

# The Effect of Ownership Structure on the Dividend Policy of the Company Listed in Indonesia Stock Exchange

Yusnita, Dina Patrisia

Universitas Negeri Padang, Padang, Indonesia  
Email: yusn79@gmail.com

## ABSTRACT

This study aims to determine the effect of the effect of ownership structure on company dividend policies listed on the Indonesia Stock Exchange. The population in this study are all manufacturing companies listed on the Indonesia Stock Exchange from 2014 to 2018 using secondary data. The sampling technique uses purposive sampling. The number of samples in this study were 285 samples (57 companies with 5 years of research). Data analysis method used is to use multiple linear regression analysis on SPSS 16 assistance. The results of the study indicate that the family ownership variable has no effect on dividend policy measured using the DPR and DIVTA. The foreign ownership variable has a positive and significant effect on dividend policy measured using the DPR and DIVTA. The institutional ownership variable does not affect dividend policy as measured by the DPR, but has a positive and significant effect on DIVTA.

**Keywords:** *dividend policy, family ownership, foreign ownership, institutional ownership, ownership structure*

## 1. INTRODUCTION

Dividend policy is a policy in determining the financial portion that will be distributed to shareholders as part of retained earnings. Dividend policy will give a signal for investors to buy or maintain company shares. Dividend policy is crucial for companies to consider. Signaling Theory explains the inequality of information between internal parties and external parties, so financial managers must give signals to investors that the company is qualified. Dividends can be used as a positive signal for investors.

Dividend policy is very important because it affects company growth, stock prices, financial structure, funding flows and liquidity positions. In other words, the dividend policy provides information about the company's performance. Dividend policy has an important impact on many parties involved, especially those who have an interest in the company. The company is also

expected to grow while at the same time maintaining its survival and providing welfare to shareholders. This goal is often translated as an attempt to maximize the value of the company. In achieving this goal, shareholders submit management of the company to professionals who are responsible, or so-called managers. The company's dividend policy will involve two interested parties (agency problem), namely the interests of shareholders with their dividends, and the interests of the company with retained earnings. An optimal dividend policy is a dividend policy that creates a balance between current dividends and the company's growth in the future, so as to maximize the value of the company.

This study chose the manufacturing industry sector, because manufacturing companies distribute more dividends each year than other industrial sectors. Dividend distribution becomes a very interesting phenomenon to be studied. This

is because management will face difficulties about how to make decisions in dividend policy appropriately. The phenomenon of dividend distribution in several food and beverage sub sector companies listed on the Indonesia Stock Exchange from 2014-2018. The highest percentage occurred in 2018 at 37.72% and the lowest in 2014 at 19.95%. Therefore it is interesting to examine what factors influence the DPR so that fluctuations occur.

The different forms of characteristics of the group of shareholders which are divided into family ownership, foreign ownership, and institutional ownership cause a disharmony of interests among the shareholders. Differences in the perspective of the characteristics of each shareholder are based on the Clientelle Effect Theory. Clientelle Effect Theory is a theory put forward by Black and Scholes (1974) where this theory explains that there are different groups of shareholders which in turn creates a tendency for each shareholder to choose to invest in a company that is in accordance with their preferences. This theory explains that there is a group of shareholders who want to get dividend payments in large amounts and there is also a group of shareholders who choose to get dividend payments in small amounts.

The group of shareholders who have a preference for large dividend payments is based on the Bird in the Hand Theory preference stated by Gordon and Litner (1962). According to Black and Scholes (1974) when a dividend payment is made it will contain information that the company is investing and is considered to be a shareholder can increase the risk of their investment. Dividend policy can be a means to harmonize relations between shareholders. An inequality relationship will arise as a result of the preferences of each different group of shareholders. Basically, the preference group of shareholders is divided into the desire to get a large amount of dividend distribution or just want to get capital gains.

Companies in Indonesia have a ownership structure that tends to be concentrated. Research Setiawan et al (2016) has provided evidence that

the structure of ownership in Indonesia is concentrated by family ownership reaching 60%. The ownership structure that is concentrated by the family as controlling shareholder influences the policy in the company. According to Azwari (2016) in determining dividend policy, a family company which is a business entity with unique characteristics has flexibility in decision making, because the company is managed by managers who also become owners. Ariani and Fitdiarini's research (2014) family companies contributed 82.4% of the Gross Domestic Product. Companies with high family ownership will have strong control over the company, so that agency problems will be smaller. The lower the family ownership, the higher the level of dividend to overcome agency problems, conversely, the higher the family ownership, the lower the dividend, because there is control and trust that managers will act in the interests of shareholders.

Several studies have tested the effect of ownership structure on dividend policy, from these studies there are several research gaps. Research on dividend policy in family companies was conducted by Pindado et al (2012), the results prove that family-concentrated companies distribute higher and more stable dividends than non-family companies. The results of his research are in line with Setia Atmaja (2010) in Australia. Different results are found in the study of Wei et al (2011) observations in China and Setiawan et al (2016) research which provides evidence that family firms have lower dividend payout ratios so that they pay fairly small dividends compared to non-family firms.

Al-Najjar and Kilincarslan's (2016) research shows that there is an influence of foreign ownership on dividends in companies in Turkey. In line with research Setiawan et al (2016) found evidence that foreign ownership has a positive effect on dividend policy in Indonesia. The more foreign parties who invest their shares in the company will increase the company's performance. This happens because foreign parties who invest their capital have a management system, technology and innovation,

expertise and marketing that is quite good, which can bring positive influence to the company. Lin and Shiu's research also provides evidence that foreign ownership in developing countries has an impact on dividend payments, albeit at a low level. The cause is an imbalance of information obtained by foreign parties to find out the actual state of the company. Another study conducted by Lam (2012) found that foreign ownership negatively influenced dividend policy in China.

A high level of institutional ownership will encourage greater oversight efforts to prevent opportunistic behavior of managers. High institutional ownership can be used to reduce agency problems by distributing free cash flow in the form of dividend distribution. The greater the institutional ownership, the higher the ability to oversee management, to act in accordance with the expectations of shareholders through high dividend payments. The existence of institutional ownership causes companies to increase payments. Institutions in deciding their investments are more interested in companies that pay dividends but in low amounts.

Research conducted by Setiawan et al (2016) proves that institutional ownership has a positive effect on dividend policy. Other studies conducted by Kouki and Guizani (2009) and Amidu and Abor (2006) show the results that institutional ownership negatively influences dividend policy. Companies that have family ownership, foreign ownership and institutional

ownership in several companies listed on the Indonesia Stock Exchange show the average family ownership, foreign ownership, institutional ownership that fluctuates every year in influencing the DPR. The average family ownership has increased because many companies are dominated by certain families in Indonesia. Foreign ownership tends to fluctuate. In 2018 the value decreases when compared to 2017. Institutional ownership tends to trend towards a decline in 2018. The existence of fluctuating ownership status movements is inconsistent with dividend policy which tends to lead to an increase. Researchers' observations about the dividend distribution diagram in Indonesia which are still fluctuating make this topic still interesting to be re-examined.

**2. METHODS**

This type of research is associative research. The population in this study is manufacturing companies listed on the Indonesia Stock Exchange in 2014-2018, totaling 175 companies. The research sample was taken by using purposive sampling method. Based on the criteria of the research sample, from 175 total population the company obtained a total sample of 65 company samples studied for five years. So that the total sample of the study was 325 (65 companies multiplied by 5 years of research). The analysis used is multiple linear regression analysis.

**Table 1** :Definition of Variable Operations

Variable	Definition	Formula	Skala	Source
Variable Dependent: Dividend Policy (Y)	The decision to pay dividends to shareholders	$DPR = \frac{\text{dividendspaid}}{\text{netprofit}} \times 100\%$ $DIVTA = \frac{\text{CashDividen}}{\text{Totalassets}} \times 100\%$	Ratio	Duygun (2018)
Variable Independent: Family Ownership	Every company that has a dominant shareholder	$Fown = \frac{\text{Numberofsharesownedbythefamily}}{\text{Totalnumberofsharesoutstanding}} \times 100\%$	Ratio	Duygun (2018)

(X <sub>1</sub> )	and a family company			
Foreign Ownership (X <sub>3</sub> )	Ownership of shares by foreign investors	$KA = \frac{\text{Number of shares owned by the foreign}}{\text{Total number of shares outstanding}} \times 100\%$		
Institutional Ownership (X <sub>2</sub> )	Ownership of shares by outsiders / outside parties of the company	$INST = \frac{\text{Number of shares owned by the institutional}}{\text{Total number of shares outstanding}} \times 100\%$	Ratio	Duygun (2018)
			Ratio	Abor (2014)

### 3. RESULTS AND DISCUSSION

#### 3.1 Research Result

Description of the research variable refers to the lowest value, highest value, average, and

**Table 2:** Research Descriptive Test Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
DPR	285	.00	145.86	31.5567	24.61514
DIVTA	285	.00	54.47	3.9973	7.11375
Family	285	.00	84.30	18.2711	25.85172
Foreign	285	.00	98.67	36.2878	34.15936
Institutional	285	.00	99.99	79.1014	20.76336
Valid N (listwise)	285				

Based on table 2, the lowest DPR scores are 0% for WTON companies in 2016, ARNA in 2014 and 2015, ISSP (2015 and 2018, AKPI in 2018, IMPC in 2014 and 2015, TRST in 2018, JPFA in 2015, TKIM in 2014, BRAM in 2014, INDS in 2016, SMSM in 2016, RICY in 2014, JECC in 2014 and 2016, KBLM

standard deviation of the data. A tool for testing using SPSS 16 for Windows. Descriptive test results in this study are:

in 2014, CEKA in 2015 and 2016, DLTA in 2018, and CINT in 2014. The highest DPR scores were 145.86% In Multi Bintang Indonesia (MLBI) companies that paid dividends in excess of 2016, the average DPR was 31.55%, the average manufacturing company distributed a dividend of

31.55% of their net income, the DPR's standard deviation of 24.61%.

The lowest value of DIVTA is 0%, meaning that the company does not distribute dividends. Companies with DVLA 0% are WTON in 2016, ARNA in 2014 and 2015, ISSP (2015 and 2018), AKPI in 2018, IMPC in 2014 and 2015, TRST in 2018, JPFA in 2015, TKIM in 2014, BRAM in 2014, INDS in 2014 2016, SMSM in 2016, RICY in 2014, JECC in 2014 and 2016, KBLM in 2014, CEKA in 2015 and 2016, DLTA in 2018, and CINT in 2014. The highest DIVTA value was 54.47% in Multi Bintang Indonesia (MLBI) in 2014 which paid a dividend of 54.47% of the total assets owned, average DIVTA of 3.99%, the average manufacturing company distributed dividends of 3.99% of the total assets owned DVLA standard deviation of 7.11%.

The lowest value of family ownership is 0%, meaning that the company is not owned by a particular family. Companies that do not have family ownership are SMBR, SMGR, WTON, ARNA in 2014 and 2015, TOTO, ISSP in 2016 to 2018, LMSH, EKAD, IGAR, TALF, TRST, INDS, PBRX, RICY, BATA, IKBI, KBLI, CEKA, DLTA, ICBP, MLBI, HMSP, DVLA, KAUF, KLBF, MERK, and UNVR. The highest value of family ownership is 84.30% in the company Mayora Indah (MYOR) in 2018 which has a family ownership of 84.30% of the company's outstanding shares. The average family ownership is 18.27%, the average manufacturing company whose family-controlled shares is 18.27% of the outstanding shares. The standard deviation of family ownership is 25.85%.

The lowest value of foreign ownership is 0%, meaning that the company is not owned by a foreign party. Companies that do not have foreign ownership are ARNA in 2014 to 2016, TOTO, ISSP in 2016 to 2018, INAI in 2014 to 2016, ISSP in 2014 to 2016, EKAD in 2014 to 2016, AKPI in 2017 and 2018, IMPC in 2014, 2015, and 2018, INKP for 2014 to 2016, TKIM for 2014 to 2016, AUTO for 2018, INDS for 2014 to 2017, SRIL for 2014 to 2018, TRIS for 2014 and 2017, ICBP for 2014 and 2015, GGRM for 2014 and 2015, KAUF in 2014, SIDO in 2014 to 2017, TSPC in 2014 to 2017, and CINT in 2014 to 2017. The highest value of foreign ownership was 98.67% in Astra International (ASII) in 2018 which had foreign ownership of 98.67% of the company's outstanding shares. The average foreign ownership was 36.28%, the average manufacturing company whose shares were controlled by foreign parties was 36.28% of the outstanding shares. The standard deviation of foreign ownership is 34.15%.

The lowest value of institutional ownership is 0%, meaning that the company is not owned by an institution. Companies that do not have institutional ownership are the Industri Jamu & Farmasi Sido Muncul (SIDO) from 2014 to 2016. The highest institutional ownership value is 99.99% in the 2018 Kimia Farma (KAUF) company which has an institutional ownership of 99.99% of the shares circulating company. The average institutional ownership was 79.10%, the average manufacturing company whose shares were controlled by the institution was 79.10% of the outstanding shares. The standard deviation of institutional ownership is 20.76%

The results of multiple linear regression are:

**Table 3.** Results of the DPR Variable Multiple Linear Regression Test

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.636	.595		6.114	.000
	Family	-.006	.044	-.008	-.136	.892
	Foreign	.011	.004	.154	2.455	.015
	Institutional	.013	.007	.116	1.884	.061

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	Institutional	.013	.007	.116	1.884	.061
a. Dependent Variable: DPR						

Based on table 3, the equation is formed, namely:  
 $DPR = 3,636 - 0,006KF + 0,011KA + 0,013KI + e$   
 A constant value of 3,636 with a positive sign, if family ownership, foreign ownership, and institutional ownership is zero then the DPR will continue to increase. Regression coefficient value of family ownership of 0.006 with a negative sign, then every increase in family ownership will

reduce the DPR. The regression coefficient value of foreign ownership is 0.011 with a positive sign, each increase in foreign ownership will increase the DPR. The regression value of institutional ownership coefficient is 0.013 with a positive sign, so any increase in institutional ownership will increase the DPR. The results of multiple linear regression tests are:

**Table 4.** DIVTA Variable Linear Regression Test

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.258	.145		-1.781	.076
	Family	-.010	.011	-.053	-.892	.373
	Foreign	.003	.001	.151	2.444	.015
	Institutional	.005	.002	.181	2.995	.003
a. Dependent Variable: DIVTA						

Based on table 4, the equation is formed, namely:  
 $DIVTA = -0,258 - 0,010KF + 0,003KA + 0,005KI + e$   
 A constant value of 0.258 with a negative sign, then if family ownership, foreign ownership, and institutional ownership is zero then the DIVTA will decrease.

Regression coefficient value of family ownership of 0.001 with a negative sign, then every increase in family ownership will reduce the DIVTA.

The regression coefficient value of foreign ownership is 0.003 with a positive sign, each increase in foreign ownership will increase the DIVTA.

The regression coefficient of institutional ownership is 0.005 with a positive sign, so any increase in institutional ownership will increase DIVTA.

**3.2 Determination Coefficient Test**

The results of the coefficient of determination test on the DPR variable are:

**Table 5:** DPR Variable Determination Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.222 <sup>a</sup>	.049	.039	2.36113
a. Predictors: (Constant), Institutional, Family, Foreign				

Based on table 5, it is explained that the adjusted R square value is 0.039. The magnitude of the effect of family ownership, foreign ownership, and overall institutional ownership on the DPR variable is 3.9% while the remaining 96.1% is influenced by other variables. The results of the coefficient of determination test on the DIVTA variable are:

**Table 7:** DPR partial variable t test results

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.636	.595		6.114	.000
	Family	-.006	.044	-.008	-.136	.892
	Foreign	.011	.004	.154	2.455	.015
	Institutional	.013	.007	.116	1.884	.061
a. Dependent Variable: DPR						

Based on table 7 it is explained that the family ownership variable has a t value <t table (0.136 <1.968) and significance> alpha (0.892 > 0.05) then Ha is rejected and H0 is accepted. The conclusion proves that the variable family ownership has no effect on the DPR. Foreign ownership variable has a value of t arithmetic > t table (2.455 > 1.968) and significance <alpha (0.015 <0.05) then Ha is accepted and H0 is rejected. The conclusion proves that the variable of foreign ownership has

**Table 6:** DIVTA Variable Determination Coefficient Test Results

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.288 <sup>a</sup>	.083	.073	.57504

a. Predictors: (Constant), Institutional, Family, Foreign

b. Dependent Variable: DIVTA

Based on table 6 it is explained that the adjusted R square value is 0.073. The magnitude of the effect of family ownership, foreign ownership, and overall institutional ownership on the DIVTA variable was 7.3% while the remaining 92.7% was influenced by other variables. The partial t test results for the DPR variable are:

a positive and significant effect on the DPR. The institutional ownership variable has a value of t arithmetic <t table (1.884 <1.968) and significance> alpha (0.06 > 0.05) then Ha is rejected and H0 is accepted. The conclusion proves that the variable institutional ownership has no effect on the DPR. The partial t test results for DIVTA variables are:

**Table 8:** DIVTA Variable Partial T Test Results

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.258	.145		-1.781	.076
	Family	-.010	.011	-.053	-.892	.373
	Foreigh	.003	.001	.151	2.444	.015
	Institutional	.005	.002	.181	2.995	.003
a. Dependent Variable: DIVTA						

Based on table 8, it is explained that the family ownership variable has a t value <t table (0.892 <1.968) and significance> alpha (0.373> 0.05) then Ha is rejected and H0 is accepted. The conclusion proves that the variable family ownership does not affect DIVTA. The foreign ownership variable has a value of tcount> t table (2.444> 1.968) and significance <alpha (0.015 <0.05) then Ha is accepted and H0 is rejected. The conclusion proves that the variable of foreign ownership has a positive and significant effect on DIVTA. The institutional ownership variable has a value of t arithmetic> t table (2.995> 1.968) and significance <alpha (0.003 <0.05) then Ha is accepted and H0 is rejected. The conclusion proves that the variable institutional ownership has a positive and significant effect on DIVTA.

### 3. RESULT AND DISCUSSION

#### 3.1. Effect of Family Ownership on Dividend Policy

The hypothesis in this study explains that family ownership has a positive and significant influence on dividend policy as measured through the DPR and DIVTA. The results of testing the hypothesis of family ownership of dividend policy concludes that family ownership does not affect the dividend policy measured using the DPR and DIVTA.

Family ownership cannot influence the dividend policy measured using the ratio of dividend payments to the company's net income because investors who are family members of a company will not want profits in the form of dividends to improve their welfare, but rather

prioritize the interests of their business development. The higher family ownership will not have an impact on dividend policies measured using the DPR and DIVTA.

The results of this study explain that family ownership has no effect on dividend policy measured using the DPR and DIVTA supported by previous research conducted by Abdullah and Roslan (2012) which concluded that family ownership has no effect on dividend policy. However, this study does not support research conducted by Reyna (2017), Adjaoud and Hermassi (2017), Pindado (2012), and Setiawan and Phua (2016) who concluded that family ownership has a significant effect on dividend policy.

The results of this study do not support agency theory which explains that companies with high family ownership have strong control over companies including managers, so that agency problems will occur even smaller. The lower the family ownership, the higher the level of dividend to overcome agency problems, conversely, the higher the family ownership, the lower the dividend because there is control and trust that managers will act in the interests of shareholders. But in reality or research results explain that the lower or higher family ownership does not have an impact on dividend policy because family ownership tends to prioritize business interests of the company.

The results of this study support the dividend irrelevance theory by Miller and Modigliani (1961) which shows that a company does not



allow a dividend policy to influence its investment decisions. In certain market conditions, dividends become improper in making investment decisions due to competition between investors in market trading mechanisms. However, their approach ultimately shows that with imperfect market conditions where there is a difference in capital gains, it will affect the stock price of the company, so that companies that pay dividends in small amounts will tend to be more attractive to shareholders and then that a company will be able to increase its share price by reducing dividend payments.

### *3.2. Effect of Foreign Ownership on Dividend Policy*

The hypothesis in this study explains that foreign ownership has a positive and significant influence on dividend policies as measured through the DPR and DIVTA. These results explain that foreign ownership has a positive and significant effect on dividend policy as measured using the DPR and DIVTA supported by previous research conducted by Setiawan and Phua (2016) and Kumar (2006) which concluded that foreign ownership has a significant effect on dividend policy. However, this study has different results from the research conducted by Abdullah and Roslan (2012) which concluded that foreign ownership has no effect on dividend policy.

Foreign ownership can affect dividend policies measured using the ratio of dividend payments to the company's net income because foreign investors are more interested in companies that pay dividends on time because they provide definite profits. The higher the foreign ownership, the higher the dividend policy measured using the DPR and DIVTA.

The results of this study support the bird in the hand theory proposed by Gordon and Lintner (1962), there is a relationship between company value and dividend policy. Shareholders prefer the distribution of dividends from obtaining capital gains, where the distribution of dividends is considered more certain and safer. In this theory explains that the shareholders want to get a large amount of dividend distribution. This is in

accordance with the goal of the shareholders namely to invest their shares to get dividends. Shareholders do not want to invest in a company if dividends are received for a long period of time.

The results of this study are in accordance with the opinion of Dahlaquist and Robertson (2001) saying that foreign investors in investing prefer companies that are already well-established in their fields with low debt and trading in the export market. This preference is based on the basis that foreign investors do not have enough information about local companies so they want managers to make high dividends. The greater the supervision by foreign investors on management the higher the effect on management to perform well and produce high dividend payout ratios and dividends per total assets.

### *3.3. The Effect of Institutional Ownership on Dividend Policy*

The hypothesis in this study explains that institutional ownership has a positive and significant influence on dividend policy as measured through the DPR and DIVTA. The results of testing the institutional ownership hypothesis on dividend policy measured using DIVTA concluded that institutional ownership had a positive and significant effect on dividend policy measured using DIVTA. Institutional ownership cannot affect dividend policy as measured using the ratio of dividend payments to the company's net income because investors in the form of institutions are more likely to prioritize the interests of the company. However, institutional ownership can affect dividend policy as measured using the ratio of dividend payments to total company assets because dividend payments must pay attention to aspects of corporate investment. The higher institutional ownership will not have an impact on dividend policy as measured using the DPR. The higher institutional ownership will greatly affect the dividend policy measured using DIVTA.

These results explain that institutional ownership has a positive and significant effect on dividend policy as measured using the DPR and

DIVTA supported by previous research conducted by Setiawan and Phua (2016), Reyna (2017), Saif (2013), Kumar (2006), Kouki and Guizani (2009), and Al-Najjar (2009) who concluded that institutional ownership had a significant effect on dividend policy. However, this study has different results from the research conducted by Abdullah and Roslan (2012) and Ulfa (2016) which concluded that institutional ownership has no effect on dividend policy.

A high level of institutional ownership will encourage greater oversight efforts to prevent opportunistic behavior of managers. Jensen (1986) revealed that high institutional ownership can be used to reduce agency problems by distributing free cash flow in the form of distributing dividends. The greater the institutional ownership, the higher the ability to oversee management to act in accordance with the expectations of shareholders through high dividend payments. Grinstein and Michaely (2005) found that the existence of institutional ownership causes companies to increase payments. Institutions in deciding their investments are more interested in companies that pay dividends but in low amounts.

The results of this study support the bird in the hand theory proposed by Gordon and Lintner (1962), there is a relationship between company value and dividend policy. Shareholders prefer dividend distribution over capital gains, where dividend distribution is considered more certain and safer. In this theory explains that the shareholders want to get a large amount of dividend distribution. This is in accordance with the goal of the shareholders namely to invest their shares to get dividends. Shareholders do not want to invest in a company if dividends are received for a long period of time.

#### 4. CONCLUSIONS

Based on hypothesis testing conducted by researchers, it can be concluded that family ownership variables have no effect on dividend policies measured using the DPR and DIVTA.

Investment decisions by family ownership do not affect the payment of dividends. The foreign ownership variable has a positive and significant effect on dividend policy measured using the DPR and DIVTA. Foreign shareholders prefer companies that pay dividends because they have a definite impact on receiving profits. The variable of institutional ownership has a positive and significant effect on dividend policy measured using the DPR and DIVTA.

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