Dividend Policy Influenced By Firm Size And Profitability
(Sub-Sector Survey Company *Property* And *Real Estate* Listed on the Indonesia Stock Exchange Year 2011 to 2014)

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Firm size is the size of the company by calculating the total value of logarithm assets. Profitability (return on assets) shows the ability of the company by using assets to generate profit after tax. But there is a phenomenon, whereas the size of the dividend payout ratio decreased vice versa. This study aims to determine the effect of firm size, profitability (return on assets) on dividend payout ratio (dividend payout ratio) on property and real estate companies listed on Indonesia Stock Exchange 2011-2014.

The analysis method used is descriptive analysis and verification with quantitative approaches. The population in this study is listed on the Stock Exchange of property and real estate company in 2011-2014. The sample using purposive sampling method with criteria-specific criteria. The analysis method used is multiple regression analysis.

The results of hypothesis testing in this study show that (1) the change of firm size has a significant positive effect on the dividend policy in property and real estate company listed in Indonesia Stock Exchange, (2) the change of profitability have a positive positive effect on dividend policy in property and real estate company listed in Indonesia Stock Exchange.

Keywords: *Firm Size, Profitability, Dividend Policy*

I. Introduction

1.1 Background

The main purpose of investing is to have a company and a source of income or the return on investment *(return)* in the form of *capital gains* and dividends. Dividends are defined as payments to shareholders by the company for the benefits it earns. The dividend policy is the concern of many parties such as shareholders, creditors, and other external parties who have an interest in the information the company releases (Brigham and Houston translated by Ali Akbar Yulianto, 2011: 210).

The amount of dividends paid to shareholders depends on the dividend policy taken by each company. The dividend policy concerns whether the profit will be paid as dividend or retained for reinvestment within the company (Sawir, 2009: 137). Dividend policy is reflected in the *dividend payout ratio* (DPR) which is the percentage of profit after tax in the form of cash dividends to be distributed to shareholders, meaning that the size of the House of Representatives will affect the

investment decisions of the shareholders and will also affect the financial condition of the company . The proportion of dividends paid to shareholders depends on the company's ability to generate profits and the form of dividend policy applied by the company (Andriyani, 2008).

Large-scale companies tend to be better known to the public, so information on large-scale business prospects is easier for investors to find than small-scale companies (Juliana, 2015). A company that has developed and is able to survive in business competition over a period of time will have easier access to the capital market than a new and unstable small company. This shows that only really healthy and strong companies are able to pay dividends, while small firms with limited capability will be very difficult to pay dividends. Large companies with better market access should pay high dividends to their shareholders (Surya and Harnovinsyah, 2016).

High dividend payout rates may also be due to good corporate profitability. Profitability is the ability of a company in obtaining profit (profit). The profits will then determine the choice to be distributed in the form of dividends to shareholders or use them as retained earnings for operational purposes (Sari, 2014). Dividends are taken from the net profit of the company then the profit will affect the amount of dividend proportion to be distributed, so the greater the company's ability to earn profits, the greater the company's ability to pay dividends (Ita Nurhasanah, 2013). The company's ability to pay dividends shows that the company always improves its image by increasing the share of dividend earnings (Brigham and Houston translated by Dodo and Herman, 2001: 66).

1.2 Identification of Problems

1. Dividend policy *(payout ratio)* PT Bumi Serpong Damai Tbk is not in good shape because it tends to decline for 3 years in 2012 - 2014. The size of the company that are not followed by an increased *dividend payout ratio* decreased for 3 years. The reduced *dividend payout ratio* is caused because the company prefers to reinvest their funds rather than pay dividends decrease in the value of the company resulting from improper use of the capital structure primarily on the position of the debt ratio (DER), which is now more and more companies use debt capital rather than using their own capital resulting the company is unable to pay its long-term liabilities.
2. At PT. Ciputra Development Tbk has increased the *return on assets,* but not followed *ratio* declining *dividend payout* for 2 years in 2013 - 2014. The decline in *dividend payout ratio* was due to the company's profit is distributed enterprises to pay the loan companies and other corporate activities.
3. There is a research gap by previous research that suggests significant and insignificant influence on firm size and profitability (ROA) on dividend policy.

1.3 Problem Formulation

Based on the background and identification described above, then the formulation of this research problem is to:

1. How much dividend policy is affected by firm size.
2. How much dividend policy is affected by profitability.

1.4 Research Objectives

The purpose of this study based on the formulation of the above problems are:

1. To measure and analyze empirically dividend policy is influenced by the size of the company on a firm sub-sector *property* and *real estate* listed on the Indonesia Stock Exchange.
2. To measure and analyze empirically dividend policy is influenced by the profitability of the companies sub-sector *property* and *real estate* listed on the Indonesia Stock Exchange.

1.5 Purpose of Research

This research is expected to provide benefits for various parties, including the following:

1.5.1 Practical Usefulness

1. For the Company

The results of this study is expected to be a reference or useful information for the company about the size of the company and profitability of dividend policy.

2. For Investors

Hopefully the results of this study is expected to provide additional information and be a consideration in making decisions for investment so that it is expected to improve the company's image

1.5.2 Academic Uses

1. For the Development of Science

The results of this study are expected to provide the latest knowledge and information for the development of science, especially about dividend policy influenced by firm size and profitability.

2. For Other Researchers

As an input and reference material for further research to be re-examined according to the development of science.

II. Literature Review, Framework for Thinking and Hypotheses

2.1 Literature Review

2.1.1 Dividend Policy

According to Eugene F. Brigham and Joel F. Houston translated by Ali Akbar Yulianto (2013: 32) dividend policy is:

"The decision about how much current profit will be paid as dividends or to be reinvested in the company."

Here is the formula to calculate dividend policy:

$$\textit{Dividend Payout Ratio} = \frac{\text{Dividen Per Lembar Saham}}{\text{Laba Bersih Per Lembar Saham}} \text{ x } 100$$

2.1.2 Firm Size

According Jogiyanto Hartono (2013: 282) explains the notion of Firm size is: "The size of the company can be measured by the total assets of the company's assets by using the calculation of the total value of the asset logarithm."

Here is the formula to calculate the size of the company are:

Ukuran Perusahaan = Ln (Total Asset)

2.1.3 Profitability *(Return on Assets)*

According Mamduh Hanafi (2012: 79) defines profitability as follows:
"Profitability is a ratio that measures a company's ability to generate profits (profitability) at certain levels of sales, assets, and capital stock".
Here's the formula for calculating *return on assets,* namely:

$$\text{Return On Asset} = \frac{Earning\ After\ Taxes}{\text{Total Assets}}$$

2.2 Framework for Thinking

2.2.1 Effect of Firm Size on Dividend Policy

A large and well established company will be easy to reach the capital market, because the ease to connect with the capital market means greater flexibility and greater level of trust. Large companies are able to attract investors and obtain larger funds so that firms are able to have higher dividend payout ratios than small firms (Brigham and Houston translated by Ali Akbar Yulianto, 2011: 215).

Based on previous research, according to Ika Faridah (2016), Kania, Dikdik, and Nurdin (2016), Yunita Devi and Adi Erawati (2014) concluded that firm size has a positive effect on dividend policy.

2.2.2 Effect of Profitability on the Policy of DIviden

The profit that is distributed to shareholders is profit after the company has fulfilled all of its fixed liabilities, namely interest expense and tax. Therefore, *dividend payout ratio* (DPR) was determined from net profits derived by an enterprise, the benefit will affect the amount of dividends, companies that make a good profit will tend to pay a portion of larger profits as dividends, thus increasing profitability will increase the dividend payout ratio in a company (Sutrisno, 2007: 117).

Based on previous research, according to Resky et al (2014), Chaidir and Rita (2015), Haryeti and Ririn (2012) concluded that profitability (ROA) has a positive effect on dividend policy.

2.3 Hypothesis

Based on literature review, framework of thought and previous research hence can be formulated hypothesis as follows:

H_1: The dividend policy is influenced by the size of the company.
H_2: The dividend policy is influenced by the profitability.

III. Research methods

3.1 Research Methods

The research method used in this research is descriptive method and verifikatif method with quantitative approach, that is the result of research which then processed and analyzed to be taken conclusion, it means research done is research which emphasize its analysis on numerical data (number) by using research method this will reveal a significant relationship between the variables studied, resulting in a conclusion that will clarify the picture of the object under study.

3.2 Operationalization of Variables

Understanding of operational variable by Umi Narimawati (2010: 31) as follows:

> "The process of decomposition of research variables sub variable, dimension, sub variable indicator, and measurement. The condition of the decomposition of operationalization is done when the basic concepts and indicators of each variable is clear, if not clear conceptually then must have done factor analysis."

This research uses three variables that are independent variable (X1 and X2) as independent variable and dependent variable (Y) as dependent variable. The explanation for each variable is as follows:

1. Independent Variables

According Sugiyono (2015: 61), the definition of independent variables or independent variables are:

> "This variable is often called a *stimulus variables, predictor, antecedents.* In Indonesian language is often called the independent variable. The independent variable is the variable that influences or causes the change or the incidence of the dependent variable. "
>
> In this study, the independent variables are firm size and profitability.

2. Dependent Variables

According Sugiyono (2015: 61) understanding of the dependent variable is:

> "Often called output variables, criteria, consequent. In Indonesian language is often called bound variable. The dependent variable is the variable that is affected or the result, because of the independent variables. "
>
> In this research, the dependent variable is the dividend policy.

To be more clear, more about the operationalization of variables can be seen in table 3.1

3.3 Data Source

Source of data used in this research is secondary data. The data used in this study are the data obtained from the financial statements and notes to the report of the *property* and *real estate financial report* sectors listed in Indonesia Stock Exchange in the period 2011-2014 were audited by ADTA available online on the website http://www.idx.co.id

3.4 Population, sample and place and time of study

3.4.1 Population

According Sugiyono (2015: 117), understanding of the population are:

> "The generalization region consisting of objects or subjects that have certain qualities and characteristics set by the researcher to be studied and then drawn conclusions."

The population in this study is the company's annual financial statements 188 Sub-Sector *Property* and *Real Estate* listed on the Indonesia Stock Exchange (BEI) in the period 2011 to 2014 from 47 companies.

3.4.2 Sampling

According Sugiyono (2015: 118), the sample is defined as follows:

> "Part of the number and characteristics possessed by that population."

Determination of the number of samples to be processed from the population amount is done with the appropriate sampling technique. The sampling technique used in this research is *purposive sampling.*

According Sugiyono (2015: 124) notion *of purposive sampling* is:

"Technique of sampling data source with certain consideration. This particular consideration, for example, is the person who is deemed most knowledgeable about what we expect, or as a ruler so as to facilitate the researcher to explore the object or the investigational situation studied. "

3.4.3 Place and Time of Research

1. Place of Research

   To obtain data and information relating to the problems studied, the authors conduct research at PT. Indonesia Stock Exchange Bandung Representative Office located on Jl. PH.H Mustofa No. 33, Neglasari, Cibeunying Kaler, Bandung 40124, Indonesia with phone number: (022) 20524207.
2. Research time

   The time of the research began in February 2017 until August 2017.

3.5 Data Testing Method

As mentioned earlier, the research method used in this research is descriptive (qualitative) and verifikatif (quantitative) method with quantitative approach.

The quantitative analysis steps described above are as follows:

1. **Classic assumption test**
   - **a. Data Normality**

     Normality test is used to know that the data taken comes from the normal distributed population. The test used to test the normality was Kolmogorov-Smirnov test.
   - **b. Multicolinearity**

     Multicollinearity test is done by looking at tolerance value and variance inflation factor (VIF). Multicolinearity does not occur when the VIF value is below 10 or tolerance value above 0.1.
   - **c. Heteroscedasticity Test**

     If the variance of the residual one observation to another observation remains, then it is called Homoscedasticity and if different is called Heteroscedasticity. A good regression model is Homoscedasticity or Heteroscedasticity. One way to detect the presence or absence of Heteroskedasticity is to look at the plot graph.
2. **Statistic test**
   - **a. Multiple Linear Regression Analysis**

     The definition of Regression Lines by Andi Supangat (2010: 352) is as follows:

     "The regression line *(regression line / line of the best fit / Estimating line)* is a line drawn between the points *(scatter diagram)* such that it can be used to estimate the magnitude of variables one based on other variables, and can also be used for know the kind of correlation (positive or negative). "

Multiple linear regression analysis used by researcher with intent to know how far correlation of firm size and profitability to dividend policy. The form of the equation of multiple linear regression is as follows:

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \varepsilon$$

Information:
Y = Dividend Policy
α = Intercept Constants
X 1 = Size Company
X 2 = Profitability
b 1 = regression coefficient of variable size companies
b 2 = coefficient of regression of profitability
ε = error rate *(error term)*

b. Correlation Analysis

Correlation analysis aims to measure the power of association (relationship) linear between two variables. Correlations also do not show functional relationships. The magnitude of the effect of each component of the independent variable on the dependent variable is the operating cash flow to liquidity and working capital for the liquidity can be determined by using *Pearson* correlation. The provision to see the level of correlation closeness is used in Table 3.2

c. Coefficient of Determination Analysis

Determination Coefficient Analysis (KD) is used to see how big the independent variable (X) effect on the dependent variable (Y) expressed in percentage. The magnitude of the coefficient of determination according to Umi Narimawati (2010: 50) is calculated using the following formula:

$$Kd = r^2 \times 100\%$$

Information:
Kd = How far the change of variable Y is used by variable X
r^2 = Squares of Correlation Coefficient
100% = Multiplier stated in percentage

3.6 Data analysis method

According Sugiyono (2015: 96) the definition of hypothesis is as follows: "Hypothesis is a temporary answer to the formulation of research problems, where the formulation of research problems have been expressed in the form of a question sentence."

Testing of the hypothesis to be tested in this study is the extent to which the influence of a variable on other variables, namely: Dividend Policy Influenced By Firm Size and Profitability.

The steps in analyzing it are:

1) Statistic test

Partial test using t test (partial significance test).
The steps taken in the test are:

1. Preparing the Hypothesis
The statistical hypothesis to be tested in this study are:
a. Effect of Dividend Policy Against Firm Size
H0: β1 = 0, Firm Size has no effect on Dividend Policy.
Ha: β1 ≠ 0, Firm Size affects Dividend Policy.
b. Effect of Dividend Policy Against Profitability.
H0: β2 = 0, Profitability has no effect on Dividend Policy.

Ha: β2 ≠ 0, Profitability has an effect on Dividend Policy.

2. Determine the level of significance
   Determined by 5% of degrees of freedom (dk) = n - k - l, to specify the table as the boundary of the reception area and the rejection of the hypothesis. The significant level used is 0.05 or 5% because it is considered sufficient to represent the relationship of the variables studied and is the level of significance commonly used in a study.
3. Looking for t value
4. Determining the acceptance or rejection of the hypothesis by comparing t arithmetic with t table with the following conditions:
   - If t arithmetic <- t table or t arithmetic> t table, independent variables partially affect the dependent variable, then h0 rejected (significant).
   - If - t table ≤ t ≤ t table partially independent variable has no effect on the dependent variable, then h0 received (not significant).
5. Determining Conclusions Based on Probability
   Using a probability value, Ha will be accepted if the probability is less than 0.05.

2) Draw Regional Acceptance and Rejection Hypothesis

The description of the reception or rejection of the hypothesis along with the criteria will be explained as follows:

Results t arithmetic compared with table t with criteria:

a. If t Count ≥ t table then H0 is in the region of rejection, it means Ha accepted and means between variables Y is influenced by the variable X.
b. If t ≤ t table then H0 is in the reception area, it means Ha means between variables rejection and Y is influenced by the variable X.
c. t arithmetic sought by the formula t calculation count.
d. t table sought in student t distribution table with the provisions of α = 0.05 and df = (n - k - 1) or 24-21 = 21

3) Withdrawal Conclusion

The shaded area is a region of rejection and vice versa. If count t falls in the rejection area (acceptance) then Ho is rejected (accepted) and Ha accepted (rejected). This means that the regression coefficient is significant (not significant). In conclusion, operating cash flow and working capital affect (not affect) liquidity. The significance level of 5% (α = 0.05) means that if the null hypothesis is rejected (accepted) with a 95% confidence level then it is likely that the result of the conclusion has 95% truth and this indicates the presence (no significant two variables.) In this case it is indicated by rejection of H0 or alternative acceptance (Ha).

IV. Research Results and Discussion

4.1 Research Results

4.1.1 Results of Descriptive Analysis

4.1.1.1 Dividend Policy Development and *Real Estate Property* Company Listed on the Stock Exchange from 2011 to 2014 a tender

Conditions on the company's dividend policy sub-sector *property* and *real estate* in 2011-2014 tended to fluctuate This happens because in the span of four years, the company's dividend policy sub-sector *property* and *real estate* decreased and increased. The highest average value in 2013 was 26.50 while the lowest average was in 2014 at 21.04. Then for the development of dividend policy, the highest increase is in 2013, while the highest decrease is in 2014.

To view the company's dividend policy development sub-sector *property* and *real estate* listed on the Indonesia Stock Exchange in 2011-2014 can be seen in figure 4.1

4.1.1.2 Development Firm Size On *Property* and *Real Estate* Company Listed on the Stock Exchange from 2011 to 2014 a tender

Conditions on the firm size sub company *property* and *real estate* sector in the years 2011-2014 tends to fluctuate This happens because in the span of four years, the size of the company on a firm sub-sector *property* and *real estate* decreased and increased. The highest average value in 2014 was 29.47 while the lowest average was in 2011 at 28.80. Then for the development of dividend policy, the highest increase is in 2014, while the highest decrease is in 2011.

To see how the size of the company on a firm sub-sector *property* and *real estate* listed on the Indonesia Stock Exchange in 2011-2014 can be seen in Figure 4.2

4.1.1.3 Development Profitability *(Return On Asset)* On *Property* and *Real Estate* Company Listed on the Stock Exchange from 2011 to 2014 a tender

Conditions profitability *(return on assets)* in the sub-sector company *property* and *real estate* in 2011-2014 tended to fluctuate This happens because in the span of four years, profitability *(return on assets)* in the sub-sector company *property* and *real estate* decreased and increased. The highest average value in 2014 was 8.37 while the lowest average was in 2011 at 7.43. Then for the development of profitability *(return on assets),* the increase is highest in 2014, while the decline in 2011 is highest.

To see the development of profitability *(return on assets)* in the sub-sector company *property* and *real estate* listed on the Indonesia Stock Exchange in 2011-2014 can be seen in figure 4.3

4.1.2 Verifikatif Analysis

4.1.2.1 Classical Assumption Test

1. Normality test

It is known that the regression model has a normally distributed residual value, if the value of the Kolmogorov Smirnov test of significance were worth 0.832 which these results greater than 0.05. Based on the concept can be seen that the data distribution is normal if the value Asymp.Sig. (2-tailed) value above 0.05, it can be concluded that
the regression model has met the assumption of normality. Result of normality test by using Kolmogorov-Smirnov Test method can be seen in figure 4.4.

2. Multicolinearity Test

It is known that the value of acquired *tolerance* of each independent variable> 0.1 and *Variance Inflation Factor* (VIF) of less than 10. From these results show that of the two independent variables were tested not found a strong correlation, thus assuming the data multicollinierity met. Multicollinearity test results can be seen in table 4.1

3. Heteroscedasticity Test

The result of the heterokedasitity test in this study shows that the point dot obtained does not form a certain pattern, but it spreads irregularly and is above and below Y axis at zero. From these results show that residual variation in the data is homokedastisitas. The result of heterokedastisity test can be seen in figure 4.5

4. Autocorrelation Test

Based on the table, it is known that the DW value is 1,330. Based on general criteria, since DW of 1.330 is between -2 and +2 or -2 <1,330 <+2, it is certain there is no autocorrelation in the regression model. The results of the autocorrelation test can be seen in Table 4.2.

4.1.2.2 Multiple Linear regression analysis

Based on the results of multiple regression analysis, the multiple linear regression equation that will be formed is as follows:

$$Y = -56,152 + 2,123\ X_1 + 2,308 X_2$$

The results of multiple regression analysis in this study can be seen in table 4.3

4.1.2.3 Correlation Analysis

1. Correlation Analysis Between Firm Size With Dividend Policy

Correlation coefficient value obtained between Firm Size (X1) with Dividend Policy (Y) of 0.654 correlation value with positive sign indicating that relationship happened is unidirectional. Based on the correlation coefficient interpretation, a value of 0.654 belongs to a strong relationship category, in the interval class between 0.60 - 0.799. The result of correlation analysis can be seen in table 4.4

2. Correlation Analysis Between Profitability With Dividend Policy

The value of correlation coefficient between Profitability (X2) and Dividend Policy (Y) is 0,554 correlation value with positive sign indicating that the relationship happened is unidirectional. Based on the correlation coefficient interpretation, the value of 05654 belonging to the category of intermediate relations, is in the interval class between 0.40 - 0.599. The result of correlation analysis can be seen in table 4.4

4.1.2.4 Coefficient of Determination Analysis

The value of the coefficient of determination on the variable of firm size with dividend policy is equal to 42,7%. While the remaining 57.3% is the influence of other variables not examined in this study as the value of assets, the sales value and the value of *equity.* Then the value of the coefficient of determination on profitability variables with dividend policy of 30.69%. While the remaining 69.31% is the influence of other variables not examined in this study such as ROE, ROI, PMR, and others. The results of the coefficient of determination analysis can be seen in table 4.5.

4.1.2.5 Hypothesis testing

A. First Hypothesis Testing The Influence of Corporate Size on Dividend Policy

The value of t arithmetic for the Firm size of 5,531. This value will be compared to the value of t table in the distribution table t. With α = 0.05, df = (nk-1) = 44-2-1 = 41, t values of ± 2.020 are obtained. It is known that count t for z1 is 5,531> t value of 2,020 table. In accordance with the hypothesis testing criteria that H0 rejected and H1 accepted, meaning that partially firm size significantly influence the dividend policy. The results of the first hypothesis testing can be seen in table 4.6.

B. Second Hypothesis Testing The Influence Of Profitability To The Dividend Policy

The value of t arithmetic for profitability of 4.261. This value will be compared to the value of t table in the distribution table t. With α = 0.05, df = (nk-1) = 44-2-1 =

41, t values of ± 2.020 are obtained. It is known that count t for z1 is 4.261> t value of table 2.020. In accordance with the hypothesis testing criteria that H0 rejected and H1 accepted, meaning that partially profitability have a significant effect on dividend policy. The results of the first hypothesis testing can be seen in table 4.7.

4.2 Discussion

4.2.1 Effect of Firm Size on Dividend Policy (DPR)

The result of hypothesis testing shows that there is influence between firm size to dividend policy (DPR). This is evident from the descriptive value that most of the *property* and *real estate* companies have a dividend policy rate (DPR), which is stable and is increased when the size of the company increases. The relationship between firm size to dividend policy of 0.654 means firm size has strong relationship and positive relationship.

The result of coefficient of determination shows that firm size influential big enough to dividend policy (DPR) equal to 42,7% and the rest 57,3% influenced by variable not examined in this research like level of sale and market capitalization. Further test results hypothesis t test obtained that H0 rejected due t test results greater than t count table. It can be said that firm size has a significant influence on dividend policy (DPR).

A large and well established company will be easy to reach the capital market, because the ease to connect with the capital market means greater flexibility and greater level of trust. Large companies are able to attract investors and obtain larger funds so that firms are able to have higher dividend payout ratios than small firms (Brigham and Houston translated by Ali Akbar Yulianto, 2011: 215).

This is in line with the phenomenon that occurred in PT Bumi Serpong Damai Tbk in 2012-2014 and PT Ciputra Development Tbk in 2013-2014 which experienced an increase in firm size but dividend policy (DPR) decreased. This is because companies prefer to reinvest their funds rather than pay dividends to make shareholders upset because they are in a disadvantageous position so that the shareholders must pay to sell some of its shares. With these results suggest that other factors further influence the dividend policy (DPR) compared to the size of companies rated by total assets, other factors such as total sales and total *equity*.

This is according to research conducted by Ika Faridah (2016), Kardianah (2013), Kania, Dikdik, and Nurdin (2016), Yunita Devi and Adi Erawati (2014), showed that the effect of firm size has a positive influence on dividend policy. Then the results of research conducted by Nindi Septia One, et al (2011) the size of the companies have a significant effect on dividend policy.

4.2.2 Influence of profitability (ROA) Dividend Policy Against (DPR)

Hypothesis testing results show that there is influence between profitability (ROA) on dividend policy (DPR). This is evident from the descriptive value that most companies *property* and *real estate* have a ratio of dividend policy (DPR) were stable and increased when profitability (ROA) increased. The relationship between profitability (ROA) the dividend policy of 0.554 means that the size of the company have a relationship that is being and relationships are positive.

The coefficient of determination indicates that firm size affects the dividend policy (DPR) of 30.69% and the remaining 69.31% influenced by variables not examined in this study such as ROE, NPM, GPM. Furthermore, the results of hypothesis testing t test showed that H0 is rejected because the test results t is greater than t table. It can be said that firm size has a significant effect on dividend policy (DPR).

These results are consistent with the theory Agus Sartono, (2010: 122) said shareholders would be very interested in the long-term profitability. Because shareholders will see the true advantages - it will be received in the form of dividends. Companies that have good profitability can determine the dividend policy to increase dividend payments.

This is in line with a phenomenon that occurs in PT Bumi Serpong Damai Tbk in 2012-2014 and PT Ciputra Development Tbk in 2013-2014 which increased *return on assets* but the dividend policy (DPR) has decreased. This is because corporate profits are distributed enterprises to pay the loan companies and other corporate activities. The increase in dividends is a signal (sign) to investors, that the company's management can maximize a good income in the future. Instead of a dividend reduction will be believed to investors as a sign that companies face difficult times in future. With these results suggest that other factors further influence the dividend policy (DPR) compared to *return on assets* , other factors such as ROE, NPM, GPM and others.

Based on previous studies conducted by Resky et al (2014), Chaidir and Rita (2015), Haryetti and Ririn (2012), and Elyzabet and Bram (2009), Yoga and Yadnyana (2016) showed that the profitability (ROA) has positive influence on policy dividend (DPR).

V. Conclusions and Recommendations

5.1 Conclusions

Based on the analysis and discussion in the previous chapter, the authors take some appropriate conclusions sought formulation of the problem as follows:

1. Firm Size influence on dividend policy (DPR) . Wherein when measuring an enterprise increase of the development policy of dividend increases and vice versa. Firm size is influenced by the total assets of the company. While dividend policy (DPR) is influenced by the earnings per share and dividends per share distributed. However some, the low size of the company by the value of assets such as equipment and supplies decreased .
2. Profitability affect the dividend policy (DPR) . Wherein when profitability increases, the increased dividend policy and vice versa. Matters affecting profitability (ROA) was influenced by the profit after tax and total assets. While the dividend policy (DPR) is affected by the earnings per share and dividends per share distributed. However, some resulting in low profitability (ROA) as expenses that must be paid as well as the company's total assets decreased .

5.2 Suggestion

Based on the conclusions discussed above, the author tries to convey some suggestions for consideration, including the following.

5.2.1 Practical advice

a. For Companies

For Companies Sub-Sector *Property* and *Real Estate* expected to increase the dividend policy by increasing turnover by promoting more vigorous and attractive promo multiply so many interested buyers. In addition, companies can reduce the operational burden of corporate activities such as meeting budget cuts, limits the use of the Internet companies, and other corporate activities thus reducing the dividend policy remains in a stable position, an increase in the long term. Thus the company's stable dividend policy will put the confidence of investors to invest in the company. By maintaining the value of the dividend policy it will be easier for companies to raise capital from investors and can easily compete in the capital markets.

b. for Investor

Investors can use the size and profitability (ROA) as a reference in making investment. Because companies with good condition is a company that is in a stable condition because it has assets that continue to mount and can use the income productively. But should investors also do an analysis on other indicators because there are many other indicators that could affect dividend policy (DPR), although in this study the size and profitability (ROA) effect on dividend policy (DPR), so that investors can be more precise in selecting decisions investment.

5.2.2 Suggestions Academic

a. For the development of Science

This study is expected to provide additional knowledge, as a source of information and as contributions to the developing discipline of financial accounting, as well as contribute to the development of research, especially regarding firm size, profitability (ROA) and the dividend policy (DPR) as well as input and additional references for readers, especially in the science of capital markets, investment analysis and portfolio.

b. For Further Research

In a subsequent study is expected to conduct research using the same method but with variables, analysts and sample units da house-cleaning in order to obtain conclusions that support the theories and concepts generally accepted.

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ATTACHMENT

Table 3.1
Operationalization variable

Variabel	Konsep Variabel	Pengukuran	Skala
Kebijakan Dividen (Y)	Kebijakan dividen berhubungan dengan penentuan besarnya *dividend payout ratio*, yaitu besarnya persentase laba bersih setelah pajak yang akan dibagikan sebagai dividen kepada pemegang saham (I Made Sudana, 2011:167).	Pengukuran menggunakan rumus *Dividend Payout Ratio* (DPR) $DPR = \frac{Dividen\ Per\ Lembar\ Saham}{Laba\ Bersih\ Per\ Lembar\ Saham}\ x\ 100$ Sumber: I Made Sudana (2011:167)	Rasio
Ukuran Perusahaan (X1)	Besar kecilnya perusahaan dapat diukur dengan total aktiva besar harta perusahaan dengan menggunakan perhitungan nilai logaritma total aktiva. (Jogiyanto Hartono, 2013:282)	Ukuran Perusahaan dapat dirumuskan sebagai berikut: Ukuran Perusahaan = Ln(Total Aset) Sumber: Jogiyanto Hartono (2013:282)	Rasio
Profitabilitas (X2)	*Return On Asset* menunujukkan kemampuan perusahaan dengan menggunakan seluruh aktiva untuk menghasilkan laba setelah pajak (Brigham dan Houston, 2013:146).	Pengukuran menggunakan rasio *return on asset* (ROA) *Return On Asset* = $\frac{Earning\ After\ Taxes}{\text{Total Assets}}$ Sumber: Brigham dan Houston (2013:146)	Rasio

Table 3.2
Interpretation Of Correlation Coefficients

Interval Koefisien	Tingkat Hubungan
0,00 – 0,199	Sangat rendah
0,20 – 0,399	Rendah
0,40 – 0,599	Sedang
0,60 – 0,799	Kuat
0,80 – 1,000	Sangat Kuat

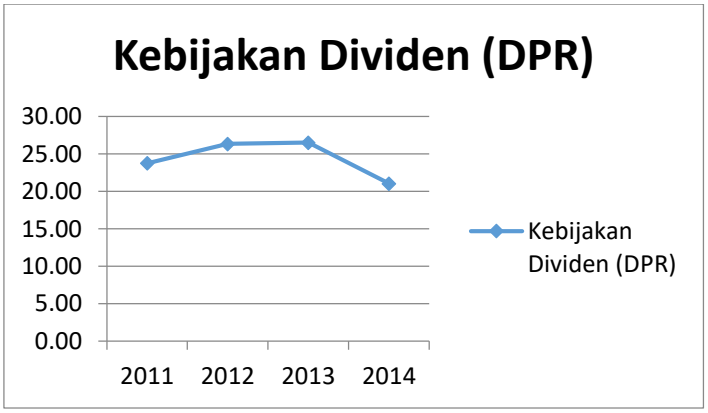


Figure 4.1
Development Of Dividend Policy 2011-2014

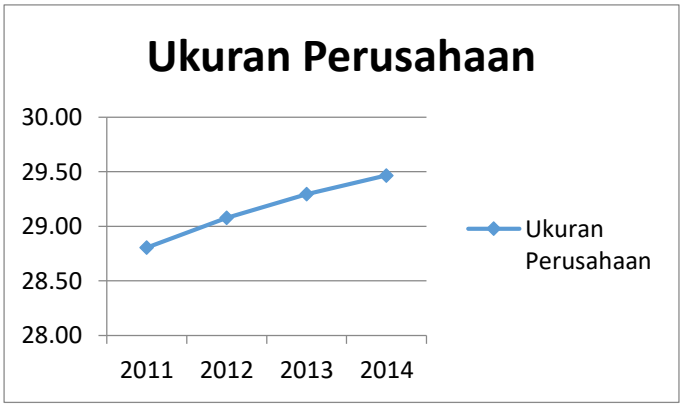


Figure 4.2
Development Of Firm Size 2011-2014

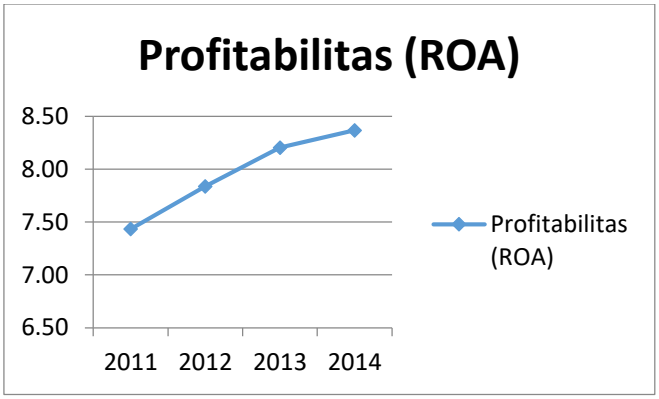


Figure 4.3
Development Of Profitability (ROA) 2011-2014

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		44
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	10.66538837
Most Extreme Differences	Absolute	.125
	Positive	.125
	Negative	-.074
Kolmogorov-Smirnov Z		.832
Asymp. Sig. (2-tailed)		.494

a. Test distribution is Normal.

Figure 4.4
Normality Test Results

Table 4.1
Multikolinearity Tes Results

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Ukuran_Perusahaan	.963	1.039
	ROA	.963	1.039

a. Dependent Variable: DPR

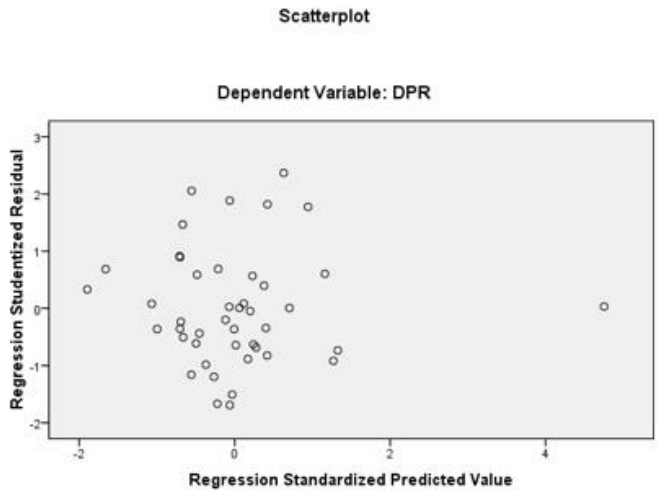


Figure 4.5
Heteroskedastisity Test Results

Table 4.2
Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.708[a]	.501	.477	10.92242	1.330

a. Predictors: (Constant), ROA, Ukuran_Perusahaan

b. Dependent Variable: DPR

Table 4.3
Multiple Linear Regression Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-56.152	12.850		-4.370	.000
	Ukuran_Perusahaan	2.123	.384	.622	5.531	.000
	ROA	2.308	.542	.479	4.261	.000

a. Dependent Variable: DPR

Table 4.4
Correlations Test Results

Correlations

Control Variables			Ukuran_Perusahaan	DPR
ROA	Ukuran_Perusahaan	Correlation	1.000	.654
		Significance (2-tailed)	.	.000
		df	0	41
	DPR	Correlation	.654	1.000
		Significance (2-tailed)	.000	.
		df	41	0

Table 4.5
Hypothesis Testing X_1

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-56.152	12.850		-4.370	.000
	Ukuran_Perusahaan	2.123	.384	.622	5.531	.000
	ROA	2.308	.542	.479	4.261	.000

a. Dependent Variable: DPR

Table 4.6
Hypothesis Testing X_2

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-56.152	12.850		-4.370	.000
	Ukuran_Perusahaan	2.123	.384	.622	5.531	.000
	ROA	2.308	.542	.479	4.261	.000

a. Dependent Variable: DPR