THE EFFECT OF INSIDER OWNERSHIP, INSTITUTIONAL OWNERSHIP, DISPERSION OF OWNERSHIP, COLLATERALIZABLE ASSETS, AND BOARD INDEPENDENCE TOWARDS DIVIDEND POLICIES WITH FINANCIAL PERFORMANCE AS AN INTERVENING VARIABLE IN FINANCE SECTOR DURING 2015-2019

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Abstract

The purpose of this study is to examine and analyze insider ownership, institutional ownership, dispersion of ownership, collateralizable assets and board independence on dividend policy with financial performance as an intervening variable in the finance sector for the 2015-2019 period. The research method used three analyzes, namely logit regression, multiple linear regression, and path analysis. After examining it, the results show that there are only three factors that influence dividend policy, namely dispersion of ownership, collateralizable assets and financial performance. One factor that affects financial performance is the dispersion of ownership and two factors that affect dividend policy through financial performance, namely collateralizable assets and board independence. Dispersion of ownership has a negative and significant effect on dividend policy. Collateralizable assets has a positive and significant effect on dividend policy. Financial performance has a positive and significant effect on dividend policy. Dispersion of ownership has a positive and significant effect on financial performance. Collateralizable assets through financial performance has a significant effect on dividend policy. Board independence through financial performance has a significant effect on dividend policy.

Keywords: dividend policy, insider ownership, institutional ownership, dispersion of ownership, collateralizable assets, board independence and financial performance.

INTRODUCTION

According to Syahyunan (2015:1), investment is essentially a commitment to a number of funds or other resources that are carried out at this time, with the aim of obtaining benefits in the future. Investments are divided into 2, namely financial assets and real assets.

According to Darmaji and Fakhrudin (2006:178), shares can be defined as a sign or ownership of a person or entity in a company or limited liability company. There are two advantages to investing in stocks, namely capital gains and dividends. Capital gain is the profit obtained from an increase in share prices. Dividends are a portion of the company's profits distributed by the company to shareholders.

According to Fahmi (2012: 2), financial performance is an analysis carried out to see the extent to which a company has implemented proper and correct financial implementation rules. Financial reports can be used to view the prospects for future profits and to determine the company's short-term financial condition. The main objective of

shareholders to invest in the company is to increase the amount of wealth owned by shareholders in the company.

Dividend policy involves two interested parties, namely the interests of shareholders with dividends and the interests of company management with retained earnings.

According to Jensen and Meckling (1976), the transfer of company management responsibility to managers will create differences in interests between managers and shareholders. Many managers try to increase the scale of the company by expanding rather than prospering shareholders. In order to minimize agency conflicts, the company must incur costs which are then called agency costs.

Agency costs are the costs incurred by the owner when hiring an "agent" to act on his behalf. This financial company is usually affected by several agency problems.

Insider ownership is the shareholder of the management who actively participates in decision making in the company. The existence of share ownership by managers will motivate them to create optimal company performance and can reduce agency costs. How to calculate insider ownership using the formula Mollah et al (2000), namely the shares owned by management divided by the number of shares outstanding. High insider ownership will align the interests of managers and shareholders, so that agency costs in the company will be smaller and this will have an impact on small dividend payments.

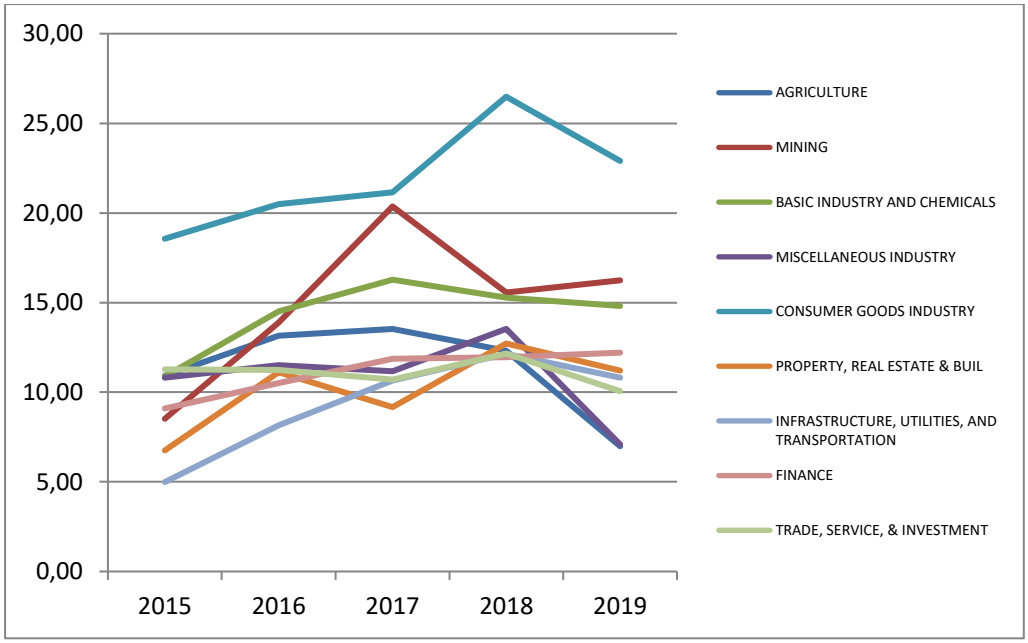
Institutional ownership is the amount of share ownership by institutional shareholders from outside the company. According to Fury K Fitriyah and Dina Hidayat (2011:35), institutional ownership can be measured using the indicator based on the number of shares owned by the institution divided by the number of shares outstanding . The more institutional ownership, the less monitoring of managers. The agency cost increases and shareholders are increasingly worried about fraud in the company by certain parties, so shareholders prefer to distribute dividends.

Dispersion of ownership can also affect agency costs. According to Mollah et al. (2000) Dispersion of ownership is calculated using the distribution formula minus ownership equal to the number of groups of shareholders. The spread of shareholders causes asymmetric information to make shareholders afraid that if there is a diversion of funds for personal gain in the company, it is better to distribute dividends.

Another way to reduce agency problems, namely Collateralizable Assets, Collateralizable Assets is by using company assets as collateral that can be used to get loans in the form of debt. High collateralizable assets will cause low debt levels. This means that the conflict between shareholders and creditors is relatively low. Collateralizable assets Sampson SE and Showalter (1999) can be calculated by using the formula for total fixed assets divided by total assets. The higher the collateralizable assets owned by the company, the higher the dividend payment.

Board independence is one of the effective mechanisms for overseeing the accounting process. Board independence represents effective shareholders of and guarantees their rights in the company, especially minority shareholders. Board independence can be calculated by the number of independent commissioners divided by the total board of commissioners.

To find out which sector has the biggest agency problem, the researcher calculates the dividend distribution of companies on nine sectors listed on the Indonesian Stock Exchange for five years. The percentage of dividend distribution is shown in Figure 1.



Source: IDX Statistic (Processed, 2020)

Figure 1 Percentage of Dividend Distribution of Registered Companies on the IDX 2015-2019

Judging from figure 1, the finance sector is a sector that has the most positive percentage increase in dividend distribution. Reaching a 40% increase from 2015 to 2019 without experiencing the slightest decrease. This shows that the number of companies that distribute dividends in the finance sector continues to increase every year. Based on these data, this study chose the finance sector as the object of research because it was only this sector that showed the most positive changes compared to other sectors listed on the IDX during 2015-2019. The finance sector is considered to be more stable, especially in banking stocks. Several banking stocks are considered liquid and the company's good financial performance will attract investors' attention in the future and provide benefits through capital gains and dividends.

With this agency problem, many companies experience ups and downs, causing uncertain profits. An uncertain profit will affect the company because the company will think hard about distributing dividends or not distributing dividends. Companies that are influential in dividend distribution are companies in the finance sector. There are about 95 financial companies listed on the IDX, of which only a few of these companies pay dividends in a row because many companies experience financial decline each year.

The novelty of this research is the study of collateralizable assets on financial performance, insider ownership on dividend policy with financial performance as variable intervening, institutional ownership on dividend policy with financial performance as variable intervening, dispersion of ownership on dividend policy with financial performance as intervening variable, collateralizable assets on dividend policy with financial performance as intervening variable, and board independence on dividend policy with financial performance as intervening variable.

LITERATURE REVIEW

Financial management

According to Horne and Wochowiez (2012), financial management is all activities related to the acquisition, funding, and management of assets with several objectives. The decision-making function of the financial manager can be divided into three main decisions, namely investment decisions, funding decisions, and dividend decisions. Dividend decisions are decisions of financial management in determining the proportion of profits to be distributed to shareholders and the proportion of funds to be kept in the company as retained earnings for company growth.

Agency Theory

The opinion on agency theory was initiated by Jensen and Meckling (1976) who defined agency relations as an agreement in which one or more people (principal) assign other people (agents) to do some work for their benefit which involves delegating some of the agent's decision-making authority. There is a natural conflict about the interests of shareholders and company managers, which leads to the possibility that managers will make suboptimal decisions at the expense of shareholder interests. As a result of the conflict between managers' ownership, the market makes an inaccurate estimate of the costs incurred and the reduction in shareholder value of the company.

Expected Return Theory

According to Suad Husnan (2005), the expected rate of return is the return that investors will receive for their investment in listed companies in the future. An investor will expect a certain amount of return in the future, but when the investment has been completed and the profit he got he has actually got, then the profit becomes a realized return.

Dividend Policy

According to Harjito & Martono (2014:270) dividend policy is a decision whether the profits earned by the company will be distributed to shareholders as dividends or will be retained in the form of retained earnings to finance future investments. The dependent variable in this study is a qualitative variable, namely the decision to distribute dividends. Quantifying this variable is done by building an artificial variable (dummy / binary variable) that takes the values 1 and 0, where the value of 1 indicates the presence of this variable, namely dividends distributed to shareholders, while 0 indicates the absence of the variable, namely dividends. not distributed to shareholders.

D = 1 (dividends distributed)

D = 0 (dividends not distributed)

Insider Ownership

Insider ownership is the percentage of shares owned by the management and they are entitled to make decisions to run the company. Calculating insider ownership is done with the formula used by Mollah et al. (2000) namely:

$$\text{INSIDE} = \frac{\text{Share Owned Management}}{\text{The number of shares outstanding}}$$

Institutional Ownership

Institutional ownership is the amount of company share ownership owned by an institution or institution. Institutional ownership can be measured using the indicators used by Fama & Jensen (1983) namely:

$$\text{INSTI} = \frac{\text{Shares owned by the institution}}{\text{The number of shares outstanding}}$$

Dispersion of Ownership

The proportion of ownership is the total share ownership of all outstanding shares of a company. According to Taswan (2003), dispersion of ownership is calculated as follows:

$$\frac{\sum_{i=1}^{n}(x_1 - \bar{x})^2}{n-1}$$

Description:

x_1 = pepercentage of share ownership in one group
$\bar{x}$ = average share ownership
n = amount of data

Collateralizable Assets

Collateralizable Assets is the amount of assets that can be guaranteed by the company to creditors. According to Sampson SE and Showalter (1999), Collateralizable Assets can be calculated by the formula:

$$\text{COLLAS} = \frac{\text{all fixed assets}}{\text{overall assets}}$$

Board Independence

Board Independence is one of the effective mechanisms for overseeing the accounting process. According to Brown & Caylor (2004), board independence can be calculated by the formula:

$$\text{BI} = \frac{\text{Number of independent commissioners}}{\text{the entire board of commissioners}}$$

Financial performance is an achievement that can be achieved by a company that reflects the company's financial health condition within a certain period of time. The Return On Asset (ROA) formula according to Eduardus Tandelilin (2010: 372), calculated:

$$ROA = \frac{Net\ Profit\ after\ tax}{overall\ assets} \times 100\%$$

Meanwhile, Return on Equity (ROE) can be calculated by the formula:

$$ROE = \frac{Net\ income\ after\ tax}{Shareholders\ Equity} \times 100\%$$

CONCEPTUAL FRAMEWORK AND STUDY HYPOTHESIS

Conceptual Framework

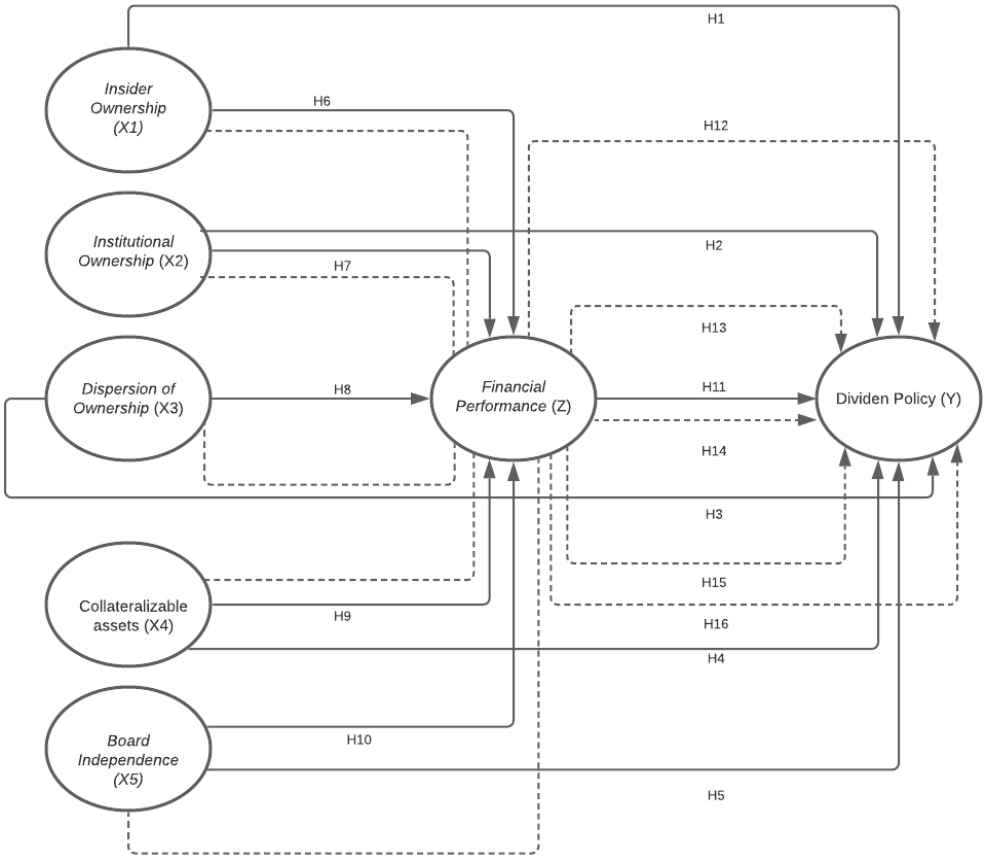


Figure 2 Conceptual Framework

Research Hypothesis

The hypothesis in this study is as follows:

H1: Insider ownership has a negative and significant effect on dividend policy

H2: Institutional ownership has a positive and significant effect on dividend policy

H3: Dispersion of ownership has a positive and significant effect on dividend policy

H4: Collateralizable assets have a positive and significant effect on dividend policy

H5: Board independence has a positive and significant effect on dividend policy

H6: Insider ownership has a positive and significant effect on financial performance

H7: Institutional ownership has a positive and significant effect on financial performance

H8: Dispersion of ownership has a positive and significant effect on financial performance

H9: Collateralizable assets have a positive and significant effect on financial performance

H10: Board Independence has a positive and significant effect on financial performance

H11: Financial performance has a positive and significant effect on dividend policy

H12: Insider ownership has a significant effect on dividend policy with financial performance as an intervening variable

H13: Institutional ownership has a significant effect on dividend policy with financial performance as an intervening variable

H14: Dispersion of ownership has a significant effect on dividend policy with financial performance as an intervening variable

H15: Collateralizable assets have a significant effect on dividend policy with financial performance as an intervening variable

H16: Board Independence has a significant effect on dividend policy with financial performance as an intervening variable

RESEARCH METHODS

Research Design

This research is a causal research because it aims to find evidence of the influence of independent variables, including insider ownership, institutional ownership, dispersion of ownership, collateralizable assets, and board independence on dividend policy or financial performance and financial performance on dividend policy. This study uses secondary data in the form of documentation from various publications such as company financial reports for 2015-2019. Where financial reports are obtained from the internet site (http://www.idx.co.id). The type of research

used is quantitative because the data to be used relates to the company's financial statements and company performance summaries. The population of this research is financial companies on the IDX in the 2015-2019 period.

In this study using nonprobability sampling technique with purposive sampling method . The sample criteria used in this study are as follows:

a. Financial companies that have financial reports for 2015-2019
b. Financial companies that do not experience outliers in dividend distribution for 1 year
c. Financial companies that do not delist

Table 1. Data Samples for Finance Sector Companies

Finance sector companies	95
Companies that do not have financial statements	6
Companies experiencing Outliers	1

Based on table 1, the number of samples obtained is 88 companies.

RESULTS AND DISCUSSION

Multiple linear regression

Table 2 Regression Coefficient

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,027	,084		-,319	,750
	INSIDE	,007	,017	,021	,443	,658
	INSTI	,038	,069	,026	,545	,586
	DISPERSION	,005	,003	,096	2,009	,045
	COLLAS	,363	,387	,046	,937	,349
	BI	,040	,108	,018	,368	,713

Source: compiled by the author

a. Dependent Variable: KINERJA KEUANGAN

From table 2, Multiple Linear Regression Analysis Test Results show the following results:

$$Y = -0{,}027 + 0{,}007X_1 + 0{,}038X_2 + 0{,}005X_3 + 0{,}363X_4 + 0{,}040X_5 + e$$

T-test

In table 2 it is known that INSIDE has a t-count value of 0.443 which is smaller than the t-table value of 1.66388 with a significance value of 0.658> 0.05, so it can be concluded that insider ownership has a positive and insignificant effect on financial performance because the tcount <ttable and the significant value is more greater than 0.05. This shows that insider ownership does not have a significant effect on financial performance.

INSTI has a t-count value of 0.545 which is smaller than the t-table value of 1.66388 with a significance value of 0.586> 0.05, it can be concluded that institutional ownership has a positive and insignificant effect on financial performance because the tcount <ttable and the significant value is greater than 0.05. This shows that institutional ownership does not have a significant effect on financial performance.

DISPERSION has a tcount of 2.009 which is greater than the t-table value of 1.66388 with a significance value of 0.045 <0.05, it can be concluded that the dispersion of ownership has a positive and significant effect on financial performance because the tcount> ttable and the significant value is smaller than 0.05. This shows that the dispersion of ownership has a positive and significant effect on financial performance.

COLLAS has a t-count value of 0.937 which is smaller than the t-table value of 1.66388 with a significance value of 0.349> 0.05, it can be concluded that collateralizable assets have a positive and insignificant effect on financial performance because the tcount <ttable and a significant value is greater than 0.05. This 0shows that collateralizable assets have no significant effect on financial performance.

BI has a t-count value of 0.368 which is smaller than the t-table value of 1.66388 with a significance value of 0.713> 0.05, so it can be concluded that .board independence has a positive and insignificant effect on financial performance because the tcount <ttable and a significant value is greater than 0.05. This indicates that board independence hassno significant effect on financial performance.

F test

Table 3 ANOVA

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	,586	5	,117	1,087	,367[b]
	Residual	46,823	434	,108		
	Total	47,409	439			

Source: compiled by the author

a. Dependent Variable: KINERJA KEUANGAN

b. Predictors : (Constant), BI, INSIDE, DISPERSION, INSTI, COLLAS

Based on table 3 ANOVA, it is known that the sig value is 0.367> 0.05, according to the basis for decision making in the F test, it can be concluded that the hypothesis is rejected, or in other words, insider ownership, institutional ownership, dispersion of ownership, collateralizable assets, and board independence simultaneously have no effect on financial performance.

Based on ANOVA table 3, it is known that the value of Fcount is 1.087 and Ftable is 2.32 because the value of Fcount <Ftable, then in the F test it can be concluded that the hypothesisiis rejected or in other words insider ownership, institutional ownership, dispersion of ownership, collateralizable assets, and board independence simultaneously has no significant effect on financial performance. This is due to the impact of the pandemic that has caused companies to decline in

financial performance, especially Return on Assets (ROA) and Return on Equity (ROE).

Logistic Regression

Assessing the Appropriateness of the Regression Model (Goodness of Fit)

Assessing the feasibility of the regression model can be seen from the following table :

Table 4 *Goodness of Fit*

Step	Chi-square	df	Sig.
1	14,027	8	,081

Source: compiled by the author

Table 4 Goodness of Fit shows that:

Goodness of Fit statistical value : 14.027

Probability : 0.081

Where it is known that 0.081> 0.05 then H_o is accepted and the regression model in this study is suitable for use for further analysis because there is no difference between the predicted classification and the observed classification.

Assessing the Overall Model (Overall Model Fit Test)

Assessing the overall model can be seen from the following table:

Table 5 *Overall Model Fit Test*

Block Number = 0 -2 LogLikelihood	*Block Number = 1 -2 LogLikelihood*
586,108	454,271

Source: compiled by the author

Table 5 shows the feasibility test with respect to the number at the beginning of -2 LogLikelihood (LL). From the calculation of -2 LogLikelihood at:

a. The first block (block number = 0) shows the value of -2 LogLikelihood (586, 108)
b. second block (block number = 1) value -2 LogLikelihood (454,271)

The first block is bigger than the second block, so it can be concluded that the hypothesized model is fit with the data.

Testing the Regression Coefficient

Testing the Regression Coefficient can be seen from the following table:

Table 6 Testing the Regression Coefficient

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	454,271[a]	,259	,352

Source: compiled by the author

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than ,001.

Table 6 test results with logistic regression at a significance level of 5%.

Cox & Snell R Square : 0.259 and Nagelkerke R Square: 0.352 the ability of independent variables in dividends is 35.2% and the remaining 64.8% is influenced by other variables, such as foreign ownership, DER, firm size, tax, leverage and others.

Parameter Estimation and Interpretation

Estimated Parameters and Interpretations that can be used in this study are:

$$\frac{Lnp}{1-p} = -1{,}358 + 0{,}112\,INSIDE + 0{,}559\,INSTI - 0{,}067\,DISPERSION + 5{,}964\,COLLAS - 0{,}942BI - 17{,}477ROA + 18{,}061ROE + e$$

The logistic regression model above can conclude that dividend policy is influenced by insider ownership of 0.112, institutional ownership of 0.559, dispersion of ownership of -0.067, collateralizable assets of 5,964, board independence of -0,942 and financial performance consisting of ROA and ROE respectively. -17,477 and 18,061, respectively.

Path Analysis

Model I Path Coefficient

Referring to the Regression model I output in the Coefficients table section, it can be seen that the significance value of five variables, namely insider ownership of 0.658, institutional ownership of 0.586, dispersion of ownership of 0.045, collateralizable assets and board independence of 0.349 and 0.713. The results conclude that Model I regression, namely the dispersion of ownership variable has a significant effect on financial performance and insider ownership, institutional ownership, collateralizable assets, and board independence have no significant effect on financial performance. The value of R2 or Rsquare found in the model summary table is 0.012, this indicates that the contribution or contribution of the dispersion of ownership influence on financial performance is 1.2% while the remaining 98.8 is the contribution of other variables not included in the research.

Meanwhile, the value of e1 can be found with the formula e1 = √ (1- 0.012) = 0.9939818912. The path diagram for the structure model I is as follows:

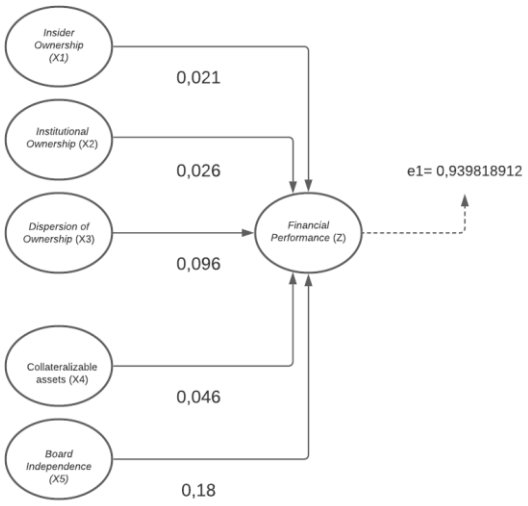


Figure 3 Model I Path Coefficient

Path coefficient of model II

Based on the regression model II output, it is known that the significance values of the six variables, namely insider ownership and institutional ownership, are 0.240 and 0.059, dispersion of ownership and collateralizable assets are 0.177 and 0.078, board independence is 0.482 and financial performance is 0.000. These results conclude that regression model II, namely financial performance variables have a significant effect on dividend policy. The value of R2 or R square is 0.092, this indicates that the contribution of financial performance to dividend policy is 9.2% while the remaining 90.8% is the contribution of other variables not examined. Meanwhile, the value of e2 = √ (1-0.092) = 0.95289. The path diagram for the structure model II is as follows:

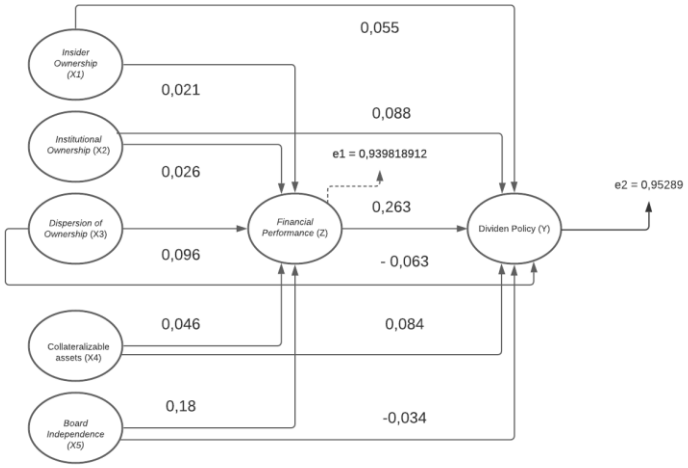


Figure 4 Path Coefficient Model II

Discussion of Research Results

After testing hypotheses one to sixteen hypotheses, the next step is to discuss the test results with previous researchers who become the reference for researchers to increase the accuracy of this study:

1. The influence of insider ownership on dividend policy

   The first hypothesis examines the relationship between insider ownership and the probability of dividend distribution, showing that the insider ownership significance value is 0.512> 0.05, so the first hypothesis in this study is rejected. So it can be concluded that insider ownership has no significant effect on the probability of dividend distribution. This is in accordance with the research of Mardani et al (2018), Mohammadinasab & Rezaei (2016) which states that insider ownership does not have a significant effect on dividend policy.

2. The influence of institutional ownership on dividend policy

   The second hypothesis examines the relationship between institutional ownership and the probability of dividend distribution, showing that the significance value of institutional ownership is 0.312> 0.05, so the second hypothesis in this study is rejected. So it can be concluded that institutional ownership does not have a significant effect on the probability of dividend distribution.

   This is in accordance with Mardani et al. (2018), Mossadak, Fontaine, & Khemakhem (2016), Mohammadinasab & Rezaei (2016), Kilincarslan (2018), Wahyu & Retna (2017) which state that institutional ownership does not have a significant influence on dividend policy.

3. The effect of dispersion of ownership on the probability of dividend distribution

   The third hypothesis examines the relationship between the dispersion of owners and the probability of dividend distribution, showing that the significance value of the dispersion of ownership is 0.005 <0.05, so the third hypothesis in this study is accepted. So it can be concluded that the dispersion of ownership has a negative and significant effect on the probability of dividend distribution.

   This is in accordance with Thirumagal & Vasantha (2017) which states that the dispersion of ownership has a negative and significant effect on dividend policy.

4. The effect of collateralizable assets on the probability of dividend distribution

   The fourth hypothesis examines the relationship between collateralizable assets on the probability of dividend distribution, showing that the significance value of collateralizable assets is 0.023 <0.05, so the fourth hypothesis in this study is accepted . So it can be concluded that collateralizable assets have a positive and significant effect on the probability of dividend distribution.

   This is supported by research by Fernandes, Muda & Bukit (2019), Natalia & Kusumastuti (2017), Mangasih & Asandimitra (2017), Purnawati, Swandari, & Sadikin (2019) which state that there is a positive and significant effect of collateralizable assets on dividend policy.

5. The effect of board independence on dividend policy

   The fifth hypothesis examines the relationship between board independence on the probability of dividend distribution, it shows that the significance value of collateralizable assets is 0.238> 0.05, so the fifth hypothesis in this study is rejected. So it can be concluded that board independence has no significant effect on the probability of dividend distribution.

   This is supported by research by Tahir, Rahman, & Masri (2020), Mangasih & Asandimitra (2017), Shahid & Bucha (2016) that there is no influence between board independence on dividend policy.

6. Influence of insider ownership with financial performance

   The sixth hypothesis examines the relationship between insider ownership on financial performance, showing that the t-count value of 0.443 is smaller than the t-table value of 1.98969. The measurement results show that tcount <ttable (5% significance level = 0.75), so the sixth hypothesis in this study is rejected. From the results of these data, it can be interpreted that insider ownership is not successful in proving a relationship with financial performance, or in other words insider ownership does not have a significant effect on financial performance.

   This is supported by research by Kim & Lim (2011) which states that there is no influence between insider ownership on financial performance.

7. The influence of institutional ownership with financial performance

   The 7th hypothesis examines the relationship between institutional ownership and financial performance, showing that the tcount value of 0.545 is smaller than the ttable value of 1.98969. The measurement results show that tcount <ttable (5% significance level = 0.586), so the seventh hypothesis in this study is rejected. From the results of these data, it can be interpreted that institutional ownership is not successful in proving a relationship with financial performance, or in other words, institutional ownership does not have a significant effect on financial performance.

8. The effect of dispersion of ownership on financial performance

   The 8th hypothesis examines the relationship between dispersion of ownership on financial performance, showing that the t-count value of 2.009 is greater than the t-table value of 1.98969. The measurement results show that tcount> ttable (5% significance level = 0.045), so the eighth hypothesis in this study is accepted. From the results of these data, it can be interpreted that the dispersion of ownership has succeeded in proving a relationship with financial performance, or in other words, the dispersion of ownership has a significant effect on financial performance with a positive direction.

   This is supported by research by Eforis (2017) and Sochib & Emawati (2018) which states that there is a positive and significant effect of dispersion of ownership on financial performance.

9. The effect of collateralizable assets on financial performance

The 9th hypothesis examines the relationship between collateralizable assets on financial performance, indicating that the t-count value of 0.937 is smaller than the t-table value of 1.98969. The measurement results show that tcount <ttable (5% significance level = 0.349), so the ninth hypothesis in this study is rejected. From the results of these data , it can be interpreted that collateralizable assets fail to prove a relationship with financial performance, or in other words collateralizable assets do not have a significant effect on financial performance.

10. The effect of board independence on financial performance

The tenth hypothesis examines the relationship between board independence on financial performance, it shows that the t-count value of 0.368 is smaller than the t-table value of 1.98969. The measurement results show that tcount <ttable (5% significance level = 0.713), so the tenth hypothesis in this study is rejected. From the results of these data, it can be interpreted that board independence has not succeeded in proving a relationship with financial performance, or in other words, board independence does not have a significant effect on financial performance.

11. Effect of financial performance with dividend policy

The 11th hypothesis examines the relationship between financial performance and the probability of dividend distribution, showing the significant value of financial performance consisting of Return on Equity (ROE) and Return on Assets (ROA) of 0.000> 0.05, so the eleventh hypothesis in this study is accepted. So it can be concluded that financial performance has a positive and significant effect on the probability of dividend distribution.

This is supported by the research of Simbolon & Sampurno (2017) and Wahyu & Retna (2017) which state that financial performance has a positive and significant effect on dividend policy.

12. Influence of insider ownership with dividend policy through financial performance

The 12th hypothesis examines the relationship between insider ownership on the probability of dividend distribution through financial performance, it is known that the direct effect of insider ownership on the probability of dividend distribution is 0.055. Meanwhile, the indirect effect of insider ownership through financial performance on the probability of dividend distribution is the multiplication of the insider ownership beta value on financial performance (Table 5.3) and the insider ownership beta value on the probability of dividend distribution (attached), namely 0.007 x 0.112 = 0.000784. Then the total effect given by insider ownership on the probability of dividend distribution is the direct effect plus the indirect effect, namely 0.055 + 0.000784 = 0.055784. Based on the results of the above calculations, it is known that the value of the direct effect is 0.055 and the indirect effect is 0.000784, which means that the value of the indirect effect is smaller than the value of the direct effect.This result shows that indirectly insider ownership through financial performance has no significant effect on policy. dividend.

13. The influence of institutional ownership with dividend policy through financial performance

The 13th hypothesis examines the relationship between institutional ownership on the probability of dividend distribution through financial performance, it is known that the direct effect of institutional ownership on the probability of dividend distribution is 0.088. Meanwhile, the indirect effect of institutional ownership through financial performance on the probability of dividend distribution is the multiplication of the institutional ownership beta value on financial performance (Table 5.3) and the institutional ownership beta value on the probability of dividend distribution (attached), namely 0.038 x 0.559 = 0.021242. Then the total effect given by institutional ownership on the probability of dividend distribution is the direct effect plus the indirect effect, namely 0.088 + 0.021242 = 0.109242. Based on the results of the above calculations, it is known that the direct effect value is 0.088 and the indirect effect is 0.021242 which means that the indirect effect value is smaller than the direct effect value dividend.

14. The effect of dispersion of ownership with dividend policy through financial performance

The 14th hypothesis examines the relationship between the dispersion of ownership on the probability of dividend distribution through financial performance, it is known that the direct effect of the dispersion of ownership on the probability of dividend distribution is -0.063. Meanwhile, the indirect effect of dispersion of ownership through financial performance on the probability of dividend distribution is the multiplication of the beta value of the dispersion of ownership on financial performance (Table 5.3) and the beta value of the dispersion of ownership on the probability of dividend distribution (attached), namely 0.005 x -0.067 = -0 , 0000335. Then the total effect given by dispersion of ownership on the probability of dividend distribution is the direct effect plus the indirect effect, namely -0.063 + -0.0000335 = 0.063335. Based on the results of the above calculations, it is known that the value of the direct effect is -0.063 and the indirect effect is -0.0000335, which means that the value of the indirect effect is smaller than the value of the direct effect, these results indicate that indirectly the dispersion of ownership through financial performance has no effect significant impact on dividend policy.

15. The effect of collateralizable assets on dividend policy through financial performance

The 15th hypothesis examines the relationship between collateralizable assets on the probability of dividend distribution through financial performance, it is known that the direct effect of collateralizable assets on the probability of dividend distribution is 0.084. Meanwhile, the indirect effect of collateralizable assets through financial performance on the probability of dividend distribution is the multiplication of the collateralizable assets beta value on financial performance (Table 5.3) and the collateralizable assets beta value on the probability of dividend distribution (attached), namely 0.363 x 5.964 = 2.164932. Then the total effect given by collateralizable assets on the probability of dividend distribution is the direct effect plus the indirect effect, namely 0.084 + 2.164932 = 2.248932. Based on the results of the above calculations, it is known

that the value of the direct effect is 0.084 and the indirect effect is 2.164932, which means that the value of the indirect effect is greater than the value of the direct effect, these results indicate that collateralizable assets through financial performance have a significant effect on dividend policy.

16. The effect of board independence with dividend policy through financial performance

The 16th hypothesis examines the relationship between board independence on the probability of dividend distribution through financial performance. It is known that the direct effect that board independence has on the probability of dividend distribution is -0.034. Meanwhile, the indirect effect of board independence through financial performance on the probability of dividend distribution is the multiplication of the board independence beta value on financial performance (Table 5.3) and the board independence beta value on the probability of dividend distribution (attached), namely 0.040 x -0.942 = -0.03768. Then the total effect given by board independence on the probability of dividend distribution is the direct effect plus the indirect effect, namely -0.034 + -0.03768 = -0.07168. Based on the results of the above calculations, it is known that the value of the direct effect is -0.034 and the indirect effect is -0.03768, which means that the value of the indirect effect is greater than the value of the direct effect, this result shows that board independence through financial performance indirectly has a significant effect on dividend policy.

CONCLUSION

The results of this study can be concluded that insider ownership does not have a significant effect on dividend policy. This means that little or much insider ownership cannot be a reference for companies in distributing dividends. Institutional ownership does not have a significant effect on dividend policy. much or at least institutional ownership cannot be a reference for companies in distributing dividends. Dispersion of ownership has a negative and significant effect on dividend policy. This shows that the dispersion of ownership affects the control of dividend distribution in the company because the large number of shareholders will find it difficult to monitor the company, causing shareholders to be afraid that if there is a misappropriation of funds for personal interests in the company, the dispersion of ownership prefers to share dividend. Collateralizable assets have a positive and significant effect on dividend policy. This shows that the higher the collateralizable assets will increase the dividend distribution. High collateralizable assets make the company work harder to earn profits, increased profit will allow the company to pay dividends. Board independence has no significant effect on dividend policy. Board independence will not have an effect on company control or decision making in dividend distribution because the appointment of independent commissioners is only carried out to comply with provisions and regulations and their knowledge of the company is relatively limited. Board independence is only a small part of the board of commissioners , so even when the board independence takes part, it will not affect the company's decision. Financial performance has a positive and significant effect on dividend policy. The higher the financial performance, the higher the profit, this will have an impact on the welfare of shareholders in dividend distribution.

Insider ownership does not have a significant effect on financial performance. Much or at least insider ownership will not interfere with financial performance.

Institutional ownership does not have a significant effect on financial performance. Much or at least institutional ownership will not affect financial performance. Dispersion of ownership has a positive and significant effect on financial performance . With the dispersion of ownership, the company can better monitor the community. The greater the dispersion of ownership, the more parties that need information about the company, the company must improve its financial performance because of transparent annual reports. Collateralizable assets have no significant effect on financial performance. The size of collateralizable assets will not affect a company's financial performance. Board independence has no significant effect on financial performance. Many or at least board independence will not affect financial performance because they do not have the right to make decisions within the company.

Insider ownership through financial performance does not have a significant effect on dividend policy. Insider ownership does not see how the performance of a company is, if they hold a GMS and many want to distribute dividends, dividends will be distributed to shareholders, and vice versa. Institutional ownership through financial performance does not have a significant effect on dividend policy. Institutional ownership does not see how the performance of a company is, if they hold a GMS and many want to distribute dividends, dividends will be distributed to shareholders, and vice versa. Dispersion of ownership through financial performance has no significant effect on dividend policy. Dispersion of ownership does not see how the performance of a company is, if they hold a GMS and many want to distribute dividends, dividends will be distributed to shareholders, and vice versa. Collateralizable assets through financial performance have a significant effect on dividend policy. The larger the collateralizable asset, the company must improve its financial performance so that there is no conflict between the company and its creditors. Increased financial performance will cause profits to also increase, this can make the company to pay dividends. Board independence through financial performance has a significant effect on dividend policy. The more board independence there will be more inclusion in advancing the company and causing financial performance to increase. This can have an impact on dividend distribution.

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