# Dividend Policy and Consumer Goods Sector in Nigeria

## Ify Michael Chijuka[1], Momoh Hussein[2]

**Abstract:** This study examines the influence of consumer goods internal determinants on dividend policy in Nigerian from 2017 to 2021. This study uses panel data regression model with pairwise testing for data analysis. Purposive sampling was employed in data collection. The internal determinants that influence dividend policy included in this study are: ratio of current asset, ratio of debt-to-equity, assets growth and collateralizable assets, as well as return on equity while the dependent variable is ratio of Dividend Payout. The findings of this research revealed that the ratio of dividend payout is unaffected by the current ratio, the debt-to-equity ratio, or growth. Dividend policy is influenced positively by Collagenization and Return on Equity. Consumer goods companies, according to this study, are more likely to pay out significant dividends to shareholders if they are profitable and have a large pool of collateral with which to back their claims. Studies show that managers are allowed to increase dividends to shareholders, which supports agency theory. According to study findings both theoretical and empirical, in the Nigerian consumer goods industry, where profits are high and collateral is available, companies prefer to give significant dividends to shareholders.

**Keywords:** Dividend Policy; consumer goods; Nigeria

**JEL Classification:** P46

## 1. Introduction

A company's ability to distribute profits to shareholders is constrained when reinvestment is financed via retained earnings, making dividend policy a contentious topic. To increase their performance in the future, Nigerian consumer goods firms are demanding big investment money, yet the company's debt level is currently rather high and it is essential to lower its debt. As a result, several consumer goods businesses have offered debt restructuring to their lenders, which has led to lower financial performance. Another difficulty has surfaced recently since stock values tend to drop. Investors demand dividends rather than capital gains. Because of this, management and shareholders must put the aim of enhancing the company's value above all else when deciding on dividend policy (Endri et al., 2020). A decision-making procedure that considers a study of dividend policy drivers is thus necessary.

The company's dividend policy is an essential aspect of its financial decision. As a result, the choice to pay dividends cannot be separated from the company's ability to generate profits. A company's capacity to pay out dividends in a way that meets the expectations of its shareholders may be gauged by its profitability (Harahap et al., 2020). A company's dividend payment decisions are affected by liquidity,

---

[1] University of Benin, Nigeria, Corresponding author: michael.chijuka@uniben.edu.
[2] University of Benin, Nigeria, E-mail: hussein.momoh@uniben.edu.

activity, leverage, and profitability, according to (Roj, 2019). Accordingly, it is hypothesized that the ratio of liquidity, activity, leverage, and profitability influences how Nigerian stock exchange-listed consumer goods businesses set their dividend policy. In this study, we examine the factors that influence dividend policy in Nigerian consumer goods businesses, which include; liquidity, leverage, profitability, and activity. Hence, the research objectives are:

1. Examine the relationship between Current ratio and dividend policy of consumer goods sector in Nigeria.

2. Find out if any relationship exists between Debt-to-equity ratio and dividend policy of consumer goods sector in Nigeria.

3. Determine the relationship between Asset Growth and dividend policy of consumer goods sector in Nigeria.

4. To know whether Collateralizable assets impacts dividend policy of consumer goods sector in Nigeria.

5. Examine the relationship between return on equity and dividend policy of consumer goods sector in Nigeria.

## 2. Literature Review

To determine the dividend policy, a firm must decide how much of its net income will be paid out in dividends and how much will be reinvested. A company's dividend policy is part of its long-term financial plan for adapting to the changing environment. The dividend policy of a firm is a predictor of future profits since it reflects the firm's earnings and success. For example, dividend policy is utilized to convey the company's financial health and prospects in accordance with the signaling theory (Bhattacharya, 1979). As a result, dividend policy affects the choices that investors must make about whether or not to buy, hold, or sell shares. Investors should hang on to the company's stock if dividends have been maximized, so long as the company is profitable. Shareholders will sell the company's stock in order to reap capital gains on the stock market if the dividend payout is deemed inadequate or not ideal (Razak et al., 2020).

Shareholders and firm management face asymmetric information when managers have access to more information or have more time to process it (Ullah, 2020). Shareholders' ignorance can be used by management who have more full information, according to agency theory. As a result, shareholders are unable to influence the activities of management. To guarantee that adequate funds are available for investment or development, managers often pick a bigger amount of retained earnings than investors choose, which benefits investors by increasing cash returns. There is a risk of confrontation between agencies because of different interests. The dividend policy of a corporation can therefore help to lessen or eliminate agency issues. Agents and principals can save money on agency fees by using a dividend policy, according to Easterbrook (1984).

Liquidity indicates a company's capacity to satisfy its short-term financial commitments (Endri et al., 2020). How easily current assets may be used to pay off short-term debts is referred to as "liquidity" (Sharma & Bakshi, 2019). A proxy for liquidity, the current ratio, is used to determine dividends in the computation of current liabilities, according to Zhang et al. (2020). Dividends to shareholders can be

paid by companies with strong liquidity levels. It is possible to lower agency costs by paying a company's shareholders cash dividends if it has adequate cash flow. The "liquidity hypothesis of dividends" was proposed by Banerjee et al. (2007) to explain the negative correlation between dividend policy and liquidity. There is further evidence that the traditional stock dividend liquidity theory has been proven wrong by Baker and Kapoor (2015) and Zhiqiang et al. (2015). According to signaling theory, dividend payments are positively correlated with liquidity. According to Amidu and Abor (2006), liquidity has a direct positive impact on dividend policy, with the observation that firms with strong liquidity can pay more dividends than those with poor financial situations.

Low payout ratios are common in corporations with significant leverage, according to Rozeff (1982). This is because of the high transaction costs involved with external borrowing. Additionally, Al-Malkawi (2007) found that enterprises with a high level of leverage tend to pay less dividends. Leverage was shown to be the most important factor of dividend policy by Tahir and Mushtaq (2016). Yusof and Ismail (2016), finds that corporate dividend policy is negatively influenced by the company's debt. The research of Wahjudi (2020) also shows that the dividend policy of Indonesian manufacturing enterprises is adversely affected by leverage. This illustrates that the more leverage a corporation has, the smaller its dividend policy is likely to become. Pattiruhu and Paais (2020) discovered that leverage had a positive impact on dividend policy, which differed from their previous findings.

Firm growth is a shift in operational assets employed by the company. With a high asset growth rate, the company can make significant profits and have an impact on the increasing spending needed to fund its expansion (Sugianto et al., 2020). As a result, to support investment decisions, corporations must restrict dividends and raise retained earnings. According to Dempsey et al. (2019), the capacity to pay dividends is linked to asset growth. It was observed that growth, business valuation, as well as the firm's size and size influence the dividend policy of a corporation. Wahjudi (2020) shows that dividend policy is negatively affected by net asset growth. In other words, if net assets develop faster, businesses will have to cut back on their dividend payments.

If the firm has assets that may be offered as collateral, creditors can't stop the corporation from paying out dividends to shareholders. It is now possible for the firm to borrow money without fear of losing its reputation, as the value of the pledged assets has grown significantly. When a firm expands, it changes the mix of operational assets it employs across all divisions. Growth of the company's assets can have a substantial influence on the company's requirement for more funding as it grows. (Sugianto et al, 2020) Consequently, the agency problem between management and creditors is reduced. Increased payouts to shareholders. A company's size might be inferred from the greater levels of collateralizable assets. In their study, Johari and Hassan found that assets that may be used as collateral had a favourable impact on dividend payments. When it comes to dividend policy, collateralized assets have a small but detrimental impact, according to Wahjudi (2020). This demonstrates that Indonesian manufacturing businesses' payout practices are unaffected by their large stockpiles of collateralizable assets.

Going by the Pecking order theory, corporate internal funds are preferred above debt and finally equity funding in the form of stock offerings (Shahnia et al., 2020). The company's dividend payout will be relatively unaffected by increasing profitability. According to Kuzucu (2015), a company's profitability has a negative and considerable influence on dividend policy. To ease the strain between the principle and the agent, a rise in earnings might result in an increase in dividends. Profitability has been found to have a favorable impact on dividend policy (Danila et al, 2020). Return on equity (ROE), a metric used

by Rodrguez-Pose and Gill (2005) in their study of Malaysian corporations, has a significant influence on dividend payments.

## 3. Research Methodology

This study focused on the Nigerian stock market's consumer goods sector from 2017 to 2021. Panel regression is used to estimate and analyze the research model. For the sake of this study, the panel regression model may be expressed as follows:

DPRR = (CRR, DERR, GROWTH, COL, ROE)

The econometric form of the model is:

$$DPRR = (\alpha_0 + \alpha_1 CRR, + \alpha_2 DERR\ \alpha_3 GROWTHH + \alpha_4 COL + \alpha_5 ROEE)$$

Where:

DPRR  = Dividend Pay-out ratio of consumer goods sector in Nigeria.

CRR    = Current ratio of consumer goods sector in Nigeria.

DERR  = Debt to equity ratio of consumer goods sector in Nigeria.

COLL  = Collateralizable Assets of consumer goods sector in Nigeria.

ROEE  = Return on equity of consumer goods sector in Nigeria.

GROWTHH = Asset Growth of consumer goods sector in Nigeria.

Random-effect, common-effect, and fixed-effect models are all used to estimate panel data regression methods. For example, the random-effects model is able to overcome the fixed-effect model's drawbacks because it uses dummy variables to represent uncertainty. It is possible to draw the fixed-effect model's conclusion that the variation in intercept can manage the variations in intercept. Common-effect models employ Ordinary Least Squares to create parameters from cross-sectional and time series data.

## 4. Results

### 4.1. Analysis of Panel Data Regression Estimation

Panel data regression may be tested using the Chow test. Fixed-effect models can be used for panel data regression analysis if the computed F probability exceeds the set significance level (i.e., the null hypothesis is rejected). Panel data regression uses the common-effect model because it has the lowest estimated F probability value and hence supports the null hypothesis.

**Table 1. Chow Model**

| Effects Testt | Statisticc | d.f .f. | Probb. |
|---|---|---|---|
| Cross-section FF | 6.120181 | (25,11) | .0002 |
| Cross-section Chi-squaree | 88.644061 | 25 | .0001 |

Cross-section F has a probability of.0002, according to the Chow model's test findings, as shown in

Table 1. As you can see, it's unlikely to be significant at the default threshold of 0.05. A fixed-effect panel data regression model is a better fit for this research, as can be observed from the rationale provided earlier, which means the null hypothesis is invalidated and the alternative hypothesis is accepted. The Hausman test compares the common-effect methodology to the fixed-effect and random-effect methods. Fixed-effect models are acceptable when the Hausman statistical value surpasses the critical Chi-Squares chi-squares value, suggesting the null hypothesis must be rejected. If the Hausman statistical value is smaller than the critical Chi-Squares value, the random-effect model is appropriate for panel data regression.

Using the Hausman model, we evaluated the panel data regression selection and found the following:

**Table 2. Hausman Result**

| Test Summaryy | Chi-Sq. Statistic | Chi-Sq. d.f. | Prob. |
|---|---|---|---|
| Cross-section randomm | 32.066401 | 6 | .0008 |

A random cross-section has a probability value of 0.0008 based on the Hausman model test findings shown in Table2 aboveTo put it another way, this probability value falls below the 0.05 threshold for significance. Due to the fact that the null hypothesis has already been rejected, it is logical to employ panel data regression with a fixed-effects model in this investigation. In order to determine if the random-effect model is preferable than the common effect model, the Lagrange multiplier (LM) must be employed. Rejecting the null hypothesis in panel data regression requires a larger than-critical Chi-Squares LM value or a probability value below a significance threshold. As long as the Chi-Squares' critical LM estimate falls below the null hypothesis' significance level, the null hypothesis is considered to be true. For panel data regression, the common-effect model is the best choice. Lagrange multiplier models were used to evaluate panel data regression selection:

**Table 3. Result of the Lagrange Multiplier**

| Null (no rand. effect) | Cross-section | Period | Both |
|---|---|---|---|
| Alternative | One-sided | One-sided | |
| Breusch-Pagan | 17.87008 | 3.1479380 | 18.038020 |
| | (.00000) | (.15240) | (.00000) |

Breusch Pagan's probability value for a one-side cross-section is 0.0000, according to the LM model's test findings (Table 3). According to the pre-determined significance level of 0.05, this probability value falls below the threshold. The null hypothesis is rejected, and the alternative hypothesis is accepted using panel data regression and the random effect model, suggesting that the random effect model should be used in this investigation. Previously given reasons are taken into consideration.

## 4.2. Hypothesis Test

One independent variable's effect on the dependent variable may be measured using the t statistic test. It is possible to use Eviews 10 to do the t-test by looking at the probability value for each variable in the panel data regression output. Whenever the probability is less than or equal to 0.05, the null hypothesis H0 is rejected, indicating that the independent variable has a significant impact on the dependent factor. H0 is acceptable if the significance value of $t > 0.05$ indicates that the independent variable and the dependent variable have no significant relationship. Because of a partial assessment between the independent and dependent variables, we may state the following:

**Table 4. Regression Output.**

| Var. | Coeff. | SD | t-Stat. | Prob. |
|---|---|---|---|---|
| C | .0022770 | .1404950 | .0162070 | 0.9871 |
| CRR | .0027790 | .0170090 | .1633770 | 0.8706 |
| DERR | .1079290 | .0593030 | 1.8199690 | 0.0721 |
| GROWTH | -.2308740 | .1223890 | -1.8863970 | 0.0624 |
| COLL | .7471520 | .0315430 | 2.3686850 | 0.0200 |
| ROEE | .4254430 | .2115360 | 2.0112120 | 0.0473 |
| $R^2$ | .7602170 | Mean dep. var | | .149241 |
| Adjusted $R^2$ | .6864380 | S.D. dep. var | | .122969 |
| S.E. of regression | .1413430 | SS resid | | 2.390634 |
| F-stat. | 9.7849290 | D-W stat | | 2.148056 |
| Prob(F-stat.) | .0000010 | | | |

A partial hypothesis test, shown in Table 5, shows a current ratio probability value of 0.8706 with a t-statistic of 0.163377, a debt-to-equity ratio probability value of 0.0721 with a t-statistic of 1.819969, and an expected growth rate (GROWTH) value of 0.0624 with a t-statistic of -1.886397 as the results of the test show. Both the Collateralizable Assets and Return-on-Equity have a probability value of 0.0200 and 0.0734 and t-statistic value of 2.368685 and 2.011212, respectively. A regression analysis of the panel data obtained the following results:

The coefficient of determination ($R^2$) is a measure of the model's ability to explain the variation in the dependent variable. This suggests that the independent variables have a limited ability to account for the variation in the dependent variable. If the independent variable's value is close to one, the information needed to anticipate the change in a dependent variable is provided. According to the regression coefficient test findings in Table 5, the company's Dividend Payout Ratio is impacted by ratio of current asset, ratio of debt-to equity, asset growth, collateralizable assets and return on equity to the tune of 76.02 percent, while the error term is responsible for 23.98 percent.

## 5. Discussion

The study's findings suggest that the dividend policy of Nigerian consumer goods companies is unaffected by the current ratio, indicating that short-term financial decisions have little impact on dividend payments. According to this study, a high current ratio indicates that the firm has a substantial cash reserve that may not be used effectively, whereas cash dividend payments are not a management concern. A high current ratio, on the other hand, implies that the firm is well-positioned to pay its short-term financial commitments with ease. The Dividend Payout Ratio is unaffected by the current ratio, according to (Pattiruhu & Paais, 2020). The findings of Wahjudi (2020) suggest that liquidity has a substantial influence on dividend policy.

To put it another way, the findings of this study show that the ratio of Debt-to-Equity has no impact on dividend payments made by Nigerian consumer goods companies. This study's findings are in line with those of Nurhayati and Endri (2020); Sharma and Bakshi (2019); and Singla and Samanta (2018), all of whom found that a company's dividend policy is not determined by its financial leverage. Several studies have shown that financial leverage has a detrimental impact on dividend policy, including those of Tahir and Mushtaq (2020), Wahjudi (2020),

This study found that asset growth has no effect on dividend policy, which suggests that changes in the company's assets are not taken into account when deciding dividend payments. As a result, the company's assets are retained at a high level and dividend policy is not affected by the deployment of new resources. A growing firm necessitates an increase in the company's investment funding demands. The company's profits are used to fund the company's expansion or growth rather than dividends. Alzomaia and al Khadhiri (2013), finds that asset growth does not impact dividend policy. However, contrary to the conclusions of Wahjudi (2020), Sharma and Baksh (2019), and the authors of this study, dividend policy is not adversely affected by net asset growth.

Increasing the amount of Collateralizable Assets (COL) opens the door for management to enhance dividend payments to shareholders, according to the findings of this study. F urthermore, a high COL can help eliminate conflicts of interest between creditors and the company's management. Studies by Mauris and Rizal (2021) back up the study's conclusions. According to Wahjudi (2020), collateralizable assets have a somewhat negative impact on dividend policy, however the outcomes of this study show otherwise. There is no evidence that COL has any impact on dividend policy, according to Basri (2019).

The finding of the study showed that the dividend policy of Nigerian consumer goods firms is positively influenced by Return on Equity. This indicates that dividend payments tend to rise with an increase in profitability. As a result of agency theory, shareholders receive a rise in dividend payments, while the company's management may quickly and successfully obtain cash from external sources for business operations and investments. Several other studies have shown similar findings, including those of Endri et al. (2020c) and Tahir and Mushtaq (2020) and Basri (2019). Wahyudi (2020) and Sharma and Baksh (2019) reported different findings, concluding that profitability does not influence dividend policy.

## 6. Conclusion

This study examines the influence of the company's determinants on dividend policy in the listed consumer goods industry on the Nigerian stock market from 2017 to 2021, these internal determinants consist of: ratio of Current asset (CRR), ratio of Debt-to-Equity (DERR), Growth in asset (Growthh), Collateralizable Assets (COLL), and Return on Equity (ROEE). There were 28 firms chosen as a sample for the panel data regression model. Only the COLL and ROEE variables have a positive impact on dividend policy, according to empirical evidence, whereas the CRR, DERR, and growth ratios have no impact. According to this study, organizations with high profitability and readily available assets that may be used as collateral for huge sums of money tend to pay out substantial dividends to shareholders. As a result of this evidence, the theory of agency holds that corporate executives who have the backing of shareholders can increase dividends paid to shareholders. Investors considering making an investment in a Nigerian consumer goods sector should take the COLL and ROEE into account.

## References

Aivazian, V.; Booth, L. & Cleary, S. (2003). Do emerging market firms follow different dividend policies from US firms? *Journal of Financial Research, 26*(3), pp. 371-387.

Al-Malkawi, H.A.N. (2007). Determinants of corporate dividend policy in Jordan: an application of the Tobit model. *Journal of Economic and Administrative Sciences, 23*(2), pp. 44-70.

Al-Najjar, B. (2011). The inter-relationship between capital structure and dividend policy: empirical evidence from Jordanian data. *International Review of Applied Economics, 25*(2), pp. 209-224.

Alzomaia, T.S.F. & Al-Khadhiri, A. (2013). Determination of Dividend Policy: The Evidence from Saudi Arabia. *International Journal of Business and Social Science, 4*(1), pp. 181-192.

Amidu, M. & Abor, J. (2006). Determinants of dividend payout ratios in Ghana. *The Journal of Risk Finance, 7*(2), pp. 136-145.

Arko, C.A.; Joshua, A.; Charles, K.D.A. & Amidu, M. (2014). What influences dividend decisions of firms in Sub- Saharan African. *Journal of Accounting in Emerging Economies, 4*(1), pp. 57-78.

Baker, H.K. & Kapoor, S. (2015). Dividend policy in India: new survey evidence. *Managerial Finance, 41*(2), pp. 182- 204.

Banerjee, S.; Vladimir, A.G. & Paul, A.S. (2007). Stock market liquidity and firm dividend policy". *The Journal of Financial and Quantitative Analysis,* 42(2), pp. 369-397.

Basri, H. (2019). Assessing determinants of dividend policy of the government-owned companies in Indonesia. *International Journal of Law and Management*, 61(5/6), pp. 530-541.

Bhattacharya, S. (1979). Imperfect information, dividend policy, and 'the bird in the hand fallacy. *Bell Journal of Economics,* 10(1), pp. 259-270.

Botoc, C. & Pirtea, M. (2014). Dividend payout-policy drivers: evidence from emerging countries. *Emerging Markets Finance and Trade,* 50(4), pp. 95-112.

Danila, N.; Noreen, U.; Azizan, N.A.; Farida, M. & Ahmed, Z. (2020). Growth Opportunities, Capital Structure and Dividend Policy in Emerging Market: Indonesia Case Study. *Journal of Asian Finance, Economics, and Business,* 7(10), pp. 1-8.

Dempsey, M.; Gunasekarage, A. & Truong, T.T. (2019). The association between dividend payout and firm growth: Australian evidence. *Accounting & Finance,* 59(4), pp. 2345-2376.

Denis, D.J. & Osobov, I. (2008). Why do firms pay dividends. International evidence on the determinants of dividend policy. *Journal of Financial Economics,* 89(1), pp. 62-82.

Deshmukh, S.; Goel, A.M. & Howe, K.M. (2013). CEO overconfidence and dividend policy. *Journal of Financial Intermediation, 22*(3), pp. 440-463.

Easterbrook, F.H. (1984). Two agency-cost explanations of dividends. *The American Economic Review, 74*(4), pp. 650- 659.

Endri, E.; Sari, A.K.; Budiasih, Y.; Yuliantini, Y. & Kasmir, K. (2020). Determinants of Profit Growth in Food and Beverage Companies in Indonesia. *Journal of Asian Finance, Economics, and Business,* 7(12), pp. 739-748.

Endri, E.; Sulastri, S.; Syafarudin, A.; Mulayana, B.; Imaningsih, E.S. & Setiawati, S. (2000). Determinant cash holding of coal mining companies listed on the Indonesian Stock Exchange. *Academy of Strategic Management Journal*, 19(4), pp. 1-9.

Endri, E.; Sumarno, A. & Saragi, H. (2020). Analysis of Financial Performance: Evidence from Food and Beverage Companies in Indonesia. *International Journal of Advanced Science and Technology*, 29(5), pp. 4199-4208.

Fajaria, A. Z. & Isnalita, N. (2018). The Effect of Profitability, Liquidity, Leverage and Firm Growth of Firm Value with its Dividend Policy as a Moderating Variable. *International Journal of Managerial Studies and Research (IJMSR), 6*(10), pp. 55-69.

Fama, E. & French, K. (2002). Testing trade-off and pecking order predictions about dividends and debt. *The Review of Financial Studies*, 15(1), pp. 1-33.

Harahap, I.M.; Septiania, I. & Endri, E. (2020). Effect of financial performance on firms' value of cable companies in Indonesia. *Accounting,* 6(6), pp. 1103-1110.

Johari, N. & Hassan, M. (2008). The influence of board independence, competency, and ownership on earning management in Malaysia. *International Journal of Economics and Management,* 2(2), pp. 281-306.

Kim, H. & Gu, Z. (2009). Financial features of dividend-paying firms in the hospitality industry: A logistic regression analysis. *International Journal of Hospitality Management,* 28(3), 359-366.

Kuzucu, N. (2015). Determinants of dividend policy: a panel data analysis for Turkish listed Firms. *International Journal of Business and Management,* 10(11), pp. 149-160.

Lie, E. (2005). Financial flexibility, performance, and the corporate payout choice. *The Journal of Business,* 78(6), pp. 2179-2202.

Lintner, J. (1956). Distribution of incomes of corporations among dividends retained earnings and taxes. *American Economic Review,* 46(2), pp. 97-113.

Mauris, F.I. & Rizal, N.A. (2021). The Effect of Collaterallizable Assets, Growth in Net Assets, Liquidity, Leverage and Profitability on Dividend Policy (Case Studies on Non-Financial Services Sector Companies Listed on the Indonesia Stock Exchange for the 2016-2019 Period). *Budapest International Research and Critics Institute-Journal,* 4(1), pp. 937-950.

Mollah, S. (2011). Do emerging market firms follow different dividend policies? Empirical investigation on the pre-and post-reform dividend policy and behavior of Dhaka Stock Exchange-listed firms. *Studies in Economics and Finance,* 28(2), pp. 118-135.

Nurhayati, I. & Endri, E. (2020). A New Measure of Asset Pricing: Friction-Adjusted Three-Factor Model. *Journal of Asian Finance, Economics, and Business*, 7(12), pp. 605-613

Pattiruhu, J.R. & Paais, M (2020). Effect of Liquidity, Profitability, Leverage, and Firm Size on Dividend Policy. *Journal of Asian Finance, Economics, and Business, 7*(10), pp. 35-42.

Razak, A.; Nurfitriana, F.V.; Wana, D.; Ramli, R.; Umar, I. & Endri, E. (2020). The Effects of Financial Performance on Stock Returns Evidence of Machine and Heavy Equipment Companies in Indonesia. *Research in World Economy,* 11(6), pp. 131-138.

Rodriguez-Pose, A. & Gill, N. (2005). On the 'economic dividend' of devolution. *Regional Studies*, *39*(4), pp. 405-420.

Roj, J. (2019). The Determinants of Corporate Dividend Policy in Poland. *Ekonomika,* 98, pp. 96-110.

Rozeff, M.S. (1982). Growth, beta, and agency costs as determinants of dividend payout ratios. *Journal of Financial Research, 5*(3), pp. 249-259.

Shahnia, C.; Purnamasari, E.P.; Hakim, L. & Endri, E. (2020). The determinant of profitability: Evidence from trading, service, and investment companies in Indonesia. *Accounting*, *6*(5), pp. 787-794.

Sharma, R.K. & Bakshi, A. (2019). An evident prescience of determinants of dividend policy of Indian real estate companies: An empirical analysis using co-integration regression and generalized method of moments. *Journal of Financial Management of Property and Construction,* 24(3), pp. 358-384.

Singla, H.K. & Samanta, P.K. (2018). Determinants of dividend payout of construction companies: a panel data analysis. *Journal of Financial Management of Property and Construction,* 24(1), pp. 19-38.

Sugianto, S.; Oemar, F.; Hakim, L. & Endri, E (2020). Determinants of Firm Value in the Banking Sector: Random Effects Model. *International Journal of Innovation, Creativity, and Change*, 12(8), pp. 208-218.

Tahir, M. & Mushtaq, M. (2016). Determinants of Dividend Payout: Evidence from listed Oil and Gas Companies of Pakistan. *Journal of Asian Finance, Economics, and Business, 3*(4), pp. 25–37.

Ullah, B. (2020). Signaling value of quality certification: Financing under asymmetric information. *Journal of Multinational Financial Management, 55*(June), p. 100629.

Wahjudi, E. (2020). Factors affecting dividend policy in manufacturing companies in Indonesia Stock Exchange. *Journal of Management Development*, *39*(1), pp. 4-17.

Yusof, Y. & Ismail, S. (2016). Determinants of dividend policy of public listed companies in Malaysia. *Review of International Business and Strategy, 26*(1), pp. 88-99.

Zhang, Y.; Uchida, K. & Dong, L. (2020). External financing and earnings management: Evidence from international data. *Research in International Business and Finance,* 54, p. 101275.

Zhiqiang, Y.; Zhi, Z. & Tang, S. (2015). Stock dividends policy and liquidity of ex-ante announcement. *China Finance Review International, 5*(3), pp. 258-276.