



The Effect of Corporate Governance toward Dividend Payout Ratio

Regina Vanessa Tjipta

Management Department, University of Surabaya, Indonesia

Werner R. Murhadi

Management Department, University of Surabaya, Indonesia

Endang Ernawati

Management Department, University of Surabaya, Indonesia

Article Info

Keyword:

Female independent commissioners, Board size, Board meeting, Audit committee size, Dividend payout ratio.

JEL Classification Code:
G11, G34, G35

Corresponding author:
werner@staff.ubaya.ac.id

DOI: [10.24123/jeb.v3i2.4984](https://doi.org/10.24123/jeb.v3i2.4984)

Abstract

Purpose: The existence of market uncertainty can increase agency problems that raise doubts about future cash flows, such as dividend payments. This study aims to analyze the effect of corporate governance such as the proportion of female commissioners, the proportion of female independent commissioners, the board size, board independence, board meeting, and audit committee size towards a dividend payout ratio.

Method:

The sample of this research is manufacturing sector companies listed on the Indonesia Stock Exchange (ISE) and the Thailand Stock Exchange (TSE). The company should have published financial reports that have been audited regularly during the study period, and the company has no negative retained earnings. This study uses a quantitative approach with two least square regression analysis models.

Result: The observations on the ISE shows that the proportion of female independent commissioners and audit committee size has a significant positive effect on the dividend payout ratio. This result is because female commissioners can take control of minority shareholders by making larger payments and audit committee members can monitor more effectively and control opportunistic behavior. However, board independence and board meeting significantly adversely affect the dividend payout ratio, this is because more members of board independence and more frequent meetings can use dividends as a substitute role in reducing agency problems so that dividend payment will be below. The observations on the TSE shows that the proportion of female independent commissioners and board meetings significantly positively affects the dividend payout ratio. However, board independence has a significant adverse effect on the dividend payout ratio. This result is because board independence tends to reduce agency costs, so using dividends as a substitute role to reduce dividend payments.

INTRODUCTION

In the current state of the COVID-19 pandemic, investors are starting to face doubts about the rate of return that will be obtained from companies in developing countries. This condition is because developing countries have several characteristics, such as the lack of protection of minority rights, the extent of government ownership, and market uncertainty which makes the dividend payment mechanism in developing countries challenging to predict (Fauziah & Probohudono, 2018). Therefore, the company's management faces problems in determining the dividend policy, namely whether the company will distribute its profits to shareholders in the form of dividends or the company chooses to save in the form of retained earnings for investment financing in the future. Companies with more profits prefer to hold their profits because the returns obtained from dividend distributions may not be as great as when they are reinvested. This research is also interesting because, until now, dividend policy is an ongoing puzzle that is difficult to explain and raises questions for many parties (Damayanti, Marwati, & Widayanti, 2017; W R Murhadi, 2008).

The management must implement good corporate governance so that companies can distribute higher dividends to attract investors to invest their capital. Investors certainly want profits from their investments, both in the form of capital gains and dividends. In terms of taxation provisions, dividends are divided into two, namely dividends that are tax objects and non-tax objects (Fitriandi, 2019). Dividends that become tax objects are those received by domestic individuals and taxpayers or permanent establishments that do not meet the requirements in Article 4 paragraph 3 letter f of the Income Tax Law (UU PPh). Meanwhile, dividends that do not tax objects are received by corporate taxpayers or permanent establishments that meet the requirements in Article 4 paragraph 3 letter f of the Income Tax Law. In general, investors want dividends that are relatively stable or tend to increase from time to time (Kurniawan & Jin, 2017). Companies that maintain dividend stability will increase investor confidence in a company because dividend stability can reduce investor uncertainty in investing their capital, and stable dividends illustrate its good prospects.

In Governance, the board's structure has a strong influence on the actions of the board and top management to affect the company's performance. (Gunawan, Murhadi, & Herlambang, 2019). The composition of the board is an essential topic in corporate governance because it can affect the effectiveness of the board and improve the company's financial performance (Gordini & Rancati, 2017). The company seeks to increase gender diversity in the company's board of commissioners; this is done to reduce agency problems that shareholders will face. In addition, the existence of gender diversity can facilitate corporate governance so that it can pay higher dividends (Ye, Deng, Liu, Szewczyk, & Chen, 2019). Based on this explanation, this governance research will use several proxies, namely the proportion of women commissioners, the proportion of women independent commissioners, the size of the board of commissioners, independent commissioners, board of commissioners meetings, and the size of the audit committee.

Research shows that the gender diversity of the board of commissioners has a significant positive effect on the dividend payout ratio of companies in various countries. (Chen, Leung, & Goergen, 2017; Fauziah & Probohudono, 2018; Ye et al., 2019). This study differs from the results of Tahir, Rahman, & Masri (2020). A female board of commissioners in the company can help the right decision-making process with low risk. These arguments can be used as a fundamental argument to support those female commissioners can improve decision-making by bringing various perspectives and opinions into the decision-making process. Increasing gender diversity at the board level can reduce cases of corporate fraud and insider trading (Ye et al., 2019). Female commissioners prefer to pay higher dividends. Women commissioners are more likely to comply with regulations and laws, be more sensitive to ethical issues, and be risk-averse. Women commissioners are more concerned with agency issues and the company's reputation for good corporate governance, thus more inclined to promote the interests of all shareholders. There is evidence that female commissioners are better at supervising corporate governance regarding dividends so that companies with more female commissioners have higher dividend payments, and high dividend payments can be used as a monitoring tool (Chen et al., 2017).

Independent commissioners as part of external parties certainly have no relationship with parties within the company. Independent commissioners are believed to be able to carry out more effective supervision and protect the rights of shareholders in the company. This independence is essential to examine opportunistic activities and provide better control over management. Female independent commissioners have a good impact on dividend payments compared to male independent commissioners (Chen et al., 2017). If the company's performance increasing, then corporate governance is more effective so that it can pay more significant dividends, and the presence of female independent commissioners can reduce agency costs (Ye et al., 2019).

As measured by the size of the board of commissioners, corporate governance has a positive relationship with dividend payments. This statement is supported by (Mai, 2015) which explains that the size of the board of commissioners is related to various characteristics that exist in a company, including age and company size. Thus, a company with a large board of commissioners is a company that has reached a maturity stage where the opportunity for growth is low and has a high level of profit. Companies with large board sizes tend to be associated with greater managerial oversight; thus, the level of agency problems will be lower (Elmagrhi et al., 2017).

The following governance can be seen through the presence of independent commissioners. Independent commissioners are expected to have strong incentives to monitor and control managers' opportunistic behavior to improve the company's reputation and image in the labor market (Elmagrhi et al., 2017). This argument shows that the existence of an independent commissioner can improve supervision within the company to be more effective and reduce agency costs to increase dividend payments. Independent commissioners are expected to act as intermediaries for minority investors in supervising the company's management so that the resources in the company can be used effectively and efficiently. On the other hand, independent commissioners can act as a supervisory tool for company managers to make higher dividend payments.

Good corporate governance can also be seen from the frequency of board of commissioners' meetings. The board of commissioners' meetings can reduce agency problems and improve company performance, including dividend payments (Elmagrhi et al., 2017). This argument means that frequent board of commissioners meetings can increase the effectiveness of independent commissioners in monitoring or evaluating management performance.

The following governance practice that is expected to reduce agency conflicts is through an audit committee. More significant audit committees are suggested to be more effective in supervising and controlling opportunistic managerial behavior because they are more related to skills, experience, and expertise (Elmagrhi et al., 2017). According to Kumalasari & Widyawati (2017), the audit committee is an effort to improve how the company is managed, primarily how its management supervises it. This statement is because the audit committee will liaison between the company's management, the board of commissioners, and external parties. The audit committee conducts supervision to increase the effectiveness in creating quality financial disclosure and reporting, compliance with applicable laws and regulations, and adequate internal control. Therefore, the audit committee will play an active role in increasing the credibility of financial statements and assisting the board of commissioners (Kumalasari and Widyawati, 2017).

Based on the entire explanation above, the hypotheses that will be tested in this study are developed, namely:

- H1: The proportion of female commissioners has a positive effect on the dividend payout ratio
- H2: The proportion of female independent commissioners has a positive effect on the dividend payout ratio
- H3: The size of the board of commissioners has a positive effect on the dividend payout ratio
- H4: Independent commissioner has a positive effect on a dividend payout ratio
- H5: Board of Commissioners meeting has a positive effect on a dividend payout ratio
- H6: The size of the audit committee has a positive effect on the dividend payout ratio

RESEARCH METHODS

This study examines the effect of the independent variables, namely the proportion of female commissioners, the proportion of women independent commissioners, the size of the board of commissioners, independent commissioners, board of commissioners meetings, the size of the audit committee, and control variables namely firm size, debt, Tobin's Q, and free cash flow to dividend payout ratio in manufacturing sector companies that have been listed on the ISE and the TSE during the 2015 – 2019 period.

The dependent variable will be measured using the Dividend payout ratio. Meanwhile, the gender independent variable will use the percentage of female commissioners in each company and female independent commissioners to the entire board of commissioners. The independent variable of the size of the board of commissioners will be measured using the total number of members of the board of commissioners (non-executive) in each company. In contrast, the independent commissioner is the number of independent commissioners (non-executive) in each manufacturing sector. This study also uses the independent variable of the board of commissioners meeting, which is how often the board of commissioners conducts meetings related to their supervisory duties. The following independent variable is the size of the audit committee, which is the number of audit committee members in each company. The audit committee is formed by the board of commissioners to carry out supervisory activities and is responsible to stakeholders. This study also uses the control variable of firm size by using the natural logarithm of total assets; debt using the debt ratio; market-based company performance using Tobin's Q; and free cash flow as measured by dividing cash flows from operating activities to total assets.

The data in this study uses panel data, a combination of time series data and cross-section data. The criteria for the sample companies are all manufacturing companies listed on the ISE and the TSE; The company publishes financial reports that have been audited regularly during the study period, and the company has no negative retained earnings.

In this study, there is only one equation used, namely:

$$DPR = \alpha + \beta_1.P_FDIR_{i,t} + \beta_2.P_FSD_{i,t} + \beta_3.UDK_{i,t} + \beta_4.KI_{i,t} + \beta_5.RDK_{i,t} + \beta_6.UKA_{i,t} + \beta_7.FSIZE_{i,t} + \beta_8.LEV_{i,t} + \beta_9.Tobin's\ Q_{i,t} + \beta_{10}.FCF_{i,t} + e \dots \dots \dots (1)$$

Note:

- DPR_{i,t} : Dividend payout ratio firm i period t
- P_FDIR_{i,t} : Proportion of female board of commissioners of company i period t
- P_FSD_{i,t} : Proportion of female independent commissioners of company i period t
- UDK_{i,t} : Size of the board of commissioners of company i period t
- KI_{i,t} : Independent commissioner of company i period t
- RDK_{i,t} : Board of commissioners meeting of company i period t
- UKA_{i,t} : Company audit committee size i period t
- FSIZE_{i,t} : Company size i period t
- LEV_{i,t} : Company debt i period t
- FCF_{i,t} : Free cash flow of company i period t
- α : Constant coefficient
- β : Regression coefficient
- e : Error

Before interpreting the model, the Chow test, Hausman test, and classical assumption test were carried out.

RESULTS& DISCUSSION

Descriptive statistics describe the characteristics of each research sample that represents the population. The characteristics of the sample consist of the mean (mean), maximum value, minimum value, standard deviation, and the amount of data observed for each research variable being measured. The descriptive statistics on the ISE and the TSE show in table 1.

Table 1 show that the number of research observations for manufacturing sector companies listed on the TSE is 450 years of observation, while Indonesia reaches 410 years of observation. The classical assumption test on the model gives results that pass the classical test, while to determine whether the model is a fixed effect, random effect, or common effect model, the Chow and Hausman tests are carried out.

Table 1.
Descriptive Statistics of Indonesia and Thailand

Indonesia	Mean	Maximum	Minimum	Std. Dev	N
DPR	0,312964	5,614470	-1,229590	0,527450	410
P_FDIR	0,103721	0,75	0	0,164788	410
P_FSD	0,019902	0,5	0	0,066290	410
UDK	4,392683	12	2	1,907249	410
KI	0,414824	0,8	0,2	0,104189	410
RDK	7,307317	38	1	4,642021	410
UKA	3,090244	5	3	0,341366	410
FSIZE	12,51473	14,54649	11,12640	0,726276	410
LEV	0,420448	0,819719	0,070740	0,180113	410
Tobin's Q	1,180007	11,32513	0,000221	1,714277	410
FCF	0,081975	0,548768	-0,133663	0,097829	410
<i>Thailand</i>					
DPR	0,552335	4,447885	-7,814527	0,754867	450
P_FDIR	0,213759	0,714286	0	0,183532	450
P_FSD	0,150245	1	0	0,162403	450
UDK	6,260000	14	2	2,250751	450
KI	0,723306	1	0,3	0,219293	450
RDK	6,935556	18	2	3,034006	450
UKA	3,197778	5	2	0,441191	450
FSIZE	28,30355	33,31976	26,17649	1,345296	450
LEV	0,323413	0,802431	0,008348	0,186640	450
Tobin's Q	1,252736	17,76080	0,012518	1,989525	450
FCF	0,098265	0,450491	-0,190243	0,082517	450

In table 2, each of the Indonesian data Chow Test probability value for cross-section F = 0.0000 and Thai data Chow Test probability value for cross-section F = 0.0026, which means it can be concluded with a 95% confidence level for the fixed-effect model better than the common effect / PLS model.

Table 2.
Chow Test

Effects Test	Statistic	d.f.	Prob.
<i>Indonesia</i>			
Cross-section F	2,442757	(81,318)	0,0000
Cross-section Chi-square	198,354098	81	0,0000
<i>Thailand</i>			
Cross-section F	1,561219	(89,350)	0,0026
Cross-section Chi-square	150,445800	89	0,0001

Hausman test was conducted to see whether using the random effect model or the fixed effect model.

Table 3.
Hausman Test

Test Summary	Chi-Sq Statistic	Chi-Sq. d.f.	Prob.
<i>Indonesia</i>			
Cross-section random	22,290779	10	0,0137
<i>Thailand</i>			
Cross-section random	23,558724	10	0,0089

In table 3, it can be seen that the value of each cross-section probability and random period for Indonesian data is 0.0137 and Thai data is 0.0089. This result shows that the fixed effect model is better than the random effect model. Therefore, for the interpretation of Indonesian data and Thai data, a fixed-effect model will be used.

Table 4
Regression Test Result

Variables	Indonesia		Thailand	
	Coefficient	Prob.	Coefficient	Prob.
C	-5,113546	0,0000	-5,233472	0,0001
P_FDIR	-0,044355	0,2569	-0,214807	0,3399
P_FSD	0,191226	0,0082***	0,674046	0,0000***
UDK	-0,001756	0,7942	0,014358	0,2583
KI	-0,224428	0,0314**	-0,119181	0,0448**
RDK	-0,001770	0,0286**	0,024569	0,0002***
UKA	0,076227	0,0060***	0,070450	0,1636
FSIZE	0,428434	0,0000***	0,194516	0,0001***
LEV	-0,111440	0,0001***	-0,267733	0,0013***
Tobin's Q	0,006649	0,5044	-0,031581	0,0004***
FCF	-0,210176	0,0089***	-0,491137	0,0250**
R-squared	0,902975		0,838156	
Adjusted R-squared	0,875210		0,792377	
S.E. of regression	0,383265		0,650461	
F-statistic	35,52211		18,30884	
Prob(F-statistic)	0,000000		0,000000	

Note: *Significant at level 10%, ** Significant at level 5%, ***Significant at level 1%.

Based on the data in table 4, it can be seen that the variable proportion of female commissioners has an insignificant negative relationship to the dividend payout ratio of manufacturing sector companies, both listed on the Indonesia and TSEs. This result means that female commissioners do not influence the dividend payout ratio because the number of female commissioners is less than that of male commissioners, so it will be challenging to determine the effect of female commissioners in paying dividends for a company. This statement is also supported by (Putra & Adrianto, 2019), who states that a woman's appointment to the board of commissioners is only a formality and has little influence in decision-making during board meetings. Therefore, the proportion of female commissioners does not affect the dividend payout ratio.

Based on the data in table 4, it can be seen that the variable proportion of female independent commissioners (P_FSD) has a significant positive relationship to the dividend payout ratio of manufacturing sector companies either listed in Indonesia or TSE. According to Ye et al., (2019) and Chen et al. (2017), the proportion of female independent commissioners has a significant positive relationship to the dividend payout ratio. Companies with more female independent commissioners would carry out better supervision to protect the interests of minority shareholders by paying more significant dividends. Female independent commissioners could increase company oversight, so that female independent commissioners tend to use a high dividend payout ratio as a corporate governance tool (Chen et al., 2017). Therefore, more female independent commissioners can improve corporate governance to pay more dividends.

Based on the data in table 4, it can be seen that the variable size of the board of commissioners (UDK) shows insignificant results on the dividend payout ratio in both the manufacturing sector companies listed on the Indonesia and TSEs. According to Asali, Murhadi, & Sutejo (2020), the size of the board of commissioners does not affect the dividend payout ratio. The nature of the decision of the board of commissioners is one unit, so the size of the board of commissioners will not affect the dividend payout ratio.

Based on the data in table 4, it can be seen that the independent commissioner variable (KI) has a significant negative relationship to the dividend payout ratio of manufacturing sector companies listed on the Indonesia and TSEs. According to the Cadbury Report and Combined Code in Elmagrhi et al. (2017), independent commissioners significantly negatively affect the dividend payout ratio. This argument is because increasing the proportion of independent commissioners as an important corporate governance mechanism can reduce the need to pay higher dividends. A dividend payment policy is an expensive policy because the company must provide large amounts of funds to make dividend payments (Murhadi, 2010). This statement is also supported by (Benjamin & Zain, 2015), which state that independent commissioners tend to reduce agency costs, reducing the need to pay higher dividends. Meanwhile, according to Sani & Musa (2017) the fewer non-executive commissioners, the more companies are willing to pay dividends. Therefore, more independent commissioners can reduce concerns about agency costs so that dividend payments will decrease.

Based on the data in table 4, it can be seen that the board of commissioners meeting (RDK) variable has a significant effect on the dividend payout ratio. However, there are different results between the Indonesia and TSEs, where the influence in Indonesia is negative, while Thailand is positive. In the case of Indonesia, the board of commissioners' meeting has a significant negative relationship to the dividend payout ratio. This result is because the more frequent board meetings will be associated with better corporate governance practices and using dividends as a substitute role in reducing agency problems when corporate governance practices are wrong, so the more frequent board of commissioners meetings, the dividend payout rate will be lower. This statement is also supported by Benjamin & Zain (2015) which state that companies with more frequent meetings between the board of commissioners tend to pay lower dividends. Therefore, the more frequent meetings of the board of commissioners will reduce dividend payments.

Meanwhile, in the case of Thailand, it can be explained that the positive relationship between the number of meetings of the board of commissioners and the DPR is due to the increase in managerial oversight activities through the board of commissioners meetings, reducing agency problems and improving company performance, including dividend payments. The better the performance of a company, it can make larger dividend payments. Therefore, companies that frequently hold a board of commissioners' meetings can increase oversight on corporate governance so that the level of dividend payments will also increase.

Based on the data in table 4, it can be seen that the variable size of the audit committee (UKA) has a significant positive relationship to the dividend payout ratio of manufacturing sector companies listed on the Indonesia and TSEs. The size of the audit committee has a significant positive relationship to the dividend payout ratio because a larger audit committee is suggested to be more effective in monitoring and controlling opportunistic managerial behavior (not paying or paying low dividends to shareholders). In addition, audit committee members have more skills, experience, and expertise. Therefore, the larger the audit committee members, the greater the oversight of corporate governance, and the higher the dividend payout.

Based on the data in Figure 4, it can be seen that the firm size variable (FSIZE) has a significant positive relationship to the dividend payout ratio in both the manufacturing sector companies listed on the Indonesia and TSEs. Firm size has a significant positive relationship to the dividend payout ratio, for which there are two main reasons: First, large companies will have more net income than small companies, thus creating conditions for dividend payments. Second, large companies are more willing to reduce agency costs and use dividend payments to reduce agency problems. Therefore, the larger the company will have more net income that can be used to make larger dividend payments.

Based on the data in table 4, it can be seen that the debt variable (LEV) has a significant negative relationship to the dividend payout ratio of both manufacturing sector companies listed on the ISE or Thailand. Debt has a significant negative relationship to the dividend payout ratio because debt is a substitute mechanism for dividends in reducing agency costs from free cash flow (Benjamin & Zain, 2015). In addition, an increase in debt will affect the net profit of the company to be reduced. Therefore, the more outstanding the debt the company has, the fewer dividends paid.

Based on the data in table 4, it can be seen that Tobin's Q variable has an insignificant positive relationship with the dividend payout ratio of manufacturing sector companies listed on the ISE. In contrast, Thailand has a significant negative relationship. Tobin's Q does not affect the dividend payout ratio because dividend payments are not affected by the size of the firm's value. The company's value is determined by the company's ability to generate profits from assets owned by the company or investment policies so that when the company's value increases, dividend payments will not necessarily increase. Therefore, Tobin's Q does not affect the dividend payout ratio (Siregar et al., 2019). For the case of Thailand, Tobin's Q has a significant negative relationship to the dividend payout ratio. This result is because investors will judge that the company cannot manage free cash flow, so the value of the company will decrease when the company pays high dividends. If the company's value increases, corporate governance will be better, and dividend payments will decrease (Adiputra & Hermawan, 2020). Therefore, Tobin's Q has a significant negative relationship to the dividend payout ratio.

Based on the data in table 4, it can be seen that the free cash flow (FCF) variable has a significant negative relationship to the dividend payout ratio in manufacturing sector companies listed on the Indonesia and TSEs. Free cash flow has a significant negative relationship to the dividend payout ratio because companies with significant free cash flows tend to use their cash for investment purposes compared to using it to pay dividends to shareholders who can increase the value of the company in the eyes of investors (Masrurroh, Wijaya, & Widiasmara, 2019). In addition, in making dividend payments, expensive costs are needed, and the company chooses to reduce dividend payments. Therefore, the greater the company's free cash flow, the fewer dividend payments will be made.

The coefficient of determination used in this study is adjusted-R². In Indonesian data, the adjusted-R² value is 0.875210. This coefficient means that changes in the dividend payout ratio variable can be explained well by the variables of the proportion of female commissioners, the proportion of women independent commissioners, the size of the board of commissioners, independent commissioners, board of commissioners meetings, audit committee size, firm size, debt, Tobin's Q, and free cash flow of 87.52%. In comparison, the remaining 12.48% is explained by other variables not included in this study. In Thailand data, the adjusted-R² value is 0.792377. This coefficient means that changes in the dividend payout ratio variable can be explained well by the variables of the proportion of female commissioners, the proportion of women independent commissioners, the size of the board of commissioners, independent commissioners, board of commissioners meetings, audit committee size, firm size, debt, Tobin's Q, and free cash flow of 79.24%. In comparison, the remaining 20.76% is explained by other variables not included in this study.

CONCLUSION

Based on the results of hypothesis testing, it can be seen that the independent variable consisting of the proportion of female commissioners has an insignificant negative effect on the dividend payout ratio; and the proportion of female independent commissioners has a significant positive effect on the dividend payout ratio. These results indicate that the size of the board of commissioners has an insignificant negative effect on the dividend payout ratio, independent commissioners have a significant negative effect on the dividend payout ratio, the board of commissioners meeting has a significant negative effect on the dividend payout ratio, and the size of the audit committee has a significant positive effect on the dividend payout ratio. There are differences in results between Indonesia and Thailand on the variables of the board of commissioners meeting, the size of the audit committee, and Tobins Q. Theoretically, the results

of the board of commissioners meeting, which hurt dividends in Indonesia, are supporting the signaling theory where good supervision will reduce dividends as a signal function for investors. Meanwhile, the meeting of the board of commissioners in Thailand showed positive results where a high frequency of meetings would indicate intense supervision so that the company's performance is getting better and can distribute higher dividends. The results in Thailand support the agency theory. For the size of the audit committee on dividends, significant positive results were found in Indonesia and not significant in Thailand. An extensive audit committee size will increase supervision as in agency theory so that it has an impact on a good performance and higher dividends.

The practical implication of the findings of this study is that the presence of female independent commissioners can increase supervision of the company so that corporate governance will be better, then dividends can increase. For companies with increasing dividend payments, the company's shares will be more attractive to investors to increase the company's value. This research also impacts the company where the frequency of more frequent meetings shows the company's supervision is tight, reducing the function of dividends as a signal with high costs. The following practical implication is that members of the audit committee can supervise the financial statements so that corporate governance will be better and dividends will increase. For companies, high dividend payments can attract investors to buy company shares so that the company's value will increase. For investors, it becomes an attraction to invest in companies with high firm value so that it becomes an opportunity to earn higher dividends. Manufacturing companies in Indonesia can increase the proportion of female independent commissioners and audit committee members to improve corporate governance to increase dividend payments. As for manufacturing companies in Thailand, it is possible to increase the proportion of female independent commissioners and the number of more regular board of commissioners meetings each year so that the company's performance will be better so that the dividends to be paid will also increase.

This study has limitations, including several inconsistent results between Thailand and Indonesia, which opens up opportunities for further researchers to choose a more robust variable in determining the factors that influence dividend payment policy.

REFERENCES

- Adiputra, I. G., & Hermawan, A. (2020). The effect of corporate social responsibility, firm size, dividend policy and liquidity on firm value: Evidence from manufacturing companies in Indonesia. *International Journal of Innovation, Creativity and Change*, 11(6), 325–338.
- Asali, F., Murhadi, W. R., & Sutejo, B. S. (2020). The effect of corporate governance and financial factors on dividend payment. *Contemporary Research on Business and Management: Proceedings of the International Seminar of Contemporary Research on Business and Management (ISCRBM 2019), 27-29 November, 2019, Jakarta, Indonesia*, 248. CRC Press.
- Benjamin, S. J., & Zain, M. M. (2015). Corporate governance and dividends payout: are they substitutes or complementary? *Journal of Asia Business Studies*, 9(2), 177–194. <https://doi.org/https://dx.doi.org/10.1108/JABS-08-2014-0062>
- Chen, J., Leung, W. S., & Goergen, M. (2017). The impact of board gender composition on dividend payouts. *Journal of Corporate Finance*, 43, 86–105.
- Damayanti, R., Marwati, F. S., & Widayanti, R. (2017). Analisa kebijakan dividen berdasarkan teori lintner. *AGREGAT: Jurnal Ekonomi Dan Bisnis*, 1(2), 183–194.
- Elmagrhi, M. H., Ntim, C. G., Crossley, R. M., Malagila, J. K., Fosu, S., & Vu, T. V. (2017). Corporate governance and dividend pay-out policy in UK listed SMEs: The effects of corporate board characteristics. *International Journal of Accounting & Information Management*, 25(4), 459–483. <https://doi.org/https://dx.doi.org/10.1108/IJAIM-02-2017-0020>
- Fauziah, E. I., & Probohudono, A. N. (2018). Direksi dan dewan komisaris: Pengaruh dewan wanita terhadap kebijakan dividen di Indonesia. *Jurnal Akuntansi Dan Bisnis*, 18(1), 61–73.
- Fitriandi, P. (2019). Pajak Berganda Secara Ekonomis Atas Penghasilan Dividen Di Indonesia Dan Alternatif Penyelesaiannya. *Jurnal Pajak Indonesia (Indonesian Tax Journal)*, 2(1), 68–

76.

- Gordini, N., & Rancati, E. (2017). Gender diversity in the Italian boardroom and firm financial performance. *Management Research Review*.
- Gunawan, K. E., Murhadi, W. R., & Herlambang, A. (2019). The effect of good corporate governance on dividend policy. *Proceedings of the 16th International Symposium on Management (INSYMA 2019)*. <https://doi.org/10.2991/insyma-19.2019.15>
- Kumalasari, A., & Widyawati, D. (2017). Pengaruh Good Corporate Governance Dan Kebijakan Dividen Terhadap Nilai Perusahaan LQ 45. *Jurnal Ilmu Dan Riset Akuntansi (JIRA)*, 6(6), 223–232.
- Kurniawan, W. A., & Jin, T. F. (2017). Faktor-Faktor Yang Mempengaruhi Kebijakan Dividen Pada Perusahaan Non Keuangan Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Bisnis Dan Akuntansi*, 19(1a-3), 191–199.
- Mai, M. U. (2015). Pengaruh corporate governance mechanism terhadap nilai perusahaan melalui pertumbuhan, profitabilitas dan kebijakan dividen. *Ekuitas (Jurnal Ekonomi Dan Keuangan)*, 19(1), 42–65.
- Masruroh, R. N., Wijaya, A. L., & Widiasmara, A. (2019). Pengaruh Corporate Governance, Free Cash Flow dan Investment Opportunity Set terhadap Dividend Payout Ratio (Studi Pada Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia Pada Tahun 2012-2018). *SIMBA: Seminar Inovasi Manajemen, Bisnis, Dan Akuntansi*, 1.
- Murhadi, W R. (2008). Studi Kebijakan Deviden: Anteseden dan Dampaknya Terhadap Harga Saham. *Jurnal Manajemen Dan Kewirausahaan*. Retrieved from <https://ojs.petra.ac.id/ojsnew2/index.php/man/article/view/16788>
- Murhadi, Werner Ria. (2010). Study on Dividend Policy: Antecedent and its Impact on Share Price. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.1686109>
- Putra, E. D., & Adrianto, F. (2019). Aanalisis Perbandingan Profitability, Effective Governance and Firm Market Value pada Perusahaan ESG/SRI (Studi Empiris Perusahaan Besar di Indonesia). *Jurnal Ilmiah Mahasiswa Ekonomi Manajemen*, 4(4), 753–772.
- Sani, A., & Musa, A. (2017). Corporate Board Attributes and Dividend Payout Policy of Listed Deposit Money Banks in Nigeria. *International Journal of Research in IT, Management and Engineering, ISSN*, 7(1), 7–13.
- Tahir, H., Rahman, M., & Masri, R. (2020). Do board traits influence firms' dividend payout policy? Evidence from Malaysia. *The Journal of Asian Finance, Economics, and Business*, 7(3), 87–99.
- Ye, D., Deng, J., Liu, Y., Szewczyk, S. H., & Chen, X. (2019). Does board gender diversity increase dividend payouts? Analysis of global evidence. *Journal of Corporate Finance*, 58, 1–26.