole journal it could be concluded that the most dominant research method used by researchers in Indonesia when examining the dividend policy was analytical method. In other words, research in Indonesia only focused on secondary data only. However, survey method in Indonesia had been conducted by Baker & Powell (2012). The research aimed to know what factors influencing dividend policy, and the problem of dividend payment through survey method to company managers by using sample as many as 52 companies listed in Indonesia Stock Exchange (IDX). The results of this study showed that managers in determining dividend payouts see the deciding factors such as the stability of earnings as well as expected future earnings levels, as well as prove the influence of dividends with stock prices.

Table. 11 Classification of Dividend Policy Calculations

Dividend Policy Calculation Model	Number	Percentage
Dividend payout ratio	31	0.84
Dummy Dividend	0	0.00
Dividend Yield	6	0.16

Table 11 describes the measurement of dividend policies that researchers often use in Indonesia. The most widely used measurement model was dividend payout ratio of 84 percent and dividend yield of 16 percent while 0 percent for dummy dividend or no articles using dummy dividends.

Table 12 shows the journal classification and is compared for the dividend policy model in Indonesia. In the measurement model using dividend payout ratio in JAAI journal source, JAKI, JEBI, JEBA Ventura, JAK PETRA, JMK PETRA, JKP were around 19 percent, 19 percent, 10 percent, 6 percent, 6 percent, 2 percent, 10 percent, respectively while for dividend yield measurement model were only found in 3 journal sources: JAAI, JAK PETRA, JKP each about 50 percent, 33 percent, percent, 17 percent. In the measurement using dummy dividend, no researchers had used it.

The calculation to determine dividend policy is 31 articles or about 84 percent uses Dividend payout ratio (Jones and Sharma, 2001) with formula-

Table 12. Journal Classification Based on Measurement of Dividend Policy

Name of Journal	Topic					
	Dividend Payout Ratio	Percentage	Dummy Dividend	Percentage	Dividend Yield	Percentage
JAAI	6	0.19	0	0.00	3	0.50
JAKI	6	0.19	0	0.00	0	0.00
JEBI	3	0.10	0	0.00	0	0.00
JEBA Ventura	2	0.06	0	0.00	0	0.00
JAK PETRA	2	0.06	0	0.00	2	0.33
JMK PETRA	2	0.06	0	0.00	0	0.00
JKP	10	0.32	0	0.00	1	0.17
TOTAL	31		0		6	

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$$\text{Dividend Payout Ratio} = \frac{\text{Dividend per share}}{\text{Earning per share}} \times 100\%$$

For other calculations using Dividend yield is 6 articles or about 16 percent, with its formulation (Rozeff, 1982).

$$\text{Dividend yield} = \frac{\text{Dividend per share}}{\text{Closing Price Share}} \times 100\%$$

While dummy dividend does not have articles that use the calculation. Proxy used is to give a value of 1 (one) for companies that pay dividends and give a value of 0 (zero) for companies that do not pay dividends.

Table 13. Classification of Observational Data Sources

Name of Journal	2002-2017	
	Number	Percentage
BEI for the whole	14	0.40
BEI Manufacture	13	0.37
BEI finance service	4	0.11
Index Kompas	1	0.03
BI Banking	1	0.03
CRSPP	1	0.03
SGPI level	1	0.03
Total	35	

Table 13 shows the characteristics used as the population in the study with the highest number of about 40% (14 articles) derived from Indonesia Stock Exchange (BEI) as a whole, then there is a study

that narrows the study population to only manufacturing companies namely 35% (13 articles). In Securities exchanges there were several divisions of sectors such as agriculture, mining, basic chemistry industry, various industries, consumer goods industry, real estate and building construction, utility and transportation infrastructure, finance, trade, services and investment.

Table 14 provides evidence that research in dividend policy for 16 years on 7 accredited journal sources with a total of 35 articles averaged 5.5 years of research range. JEBI Journal source obtained the highest average that reached 10.30 with the number of research years at least 6 years while the longest number of researches occurred for 15 years and in this journal there were only 3 articles that allowed the average number of studies into high. It was concluded that in Indonesia the research period was still short so it was possible the results of the research became less consistent. The above articles used a research sample focused on firms that issued dividends only during the study period and issued dividends respectively as in the studies of Kusuma (2006), Mursalim (2009) and Meythi (2012).

CONCLUSION AND SUGGESTIONS

Conclusion

This study analyzed 35 articles on dividend policy published on 7 accredited Journals in Indo-

Table 14. The Average Classification of Research Years on Each Journal Source

Name of Journal	2002-2017			
	Number	Minimum number of years of research	Average number of years of research	Maximum number of year of research
JAAI	7	3	4.40	7
JAKI	6	3	5.70	9
JEBI	3	6	10.30	15
JEBA Ventura	2	4	4.00	4
JAK PETRA	4	2	3.50	5
JMK PETRA	2	5	8.00	11
JKP	11	3	5.50	12
Total	35			

nesia. The majority of articles on dividend policy were published in 2 journals namely Journal of Accounting and Auditing Indonesia (JAAI) Universitas Islam Indonesia and Journal of Finance and Banking (JKP) University of Merdeka Malang. Topics that discussed most about dividend policy articles were about antecedents about 34% (12 articles). For 16 years the most widely research method used was 100% analytical method (35 articles). The other methods such as survey and literature review had not been done. The most widely used measurement model was dividend payout ratio of 84% or 31 articles.

This research is able to provide an overview of research that has been done in Indonesia related dividends, as well as research results that can be used as a reference for further research and interested parties such as potential investors, practitioners, etc. The scope of this study illustrates that dividends are still used as a signal to convince investors of future cash flow prospects, and investors are expected to be more sensitive to what factors motivate firms about dividend policies such as financial ratios, ownership structure, capital structure, and corporate governance. This article still has some limitations for example only using analytical method in this research. The other methods such as survey and literature review have not been done in accredited journal.

Further research can also refer to the results of research that is still very little to be discussed that has to do with dividend policy as: first, Corporate Governance (CG) in research of Kowalewski, Stetsyuk, & Talavera (2008) proves that the stronger the GC is, the higher the value of Dividend Payout Ratio is. The result provides an important illustration that the presence of a strong CG can provide protection against the rights of minority shareholders. Second, Discussion on earnings management, in the research of Achmad, Subekti, & Atmini (2007) proves that the existence of dividend policy becomes one of the factors that motivate the manager to earn earnings management because the decision to distribute dividends is in General Meeting of Shareholders (AGM) so that later it can trigger conflict between management and shareholders. Third is concerning the ownership structure that is only proxied into 2 namely institutional and managerial. The research of Setiawan et al. (2016) has provided evidence that the ownership structure in Indonesia is concentrated by family ownership of 60%. Proxy of family ownership is expected later to become the basis in describing the ownership structure. In this accredited journal there has been no research focusing on the government sector such as the State-Owned Entity (BUMN). The research period used is expected to be longer because the average of the research is only around 5.5 years.

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