Studi Akuntansi dan Keuangan Indonesia, Vol. 5, No. 1, 2022 | E-ISSN: 2654-6221

# Factors Affecting Dividend Policy in Indonesian State-Owned Enterprises (SOEs)

**Putu Ayu Anggya Agustina[1], Elisabeth Ria Viana Praningtyas[2], Rini Subekti[3], Luh Putri Mas Mirayani[4]**

*[1,2,3]Accounting Study Program, Universitas Terbuka, Tangerang Selatan*

*[4]Accounting Study Program, Universitas Mahasaraswati Denpasar, Denpasar*

***Keywords:***
*Audit delay, dividend premium, dividend policy, free cash flow, SOEs.*

***ABSTRACT***

*This study examines factors affecting dividend policy with firm size, leverage,* and *profitability as control variables. Among the management policies aimed at improving the welfare of stakeholders, the result is in the form of dividends. Investors who receive dividends from companies that distribute dividends expect the company's share price to increase. The study population was all publicly listed SOEs listed on the IDX in 2022, with 20 companies in the observation year for 11 years from 2011 to 2021. The determination of the sample in this study used the non-probability sampling method with purposive sampling technique so that the total sample into 220 observed companies. This study uses multiple linear regression. The results showed that dividend premium, free cash flow, and audit delay had a significant positive effect on dividend policy, and firm size, leverage, and profitability were able to be control variables for this direct relationship.*

**Kata Kunci:**
Keterlambatan audit, premium dividen, kebijakan dividen, arus kas bebas, BUMN.

**ABSTRAK**

Penelitian ini mengkaji faktor-faktor yang mempengaruhi *dividend policy* dengan *firm size*, *leverage*, dan *profitability* sebagai variabel kontrol. Di antara kebijakan manajemen yang bertujuan untuk meningkatkan kesejahteraan pemangku kepentingan, hasil berupa dividen. Investor yang memperoleh dividen dari perusahaan yang membagikan dividen berharap agar harga saham milik perusahaan meningkat. Populasi dalam penelitian ini adalah seluruh perusahaan BUMN *go public* yang terdaftar di Bursa BEI tahun 2022 yang berjumlah sebanyak 20 perusahaan pada tahun pengamatan selama 11 tahun dari tahun 2011 sampai dengan 2021. Penentuan sampel dalam penelitian ini menggunakan metode *nonprobability sampling* dengan teknik *purposive sampling* sehingga total sampel menjadi 220 perusahaan amatan. Penelitian ini menggunakan regresi linear berganda. Hasil penelitian menunjukkan *dividend premium, freecash flow, dan audit delay* berpengaruh positif signifikan terhadap *dividend policy, dan firm size, leverage, profitability* mampu menjadi variabel kontrol atas hubungan langsung tersebut.

**Corresponding author:**
Putu Ayu Anggya Agustina
anggyagustina@ecampus.ut.ac.id

## Introduction

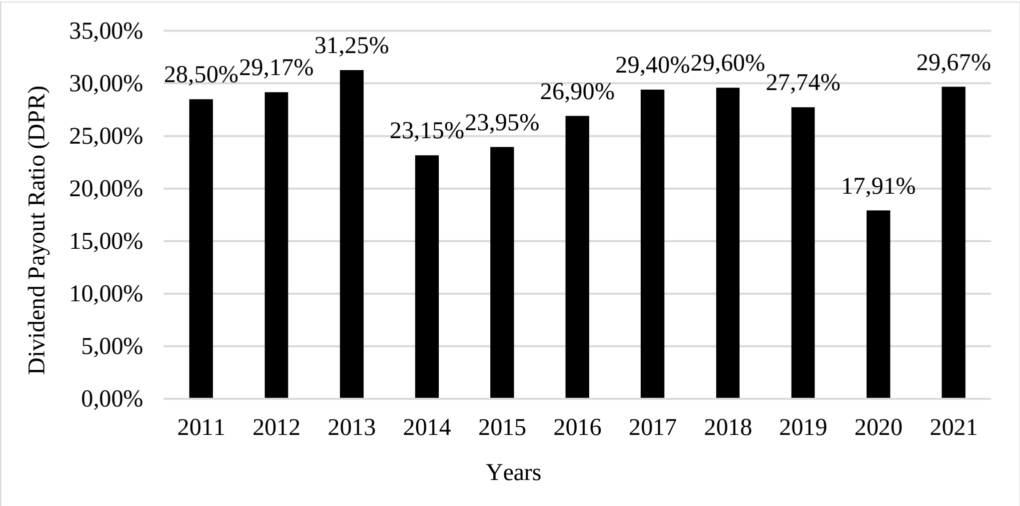
Investors who receive dividends from companies that distribute dividends expect the company's share price to increase. The increase in the share price will not only benefit the company but also the company owner or stakeholders, as well as investors who buy the company's shares. If a large amount of capital is collected, this allows management to make management decisions based on investors' requests. One of them is investor demand for dividend payments.

Law of the Republic of Indonesia Number 19 of 2003 states that SOEs companies listed on the Indonesia Stock Exchange are SOEs companies in the form of limited liability companies. Some of the SOEs capital is in the form of shares. The Republic of Indonesia owns SOEs shares of at least 51% of SOEs shares. The main goal of SOEs is to pursue profits. SOEs companies that go public include companies engaged in construction, energy, transportation, pharmaceuticals, financial services, telecommunications, and mining, affecting many people's lives. SOEs companies are essential in supporting the country's economy as a provider of employment and convenience for the public.

The reason for SOEs to register on the IDX so that SOEs companies can work efficiently is that there is direct supervision from the public, who feel they also own the company by owning SOEs shares. In addition, the government dominates the share of ownership in a SOEs company. However, in 2020 the value of the Dividend Payout Ratio (DPR) decreased (Dewi, 2021). This incident was due to a decrease in profits due to the pandemic in 2019. However, some companies experienced an increase in profits, such as PT Aneka Tambang Tbk (ANTM) and PT Telkom Indonesia Tbk (TLKM). The SOEs that have not distributed dividends from the 2020 financial year are PT Bank Rakyat Indonesia Agroniaga Tbk (AGRO), PT Bank Syariah Indonesia Tbk (BRIS), PT Kimia Farma Tbk (KAEF), and PT Timah Tbk (TINS). Management not distributing dividends is a natural step for some SOEs (Dewi, 2021). If the country remembers past events, 2020 is quite a challenging year for several companies because Indonesia is still dealing with the Covid-19 pandemic (Dewi, 2021).

SOEs companies are so interesting to study compared to non-SOEs companies because the shareholders of SOEs companies are the government, with a composition of 51%. SOEs have uniqueness, which is why this research uses SOEs as research objects. SOEs are unique because they must operate in a commercial environment, do business commercially, and compete with commercial companies (Suheriadi, 2021). Apart from operating as a commercial entity, SOEs has the task of being an agent of change for the country's development (Suheriadi, 2021).

A media report published on mediabumn.com in 2022 stated that sometimes SOEs show poor performance, even though most of the shareholders are the government (MediaBUMN, 2022). One of the cases that befell SOEs was PT Garuda Indonesia Tbk, which showed unhealthy financial performance in 2021 (Puspa, 2021). However, the management of PT Garuda Indonesia Tbk managed to avoid the threat of bankruptcy in 2022 (Puspa, 2021). In addition, PT Garuda Indonesia Tbk has also never distributed dividends for ten years, even though this airline is highly trusted as a comfortable airline (Tia, 2021). This case shows that not all management of SOEs companies that are publicly registered take a dividend policy to announce dividend distribution, and some SOEs companies do not distribute dividends consistently. The dividend policy for SOEs companies that are publicly listed on IDX has again become a public concern because data obtained from the annual reports of publicly listed SOEs companies show fluctuations in dividend payments as measured by the dividend payout ratio in the form of a percentage. This ratio is a measure of the dividend policy implemented by management. Figure 1 shows the average value of the DPR for SOEs companies from 2011 to 2021.




Source: Processed data (2022)

**Figure 1. Graph of Average Dividend Payout Ratio (DPR) in SOEs from 2011 to 2021**

Based on data obtained from the annual report uploaded by SOEs at www.idx.co.id, it can show the movement of the DPR's average score for SOEs companies from 2011 to 2021 has fluctuated. The value of the DPR in 2011 was 28.50%. In 2012 and 2013, respectively increased 29.17% and 31.25%. Then it decreased in 2014 to 23.15%. In 2015, 2016, 2017 and 2018, it increased successively 23.95%, 26.90%, 29.40% and 29.60%. The value of the DPR in 2019 and 2020 decreased again in a row to 27.74% and 17.91%. Finally, in 2021 it increased again to 29.67%.

The value of the DPR in SOEs companies has fluctuated because investors' interest in increasing their portion of ownership tends to decrease during a pandemic. When investors have little ownership, the investor's demand for dividend distribution tends to decrease. Declining demand for dividends has forced management to focus on other operations. Moreover, the company is experiencing a decline in profits until it suffers a loss. If the management of SOEs company focuses on operations that can improve the company's finances, it means that the company's health will also improve over time. If not, then the management of SOEs companies can make the company unstable, plus there is a personal interest which becomes an opportunity because of this problem.

This dividend demand will motivate management to take a dividend policy because managers will serve investors by paying dividends when the dividend premium is high. In addition to the presence of indicators due to dividend premiums, free cash flow can also minimize the risk of future profit growth by diverting funds to increase dividend distribution, preventing opportunities for the management of deviant behaviour. In addition to the use of free cash flow, audit delay also affects the dividend policy because SOEs management needs to wait for the audit results. If the audit process is on schedule, it will help the management of SOEs companies from making decisions. In addition to these three factors, some factors consistently influence dividend policy. Other factors are firm size, leverage, and profitability, which become this study's control variables.

The research that supports dividend premium affects a positive significant dividend policy by Tedja et al. (2020). The existence of a high dividend premium will motivate management to pay high dividends at the request of investors who invest in SOEs companies. This dividend premium has a positive effect on dividend policy because it can affect the management of SOEs companies. The impact of this effect is that

SOEs companies give a positive signal to investors and potential investors who will invest in SOEs companies. This signal aims to increase share ownership so that SOEs companies synergize.

In addition to the dividend premium, the use of free cash flow can also influence management in implementing the dividend policy. Management in SOEs will manage the company more optimally to reduce risks that will occur in the future through analysis using free cash flow. The results of research by Widiantari and Candradewi (2021), Rosyadi and Lusiani (2017), Irman et al. (2019), Noviyanto (2016), Lohonauman and Budiarso (2021), Suhaimi and Haryono (2021), Wibowo and Lusy (2021), Kusuma et al. (2018) can shows Free cash flow has a positive effect on dividend policy. However, in contrast to the results of research by Wulandari et al. (2019) which states that free cash flow has a negative effect on dividend policy. Meanwhile, it is different from the results of research by Mangundap et al. (2018), Hartono and Matusin (2020), Herdianta and Ardiati (2017), Putri and Anggrahini (2021), Octaviana et al. (2016) which states that free cash flow has no effect on dividend policy.

There has never been any research related to audit delay, but implicitly, audit delay can influence management decisions in taking dividend policy. The problem that has occurred is the results of an audit report at PT Garuda Indonesia Tbk for the 2018 financial year. The Public Accounting Firm needed to be more careful in auditing errors in the financial reporting of PT Garuda Indonesia Tbk (Friana, 2019). These errors made the audit report completion necessary to be reviewed again by Binder Dijker Otte (BDO) Internasional Limited (Friana, 2019). If these errors occur continuously, it will reduce the attractiveness of potential investors to invest in publicly listed SOEs.

Previous research used firm size, leverage, and profitability as variables that consistently influence dividend policy. The results of research by Deitiana et al. (2021), Herdianta and Ardiati (2017), Widyakto and Triyani (2022), Candy and Cahyani (2021) state that firm size has a positive effect on dividend policy. However, the results of research by Septiani et al. (2020), Hartono and Matusin (2020) state that firm size has a negative effect on dividend policy. While the results of research by Stevanius and Yap (2018) state that company size has no effect on dividend policy

Leverage has a negative effect on dividend policy Hartono and Matusin (2020), Tedja et al. (2020), Mangundap et al. (2018), Deitiana et al. (2020), Puspita (2017), Widyakto and Triyani (2022), Apriliani and Natalylova (2018), Kurniawan and Kristamurti (2021). However, in contrast to the results of research by Abdullah (2021), Larasati and Siswanti (2022), Darmawan and Triyonowati (2019), Indriani (2020), Kusuma et al. (2018), Santosa et al. (2020) which states that leverage has a positive effect on dividend policy. While the results of research by Herdianta and Ardiati (2017) state that Leverage has no effect on dividend policy.

Profitability has a positive effect on dividend policy (Tedja et al., 2020; Hartono and Matusin, 2020; Herdianta and Ardiati, 2018; Putri and Aggrahini, 2021; Sulhan and Herliana 2018; Kusuma et al., 2018). However, in contrast to the results of research by Abdullah (2021), Arseto and Jufrizen (2018), Puspita (2017), Septiani et al. (2020), Darmawan and Triyonowati (2020), Kurniawan and Kristamurti (2021), Lestari and Pangestuti (2022), Lohanauman and Budiarso (2021), Wibowo and Triyonowati (2021), Widyawati and Indriani (2019), Jaara et al. (2018) which states that profitability has a negative effect on dividend policy. While the results of research by Deitiana et al. (2020); Setevanius and Yap (2017); Widyakto and Triyani (2022); Santosa et al. (2020) state that profitability has no effect on dividend policy.

This study uses audit delay, dividend premium and free cash flow, as well as control variables including firm size, leverage, and profitability. So far, many studies have been carried out but the results obtained are inconsistent, so the researchers re-examined these variables and added audit delay variables. This study uses audit delay because conditions that are usually associated with audit delay get a signal for investors. This means that investors tend to be conservative when deciding to invest in the company. In addition, the existence of information that is different from the signal received creates information asymmetry between management and company owners and stakeholders. This is in accordance with agency theory which is related to the interests of management and company owners. While signal theory serves to determine the information received gives a negative or positive signal effect. So far, the research has only been conducted in five years, so this study used 11 years to obtain valid results. The objective of the research is to determine the effect of audit delay, dividend premium, and free cash flow on dividend policy. In addition, to find out whether firm size, leverage, and profitability can be control variables in an existing direct relationship.

This study uses Agency Theory and Signal Theory to relate the independent and control variables in this study. On the other hand, this study also uses the catering dividend theory to show the effect of dividend premium on dividend policy. This control variable illustrates that the presence of firm size, leverage, and profitability can affect dividend policy constantly. Although empirical evidence shows that there are differences in results. However, the research results obtained describe the actual situation that occurred.

## Literature Review and Hypothesis Development

### *Dividend Catering Theory*

The Dividend Catering Theory has a statement that states that companies can grant investors' wishes by issuing dividends when there is an assumption that investors will place higher stock premiums for companies that want to issue dividend distribution policies (Baker and Wurgler, 2004a). Dividend Catering theory provides an understanding of the reasons managers make dividend payments. One of the underlying reasons is the need for the stock market to pay dividends. In this theory the proxy used is the dividend premium to assess the number of dividends that investors want. If we look at this point of view, we can understand that dividend premiums can be proxied by the value of difference between the average the average market-to-book ratio with those who pay dividends and those who do not pay dividends (Baker and Wurgler, 2004a). This theory concludes that companies that issue dividends if there is an incentive from investors based on the dividend catering earlier, and the amount of the expected premium value is positive or in accordance with the submission of requests made by investors.

### *Agency Theory*

An overview of the actual cash situation can be shown through free cash flow. Companies with high free cash flow mean that they have better performance, because of the possibility of earning a higher profit than companies with low free cash flows. In fact, to see which company is better. Users of financial statements can analyze it by looking at the free cash flow conditions of each company. It is certain that a company with a higher free cash flow value means that it is better able to suppress agency problems that may occur or are already taking place in the company. In addition, the Agency theory shows that agency problem can be suppressed because companies with high free cash flow usually distribute fairly high dividends to shareholders, so there is very little chance of information asymmetry between company managers and shareholders (Jensen and Meckling, 1986).

***Signal Theory***

Research conducted by Pradnyavita and Suryanawa (2020) explains that signal theory places more emphasis on the importance of information issued by companies on investment decisions of parties outside the company. When management publishes financial statements, it means that management has given a signal to the market, in this case investors. For investors who first heard the information, those investors will try to be the fastest to justify and analyze the information obtained. This makes the information provided greatly influence investor decisions later, and the type of information can be divided into two, namely bad news or good news.

Audit delay occurs in the financial statements of all publicly listed SOEs listed on the IDX and must wait for publication because they go through an audit process by an independent accountant. The company's prospects given to investors can be in the form of the company's performance in generating profits so that the company directly gives a positive signal to investors. On the other hand, if a company gives a negative signal, it can be in the form of information that the company is experiencing an audit delay. If the company's audit delay is high, the manager's decision to make dividend policy is getting smaller.

***Dividend Premium***

When SOEs companies distribute dividends, investors often expect to receive dividends consistently (Jannah, 2018). Some investors expect relatively high payout ratios to receive what investors receive on investment gains. However, not all SOEs distribute dividends. There is demand from investors regarding the distribution of dividends, and managers in each SOE must be able to manage management properly. If the performance of SOEs companies is good, managers can make decisions according to shareholders' wishes. Dividend premium will increase when the company experiences an increase in profits so that the equity of SOEs companies will also increase (Tedja et al., 2020). This increase in profit can signal management to use a dividend policy so that shareholders continue to invest in SOEs companies.

***Free Cash Flow***

Free cash flow reflects cash flow obtained from operating activities. It uses free cash to pay dividends or be retained as retained earnings or for financing projects whose control lies with the management of SOEs and the government (Wadoyo et al., 2022). Free cash flow is essential for SOEs companies because SOEs companies can take advantage of opportunities to increase the proportion of shareholders (Agustin and Rochman, 2021). The statement of cash flows is a report on operating, investing, and financing activities for the current year. Management who can take advantage of free cash flow for dividend distribution can attract the attention of investors to invest in SOEs companies, so that management must maintain the company's reputation by showing good financial performance.

***Audit Delay***

Every SOEs company is required to submit audited company financial statements. SOEs management needs to report audited financial statements because, according to the Financial Services Authority Regulation No.29/PJOK/04/2016, it regulates the deadline for submitting audited financial statements of public companies and imposes sanctions on public companies that are late in publishing financial reports (Affifah and Susilowati, 2021). The auditor takes time to carry out the completion of the audit of the SOEs financial statements. The length of time to complete this audit will impact the timing of the publication of the annual financial reports. If the completion of the audit passes the agreed time, an audit delay will occur. The impact of the audit delay is that SOEs management takes a long time to make dividend policy decisions.

The timing of financial reporting is essential for company stakeholders because financial reports are a company's measuring tools and values. Financial reports are helpful to people from outside the company as financial performance information (Tarigan and Hutapea, 2020). If SOEs companies provide their financial reports on time, they tend to avoid financial difficulties. However, if SOEs companies have financial difficulties, it will be late to report audited finances.

***Dividend Policy***

Companies must determine the right policy to deal with issues related to dividends. The good financial condition of SOEs companies causes high dividend payout opportunities and the company's share price rises (Jannah, 2018). If the Dividend Payout Ratio (DPR) is high, investors are interested in investing their capital because investors' primary goal is to get enormous profits with certain risks.

SOEs companies have different treatment from private companies regarding dividend distribution or the amount of the DPR. In SOEs companies, the amount of dividends determined is regulated in the General Meeting of Shareholders (GMS), which is influenced mainly by the government as the largest shareholder. In contrast, in private companies, the amount of dividends is determined and determined by non-government shareholders (Jannah, 2018). This DPR has an attraction for investors because the DPR shows how much of the company's wealth is distributed to shareholders.

***Firm Size***

Firm size reflects the development of SOEs companies. The size of an industry can directly sees the low or high of the industry. According to Risnaningsih et al. (2022), budget audits tend to be better at large firm-size SOEs through external parties because SOEs increase profitability. Firm size also shows that large companies with better sales should pay high dividends. Thus the shareholders will put great trust in the SOEs companies. (Amah and Prasetyowati, 2019). Meanwhile, the size of small-scale SOEs companies will need help accessing the capital market (Amah and Prasetyowati, 2019). The larger the size scale of SOEs companies, the greater the resources managed in the form of assets, technology, and intellectual property (Mustafa and Sulistyowati, 2022).

***Leverage***

Leverage is a source of calculation that uses one of the assets and the budget of a SOEs companies (Risnaningsih et al., 2022). The purpose of this calculation is to find out the level of profits in SOEs companies. If the proportion of leverage increases because the SOEs management does not pay attention to it, it will cause a burden on the company. The leverage value used is the Debt-to-Equity Ratio (DER). The existence of debts to SOEs companies will affect management in taking a dividend policy. However, if management misuses debt, the management of SOEs companies will have difficulty paying debts in the future. If management cannot overcome this problem, the potential for financial distress will be even more significant (Gunawan et al., 2019). The impact on management due to financial distress is that SOEs management cannot take a dividend policy.

***Profitability***

Profitability is the capacity of SOEs companies to measure the effectiveness of the company's management of assets, sales, and company capital. The value of profitability is one of the benefits that will be obtained directly from SOEs because it has an essential purpose. SOEs profitability is one of the basic foundations to provide an overview related to the performance system in SOEs (Risnaningsih et al., 2022). Management's goal in managing the company is to make a profit. The higher the profitability, the higher the profit level of SOEs companies. The greater the profit of SOEs companies, it will automatically encourage the distribution of dividends to shareholders (Agustin and Rochman, 2021). Thus, high profitability affects the increase in dividends and can show good company performance. High profitability in SOEs will be directly proportional to the value of the dividend payout ratio. (Agustin and Rochman, 2021).

***Hypothesis Development***

*Dividend Premium and Dividend Policy*

Managers who make decisions to distribute dividends on the grounds of stock market demands are based on the theory of dividend catering theory. In this theory, it is explained that the acceptance of investors' requests to share dividends can be measured using a dividend premium measuring instrument. If what is being discussed is the dividend premium, it means that the difference is the size of the market to book ratio and the comparison is the average dividend paid and the average dividend not paid. Market anomalies will provide a lot of information asymmetry, so investors tend to rely on dividend payments as positive or negative signals (Tekin and Polat, 2021). In this condition, it is usually found that several companies will issue dividends as demanded by the shareholders if there is an incentive for the dividend to be distributed, where later the dividend premium shows a positive value for the total dividend amount. In fact, investors are certainly more interested in companies that pay dividends and provide premium prices. Investors prefer companies that pay dividends and provide premium prices to shareholders. In addition, the dividend premium is also closely related to the company's dividend policy. Dividend premiums are considered as a way of suppressing the behavior of managers who think about cutting dividend payments, especially for managers who consciously ignore the predetermined dividend amount because the amount of dividend premium is high. The research that supports the dividend premium has a positive effect on dividend policy (Tedja et al., 2020). Based on this explanation, the research hypothesis can be formulated as follows:

**H1.** *Dividend Premium has a positive effect on Dividend Policy*.

*Free Cash Flow and Dividend Policy*

The actual condition of the company's cash is described by the amount of free cash flow listed in the company's financial statements. Users of financial statements can also ensure that companies that have better performance are companies with high free cash flow values. In Agency theory shows that companies with high free cash flow mean that they have the opportunity to earn high profits compared to companies with low free cash flows. In addition, companies with high free cash flow will certainly be more profitable because they are considered to be able to suppress agency problems that may occur or are even ongoing in the company. Companies with high free cash flow mean that they are more likely to distribute high dividends to shareholders. Supported from the results of research by Widiantari and Candradewi (2021), Rosyadi and Lusiani (2017), Irman et al. (2019), Noviyanto (2016), Lohonauman and Budiarso (2021), Suhaimi and Haryono (2021), Wibowo and Lusy (2021), and Kusuma et al., (2018) can shows Free cash flow has a positive effect on dividend policy.Based on this description, the research hypothesis can be formulated as follows:

**H2.** *Free Cash Flow has a positive effect on Dividend Policy.*

*Audit Delay and Dividend Policy*

Audit delay occurs in the financial statements of go-public companies listed on the IDX and must wait for publication because they go through an audit process by an independent accountant. The company's prospects given to investors can be in the form of the company's performance in generating profits so that the company directly gives a positive signal to investors. On the other hand, if a company gives a negative signal, it can be in the form of information that the company is experiencing an audit delay. This research has never been done but based on agency theory it can be explained if the company's audit delay is lower, then the manager's decision to make dividend policy is getting higher (Jensen and Meckling (1986).

However, it is not certain that companies that experience audit delays cannot pay audit fees. Based on this description, the following hypotheses can be formulated:

**H3.** *Audit Delay has a positive effect on Dividend Policy*.

*Firm Size and Dividend Policy*

Companies with large firm sizes can reduce the potential for opportunistic actions by managers because they get greater oversight from the public (Daniel and Harianto, 2022). This study uses Agency Theory and Signal Theory to relate firm size variables. The findings from the research results by Canarella and Miller (2022) state that agency costs tend to increase in the large-scale firm. This control variable explains that firm size can constantly affect dividend policy. However, empirical evidence shows a difference in results. The results of research by Deitiana et al. (2021), Herdianta and Ardiati (2017), Widyakto and Triyani (2022), Candy and Cahyani (2021) state that firm size has a positive effect on dividend policy. However, the research results obtained describe the actual situation that occurred. Based on this description, the following hypotheses can be formulated:

**H4.** *Firm Size has a positive effect on Dividend Policy*

*Leverage and Dividend Policy*

The next control variable is leverage. Leverage also uses Agency Theory and Signal Theory to link its effect on dividend policy. This control variable illustrates that leverage proxied as DER can affect dividend policy constantly. The use of debt usually arises because the company is experiencing financial difficulties. In this case, management needs to consider policies for the long term (Devina et al., 2019). As for the results of previous research, leverage has a negative effect on dividend policy. This research is supported by Tedja et al. (2020); Mangundap et al. (2018), Deitiana et al. (2020), Puspita (2017), Widyakto and Triyani (2022), Apriliani and Natalylova (2018), Kurniawan and Kristamurti (2021). However, the research results show the actual situation. Based on this description, the following hypotheses can be formulated:

**H5.** *Leverage has a negative effect on Dividend Policy*

*Profitability and Dividend Policy*

When the company determines the dividend policy, the manager must pay attention to the company's profitability (Lestari et al., 2022). As for the use of other control variables, profitability is one of these variables because this variable is constant. Institutional shareholders also tend to focus more on high company profitability to get a more significant number of dividends (Nursyahbandarmahdi et al., 2020). The existence of a dividend policy can minimize conflicts in agency theory. Empirical evidence shows that profitability has a positive effect on dividend policy. This is in line with the results of research by Tedja et al. (2020), Hartono and Matusin (2020), Herdianta and Ardiati (2018), Putri and Aggrahini (2021), Sulhan and Herliana (2018), Kusuma et al. (2018). However, the research results obtained describe the actual situation that occurred. Based on the theory and results of previous research, the research hypothesis is formed as follows:

**H6.** *Profitability has a positive effect on Dividend Policy*

***Research Framework***

The approach used in this study is quantitative in the form of associative. This study uses independent variables consisting of dividend premium ($X_1$), free cash flow ($X_2$), and audit delay ($X_3$). In addition, this study uses control variables consisting of firm size ($X_4$), leverage ($X_5$), and profitability ($X_6$), while the dependent variable in this study is dividend policy (Y). The form of the conceptual framework model of this research, can be presented as follows.

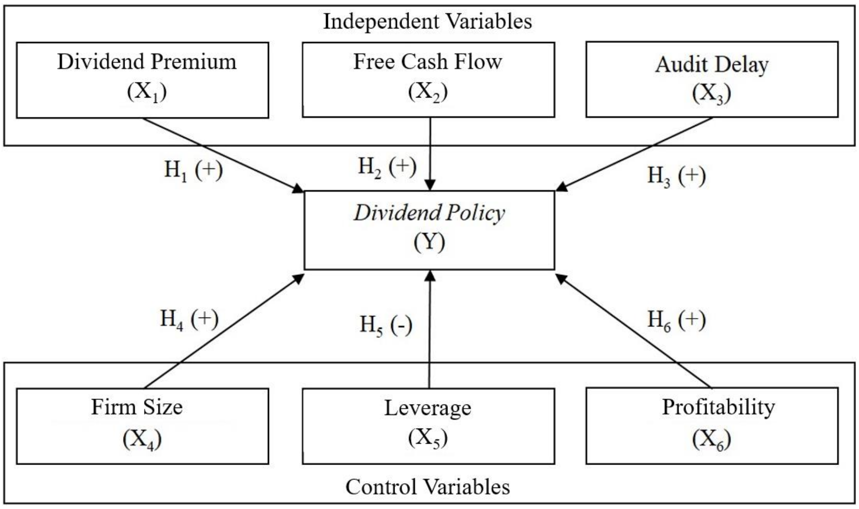



**Figure 2. Framework**

## Research Methods

### *Population and Sample*

The sample in this study were all publicly listed SOEs listed on the IDX in 2021, totally 20 companies in the observation year for 11 years from 2011 to 2021 so number of observed companies used in this study is 220 observations. The selection of SOEs as the object of research is because SOEs companies are known as companies that show good performance. However, eleven years ago, from 2011 to 2021, there were still companies that exceeded the audit completion deadline. With the impact on the company, management needs time to make dividend policies. On the other hand, companies do not only look at free cash flow to take dividend policies. Meanwhile, the desire of investors to get dividends from investing in these companies tends to be high. Companies that exceed the deadline for submitting audit results are WSKT for more than 35 days, GIAA for over 102 days, and TLKM for an additional 18 days in 2021. Due to the excess days of audit completion and management already knowing the results of the audit, management carefully considers the decision of whether the company should share dividends or not share dividends. The determination of the sample in this study used a non-probability sampling method with purposive sampling technique. The sample criteria to be used in this study are as follows:

**Table 1. Obtaining Research Samples**

| Sample Selection Criteria | Total Companies |
|---|---|
| SOEs companies listed on the IDX in 2011 – 2021 period | 20 |
| SOEs companies delisted on the IDX in 2011 – 2021 period | 0 |
| SOEs companies listed on the IDX does not publish full financial reports during 2011-2021 | 0 |
| **Total companies that became the research sample** | **20** |
| **Observation Year** | **11** |
| **Total Research Samples** | **220** |

Source: www.idx.co.id (2022)

### *Definition and Measurement Variables*

The dependent variable is Dividend Policy. In this study, the dividend policy proxy is measured by the dividend payout ratio (DPR) formula (Widyakto, 2022):

DPR = dividends paid /net income earned.

The dividend premium shows the demand for dividends from investors, which if the demand for dividends tends to be high, the higher the value of the dividend premium. The proxies used to view dividend premium are as follow (Baker and Wurgler, 2004a):

DivPrem -1 = log (MTBt – 1payer) – log (MTBt – 1non-payer)

MTB = Market price per share of common stock / Book value per share of common stock

Free cash flow is the cash flow available to investors after a company has placed all of its investment in fixed assets or working capital while maintaining on going operations (Putri and Anggrahini, 2021). Free cash flow is calculated by the formula:

FCF = (Net Operating Cash Flow + Net Investment Cash Flow) / Total Assets

Audit delay is the period of completion of the audit by the auditor which is measured by calculating the number of days difference between the closing date of the company's annual financial statements, which is December 31 to the date the independent auditor's report is signed (Putra and Wirakusuma, 2022).

Firm size seen from the proportion of total assets. Existence a natural logarithm so there is no need to change the actual amount of assets (Putra and Wirakusuma, 2022). Firm size is calculated by the formula:

Firm Size = Log (Total Assets)

The leverage ratio is used to see the company's ability to meet all obligations, especially when the company is suddenly liquidated (Putra and Wirakusuma, 2022). Leverage is calculated by the formula:

DER = Total debt / Total Equity

ROA is the ratio between net income after tax to total assets (Putra and Wirakusuma, 2022). The ROA ratio can be formulated as follows.

Return on Assets (ROA) = profit after tax / total assets

***Data Analysis Methods***

The data analysis technique in this research is multiple linear regression analysis. The analysis is assisted by using the Statistical Package for Social Science (SPSS) 28. The equation of the model is as follows.

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} - \beta_5 X_{5it} + \beta_6 X_{6it} + e_{it}$$

Information:

$Y_{it}$ = Divided policy

$\alpha$ = Constant

$\beta_{1it} - \beta_{6it}$ = Regression coefficient

$X_{1it}$ = Dividend Premium

$X_{2it}$ = Free Cash Flow

$X_{3it}$ = Audit Delay

$X_{4it}$ = Firm Size

$X_{5it}$ = Leverage

$X_{6it}$ = Profitability

$e_{it}$ = error term (residual)

## Result and Discussion

### *Descriptive Analysis*

Descriptive statistics provide information about the characteristics of the research variables, which consist of the number of observations of the minimum value, maximum value, mean value and standard deviation. Table 2 shows the results of the descriptive statistical test as follows.

**Table 2.**
**Descriptive Statistics**

| Variable | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Dividend premium ($X_1$) | 220 | 0,00 | 2.19 | 0,57 | 0,51 |
| Free cash flow ($X_2$) | 220 | -2617,40 | 4518.86 | 20,45 | 396,81 |
| Audit delay ($X_3$) | 220 | 10,00 | 485.00 | 69,03 | 57,18 |
| Firm Size ($X_4$) | 220 | 20,70 | 28,08 | 2,44 | 1,76 |
| Leverage ($X_5$) | 220 | 0,01 | 16,07 | 2,83 | 2,93 |
| Profitability ($X_6$) | 220 | 0,01 | 3,37 | 0,08 | 0,25 |
| Dividend policy (Y) | 220 | 0,01 | 1,00 | 0,27 | 0,22 |
| Valid N (listwise) | 220 | | | | |

Source: Processed data (2022)

Based on Table 2, it can be explained that the dividend premium has an average value of 0,57 with a standard deviation of 0,51. The maximum value of 2,19 is WIKA in 2020, while there are several companies with a minimum value of 0,00. Judging from the average value of the research sample companies for the dividend premium variable, it is close to the minimum value, meaning that not many companies issue dividends based solely on investor requests.

The free cash flow variable has an average value of 20,45 with a standard deviation of 396,81. The maximum value of 4518,86 is ANTM in 2012, while the minimum value of -2617,40 is INAF in 2011. Judging from the average value of the research sample companies for the free cash flow variable, it means that most companies used as research samples have high free cash flow.

The audit delay variable is an independent variable with an average value of 69,03 with a standard deviation of 57,18. The maximum audit reporting delay value is 485 days, namely ANTM in 2012, and the minimum audit reporting delay is ten days, namely BBTN in 2020. When viewed from the average value of audit delay value, it means that the average sample used as research has experienced audit reporting delays of 69 days.

The firm size variable uses Ln (Total Assets) as a proxy, with an average value of 2,44 with a standard deviation of 1,76. The maximum value of 28,08 is BBRI in 2021, while the minimum value of 20,70 is SMBR in 2011. Judging from the differences in the maximum and minimum values that are not too far away, it means that the average sample companies used in this study have almost the same size.

The leverage variable, DER as a proxy. It has an average value of 2,83 with a standard deviation of 2,93. The maximum value of 16,07 is BBTN in 2020, while there are several companies with a minimum value of 0,01. Judging from the average value of the research sample companies for the DER variable, it is close to the minimum value, meaning that the DER ratio of the sample companies is not too high.

The profitability variable uses ROA as a proxy and has an average value of 0,08 with a standard deviation of 0,25. The maximum value of 3,37 is WSKT in 2011, while there are several companies with a minimum value of 0,01. Judging from the average value of the sample company for the ROA variable, it is close to the minimum value, meaning that the profitability ratio of the sample company is not too high.

The dividend policy variable uses DPR as a proxy and has an average of 0,27 with a standard deviation of 0,22. The maximum value of 1,00 is the 2019 KAEF, while there are several companies with a minimum value of 0,01. Judging from the average value of the research sample companies for the DPR variable, it is close to the maximum value, meaning that the sample company's DPR ratio is quite high.

***Classic Assumption Test Results***

The results of the classic assumption test were used to test the model in this research. The classical assumption test is divided into four steps. The first is the normality test, the second is the multicollinearity test to assess tolerance and VIF, the third is the heteroscedasticity test to assess the absolute residual of the dependent variable, and the fourth is the autocorrelation test.

**Table 3.**
**Normality Test**

| **One-Sample Kolmogorov-Smirnov Test** | | |
|---|---|---|
| | | **Unstandardized Residual** |
| N | | 220 |
| Normal Parameters[a] | Mean | 0,0000000 |
| | Std. Deviation | 0,18754534 |
| Kolmogorov-Smirnov Z | | 0,758 |
| Asymp. Sig. (2-tailed) | | 0,614 |
| a. Test distribution is Normal. | | |

Source: Processed data (2022)

The normality test results for 220 observations can be seen in Table 3 using the Kolmogorov-Smirnov test. This test obtained a value of Sig. (2-tailed) is 0,614 greater than 0,05. This means that the data tested is normally distributed because it passes the normality test criteria with a value of 0.614 > 0.05.

**Table 4.**
**Multicollinearity Test**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 1,497 | 0,221 | | 6,766 | 0,000 | | |
| | Dividend premium ($X_1$) | 0,222 | 0,026 | 0,049 | 0,856 | 0,043 | 0,997 | 1,003 |
| | Free cash flow ($X_2$) | 0,130 | 0,011 | 0,171 | 2,790 | 0,006 | 0,870 | 1,149 |
| | Audit delay ($X_3$) | 0,078 | 0,000 | 0,092 | 1,544 | 0,024 | 0,918 | 1,090 |
| | Firm Size ($X_4$) | 0,071 | 0,009 | 0,562 | 8,228 | 0,000 | 0,705 | 1,419 |
| | Leverage ($X_5$) | -0,031 | 0,005 | -0,408 | -5,996 | 0,000 | 0,709 | 1,410 |
| | Profitability ($X_6$) | 0,128 | 0,051 | 0,147 | 2,521 | 0,012 | 0,968 | 1,033 |

a. Dependent Variable: Dividend Policy

Source: Processed data (2022)

Subsequent tests can be seen in Table 4, which also shows that the data passed the multicollinearity test because it did not show multicollinearity with a tolerance value for each independent variable greater than 0.10 and a VIF value less than 10, meaning that the data used in the study did not has a correlation value which is high between the independent variables or does not have a perfect relationship between the independent variables.

**Table 5.**
**Heteroscedasticity Test**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 0,331 | 0,128 | | 2,583 | 0,010 |
| | Dividend premium ($X_1$) | 0,024 | 0,015 | 0,104 | 1,623 | 0,106 |
| | Free cash flow ($X_2$) | 0,004 | 0,006 | 0,046 | 0,673 | 0,502 |
| | Audit delay ($X_3$) | 0,000 | 0,000 | 0,166 | 2,475 | 0,514 |
| | Firm Size ($X_4$) | 0,018 | 0,005 | 0,276 | 3,619 | 0,200 |
| | Leverage ($X_5$) | 0,009 | 0,003 | 0,235 | 3,081 | 0,302 |
| | Profitability ($X_6$) | 0,078 | 0,029 | 0,172 | 2,643 | 0,109 |

a. Dependent Variable: res2

Source: Processed data (2022)

The results of the heteroscedasticity test on the 220 observations are shown in Table 5, which shows that the probability significance value of each independent variable is more than 0.05, meaning that it does not have the same variance between the independent variables, or it can be concluded that the regression model in this study is free from heteroscedasticity.

**Table 5.**
**Autocorrelation Test**

| Model | Adj. R Square | Durbin-Watson |
|---|---|---|
| 1 | 0,481 | 1,935 |

Source: Processed data (2022)

Table 6 shows the value obtained from the Durbin Watson (DW) count is 1.953, and a significant value is 0.05 for n = 220 with k = 6. It is known that the value of dL = 1.73292 and dU = 1.82581. The result of 1.82581 < 1.953 < 2.17419 corresponds to du < d < (4-dU). So that the hypothesis is accepted and there is no positive and negative autocorrelation.

### *Multiple Linear Regression Analysis Results*

This multiple linear regression analysis is used to determine the extent of the influence of the independent variables on the dependent variable. In addition, it can predict the value of the dependent variable if all the independent variables have known values. The following are the results of multiple linear regression analysis which can be seen in Table 6.

**Table 6.**
**Multiple Linear Regression Analysis Results**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Test Results |
|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | |
| 1 | (Constant) | 1,497 | 0,221 | | -6,766 | 0,000 | |
| | Dividend premium ($X_1$) | 0,222 | 0,026 | 0,049 | 0,856 | 0,043 | Accepted |
| | Free cash flow ($X_2$) | 0,130 | 0,011 | 0,171 | 2,790 | 0,006 | Accepted |
| | Audit delay ($X_3$) | 0,078 | 0,000 | 0,092 | 1,544 | 0,024 | Accepted |
| | Firm Size ($X_4$) | 0,071 | 0,009 | 0,562 | 8,228 | 0,000 | Accepted |
| | Leverage ($X_5$) | -0,031 | 0,005 | -0,408 | -5,996 | 0,000 | Accepted |
| | Profitability ($X_6$) | 0,128 | 0,051 | 0,147 | 2,521 | 0,012 | Accepted |
| $R^2$ | | 0,500 | | | | | |
| Adjusted $R^2$ | | 0,481 | | | | | |
| F-statistic | | 15,241 | | | | | |
| Significance F | | 0,000 | | | | | |

Source: Processed data (2022)

The following shows the equations from the multiple linear regression analysis results.

$$Y_{it} = \alpha + \beta_1X_{1it} + \beta_2X_{2it} + \beta_3X_{3it} + \beta_4X_{4it} - \beta_5X_{5it} + \beta_6X_{6it} + e_{it}$$

$$= 1{,}497+0{,}222X_{1it}+0{,}130X_{2it}+0{,}078X_{3it}+0{,}071X_{4it}-0{,}031X_{5it}+0{,}128X_{6it}+e_{it}$$

The coefficient of determination test (R2) aims to determine how much the independent variable can explain the movement of the dependent variable in the regression equation to be studied. Based on Table 6, the results of the hypothesis testing conducted, the adjusted R square value of 0,481 is obtained, meaning that the variables dividend premium, free cash flow, audit delay, firm size, leverage, and profitability can explain 48,10% of the dividend policy variance. In comparison, other variables outside the model can explain the remaining 51,90% dividend policy.

The model feasibility test (F test) aims to test whether all independent variables affect the dependent variable and to determine whether the regression model used in this study is feasible or not for continuation testing. Based on Table 6, the results of multiple linear regression calculations show that the significant F count is 0,000, which is less than 0,05. So, this study is feasible as an analytical tool to examine the effect of independent variables on the dependent variable simultaneously.

The t-statistical test was conducted to determine whether the independent variables partially affected the dependent variable. Based on Table 6, the results obtained from the t-test significance value for the dividend premium variable of 0,043 is smaller than the significance of 0,05 and the regression coefficient value of 0,222. The test results state that the dividend premium has a significant positive effect on dividend policy ($H_1$ is accepted). The second hypothesis states that free cash flow positively affects dividend policy. The results obtained from the t-test significance value for the free cash flow variable is 0,006, which is smaller than the significance of 0,05, and the regression coefficient value is 0,130 The test results state that free cash flow has a significant positive effect on dividend policy ($H_2$ is accepted). The results obtained from the t-test significance value for audit delay of 0,024 is smaller than the significance of 0,05 and the regression coefficient value of 0,078. The test results state that audit delay has a significant positive effect on dividend policy ($H_3$ is accepted). The results obtained from the t-test significance value for the firm size variable of 0,000 are smaller than the significance of 0,05 and the regression coefficient value of 0,071. The test results state that firm size has a significant positive effect on dividend policy ($H_4$

is accepted). The results obtained from the t-test significance value for leverage is 0.000, which is smaller than the significance of 0,05, and the regression coefficient value is -0,031. The test results state that leverage has a significant negative effect on dividend policy ($H_5$ is accepted). The results obtained from the t-test significance value for the profitability variable is 0,012, which is smaller than the significance of 0,05, and the regression coefficient value is 0,128. The test results state that profitability has a significant positive effect on dividend policy ($H_6$ is accepted).

The results of this study state that the dividend premium has a significant positive effect on dividend policy. It means that $H_1$ is accepted. It becomes empirical evidence that the desire of investors to ask SOEs companies to pay dividends immediately affects management's approach to distributing dividends. The hypothesis is accepted, meaning that the study results have proved the validity of the agency theory and dividend catering theory as theories that support this research because the dividend premium has successfully motivated management to carry out the dividend policy. So that the presence of dividend catering greatly influences management's decisions in implementing dividend policy. Consequently, the dividend policy factor can be regarded as influencing dividend policy. The results of testing this hypothesis imply that the management's reputation in SOEs companies is good because they can manage the company well to provide dividend premium for investors. One of them is by deciding to take a dividend policy by SOEs Management, meaning that management listens to requests from investors. In addition, it will positively impact the company because if the dividends distributed increase, the share price of publicly listed SOEs will also increase. In addition, this effect provides benefits for company owners and shareholders.

Dividend premium is one of the management problems in SOEs companies carrying out a dividend policy. This problem is the same as research in manufacturing companies. The SOEs was chosen because several manufacturing companies often distribute dividends to shareholders consistently (Fatmawati and Ahmad, 2017; Tedja et al., 2020). Therefore, dividend policy is seen as able to influence management to carry out dividend policy. Catering dividend theory reveals that a company's dividend policy is driven by investor demand for dividend payments. Therefore, company management will serve investors by paying dividends when the dividend premium is high. The results of this study are supported by research by

Fatmawati and Ahmad (2017), Rochmah and Ardianto (2020), and Tedja et al. (2020) stated that the dividend premium shows a significant positive effect on dividend policy. The dividend premium can affect the dividend policy in SOEs companies. In other words, the results of this study can be the basis for management decisions in considering dividend premiums to implement a dividend policy as a form of management policy.

Based on the results of hypothesis testing stated that free cash flow shows a significant positive effect on dividend policy or, in other words, that $H_2$ is accepted. This empirical evidence shows that the large proportion of free cash flow motivates management to carry out a dividend policy. The accepted hypothesis indicates that the research results have proved the validity of agency theory as a theory that supports this research. The magnitude of this free cash flow allows management to decide to provide a company dividend policy. The implication received by SOEs management is being able to overcome risks in the future because management's decision to distribute dividends can minimize management behaviour that takes opportunities for individual needs, which can be detrimental to SOEs companies. Company owners need to see the free cash flow managed by management to maintain the company's reputation because dividend payments to shareholders use free cash flow. The results of this study are supported by Fatmawati and Ahmad (2017), Irman et al. (2020), Kusuma et al. (2018), Lohanauman and Budiarso (2021), Noviyanto (2016), Rosyadi and Lusiana (2022), Suhaimi and Haryono (2021), Tedja et al. (2020), Wibowo and Triyonowati (2021), and Widiantari and Candradewi (2021).

The results of this study state that audit delay shows a significant positive effect on dividend policy, which means that $H_3$ is accepted. This empirical evidence shows that the existence of audit delay certainly encourages companies to carry out dividend policies. The longer the audit delay in the company, the longer it takes the company's management to take the dividend policy. The results of this study support agency theory as a theory that supports this research. This finding reveals that if the company has received audit results for a long time, it will also take a long time for management to decide to implement a dividend policy. Delay in audit reporting is an essential issue for investors because the information contained in the audited financial statements can help investors predict or provide feedback on the financial statement information (Panglipurningrum and Husain, 2021). This finding is also based on research findings by Ocak and Ozden (2018), stating that audit opinion encourages companies to report financial reports on time immediately. The implication of the results of testing this hypothesis can affect dividend policy. If the financial reports are reported on time, SOEs management can immediately decide when to implement the dividend policy. Indeed, the public will continue to have confidence in investing in publicly listed SOEs companies. SOEs companies will also benefit because they can positively impact the country's economy.

The results of this study state that firm size has a significant positive effect on dividend policy, which means that $H_4$ is accepted. These results provide empirical evidence that a large firm size certainly encourages companies to carry out a dividend policy so that the company can exist and add to the company's image. The larger the size of the company, the greater the company's desire to implement the dividend policy. This study uses agency theory and signaling theory to support this research, which states that large companies will implement a dividend policy to gain attention from the public or investors and potential investors. The bigger the company, the greater the demands of investors on the distribution of dividends. One way to show higher performance is to pay more attention to the assets owned by the company. The results of this study are consistent with several previous studies, including those conducted by Candy and Cahyani (2021), Deitiana et al. (2020), Herdianta and Ardiati (2018), and Widyakto (2022).

According to Aghnitama et al. (2021), companies with large sizes are required to have higher performance. This implication shows that one way to find a good performance in SOEs companies is that management must pay more attention to the company's current assets. In addition, larger companies will pay dividends that positively impact society, so the company's dividend policy will be used as an effective tool for disseminating this information. The results of this study provide a basis for company management decisions for dividend policy as one of the management policies. The large company size will motivate the company to implement dividend policies continuously, so management will continually monitor and re-evaluate assets for sustainable operations.

Leverage shows a significant negative effect on dividend policy, meaning that $H_5$ is accepted. It becomes empirical evidence that even though the company bears a high risk of loss, the greater the leverage ratio, the more profitable it will be because the company can also have the opportunity to earn profits. The results of this study are supported by Apriliani and Natalylova (2017), Atmoko et al. (2017), Deitiana et al.

(2020), Kurniawan and Kristamurti (2021), Lestari and Pangestuti (2022), Mungandap et al. (2018), Puspita (2017), Tedja et al. (2020), and Widyakto (2022). The accepted hypothesis means that the research results have proved the validity of the agency theory supporting this research. In agency theory, management must consider every decision that will be made so that a company with much debt can survive. This theory provides a basis for management to implement management decisions. This implication shows that the results of this study support the theory that in companies that are experiencing losses, management has no other interests and does not harm the company, meaning that management can manage the company's finances well. If corporate governance is good, losses will not interfere with making a dividend policy.

Profitability shows a significant positive effect on dividend policy, which means $H_6$ is accepted. This empirical evidence shows that profitability encourages companies to carry out dividend policies. The accepted hypothesis means that the research results have proved the validity of the agency theory supporting this research. In agency theory, companies are required to evaluate management interests. This theory is based on the responsibility between management and company owners, and investors. The implication of the results of testing the hypothesis that there is high profitability in SOEs can be a management consideration when making dividend policy. This amount of profit also has an impact on SOEs to be able to go concerned and be able to distribute dividends consistently. The results of this study support the theory that in companies with high profits, the management will implement a dividend policy. In other words, this reseacrh explain that when a company has a high-profit level, the company (management) must implement a dividend policy to attract the attention of investors and potential investors to invest sustainably in the company. The results of this study are supported by Herdianta and Ardiati (2018), Kusuma et al. (2018), Putri and Anggrahini (2021), Sulhan and Herliana (2018), and Tedja et al. (2020).

## Conclusion, Implications, and Limitations

This study aims to empirically prove the factors that influence the dividend policy on the Indonesia Stock Exchange. The sample companies used were SOEs during the 2011-2021 observation year. The number of observations in this study was 220 observations. This study gives the results: (1) dividend catering, free cash flow, audit delay, firm size, and profitability has a significant positive effect on dividend policy; (2) leverage has a significant negative effect on dividend policy; and (3) the existence of a dividend policy gives a positive signal to shareholders and potential investors that the company has good performance.

The conclusions from the results of this study are as follows, investors need to consider dividend premium, free cash flow, and audit delay to find out how the sentiment is happening in the market, with the dividend premium value investors will know the company that is being targeted by investors to get dividends, so that they can make decisions on where to invest in companies that can provide maximum profits. For company management, with dividend premium, free cash flow, and audit delay, the company knows the investors' demand for dividends in the market. If investors ask for dividends, considering the amount of free cash flow, and the period of the audit report, the company should meet these requests, if they want an increase in stock prices.

The implications of this research for the management of SOEs companies listed on the IDX are expected to consider the large percentage of dividends paid from the company's net income when making dividend policies. Meanwhile, the shareholders of SOEs companies need to pay attention to net income, the desire to receive dividends, free cash flow, audit delay, company size, leverage ratio, and profitability obtained by the company so that the company can survive and continue to operate continuously because the results of this study found that the higher the net income, the higher the desire of investors to obtain dividends.

Quantitative follow-up research can be directed to the role of internal and external audits to speed up the process of conducting audits in assessing audit delays. This study uses the amount of time from the year closing the book until the report is published, which this calculation still has limitations. Thus, further researchers can use the time calculation analysis in the work contract between the Public Accounting Firm and the Company.

In addition to the factors that have been studied, research on variables related to dividend policy can use good corporate governance by looking at the performance of audit committees, institutional ownership, managerial ownership, independent commissioners, and boards of directors. This governance variable is expected to expressly demonstrate independence and management attitudes that can override personal needs. The goal is for the company to provide good performance so that it can distribute the dividends consistently yearly.

This research has limitations, including only using SOEs companies listed on the IDX. Another limitation of this study only examines the influence of dividend policy factors, namely dividend premium, free cash flow, audit delay, firm size, leverage, and profitability in 2011-2021 period.

## References

Abdullah, H. (2021). Profitability and Leverage as Determinants of Dividend Policy: Evidence of Turkish Financial Firms. *Eurasian Journal of Management & Social Sciences*, *2*(3), 1–16. https://doi.org/10.23918/ejmss.v2i3p15

Affifah, A. N. & Susilowati, E. (2021). Pengaruh Audit Tenure dan Ukuran KAP terhadap Audit Report Lag (ARL) dengan Kualitas Audit sebagai Variabel Intervening (Studi pada Perusahaan BUMN yang Terdaftar di Bursa Efek Indonesia Periode 2015-2019). *Jurnal Akuntansi dan Manajemen, 16*(1), 21-36. https://doi.org/10.30630/jam.v16i1

Aghnitama, R. D., Aufa, A. R., & Hersugondo, H. (2021). Pengaruh Ukuran Perusahaan terhadap Profitabilitas Perusahaan pada Indeks Investor33 di BEI. *Jurnal Akuntansi dan Manajemen (JAM), 18*(2), 1-11.

Agustin, R. & Rochman, F. (2021). Pengaruh Likuiditas, Profitabilitas, dan Free Cash Flow Pada Kebijakan Dividen. *Jurnal Akuntansi Merdeka, 2*(2), 87-92.

Amah, N. & Prasetyowati, E. D. (2019). Pengaruh Profitabilitas Firm Size Terhadap Dividend Payout Ratio Dimoderasi Likuiditas pada BUMN Indonesia. Inventory: *Jurnal Akuntansi*, *3*(2), 97-107. http://doi.org/10.25273/inventory.v3i2.5238

Apriliani, A., & Natalylova, K., (2017). Faktor-Faktor yang Mempengaruhi Kebijakan Dividen Pada Perusahaan Manufaktur di Bursa Efek Indonesia. *Jurnal Bisnis dan Akuntansi*, *19* (1), 49-57.

Apriliani, A., & Natalylova, K. (2018). Faktor-Faktor Yang Mempengaruhi Kebijakan Utang Perusahaan Manufaktur Di Bursa Efek Indonesia. *Jurnal Ekonomi*, *23*(2), 49–57. https://doi.org/10.24912/je.v23i2.366

Atmoko, Y., Defung, F., dan Tricahyadinata, Irsan., (2017). Pengaruh Return on Assets, Debt To Equity Ratio, dan Firm Size Terhadap Dividend Payout Ratio. *Jurnal Ekonomi dan Manajemn*, *14*(2), 103-109.

Baker, M., & Wurgler, J. (2004a). A catering theory of dividends. *The Journal of Finance*, *59*(3), 1125–1165. https://doi.org/10.1111/j.1540-6261.2004.00658.x

Canarella, G. & Miller, S., M. (2022). Firm size, Corporate Debt, R&D Activity, and Agency Costs: Exploring Dynamic and Non-Linear Effects. *The Journal of Economic Asymmetries*, *25*, e00233.

Candy, C. & Cahyani, I. R. (2021). How Financial Ratio Affects Firms Dividend Payout Policy in Sharia Securities List ? *Jurnal Ilmiah Manajemen Ekonomi Dan Akuntansi*, *5*(2), 1223–1231. https://doi.org/10.31955/mea.v5i2.1111

Daniel, D. & Harianto, S. (2022). Tata Kelola, Kepemilikan Keluarga, Auditor Berkualitas dan Manajemen Laba. *Studi Akuntansi dan Keuangan Indonesia*, *5*(1), 1-37. https://doi.org/10.21632/saki.5.1.1-37

Darmawan, E. F., & Triyonowati. (2019). Pengaruh Profitabilitas, Likuiditas dan Leverage Terhadap Dividend Payout Ratio pada Perusahaan Food and Beverages. *Jurnal Ilmu dan Riset Akuntansi*, *8*, 1–19.

Deitiana, T., Yap, S., & Ersania, E. (2021). Dividend Payout Ratio dan Faktor Yang Mempengaruhinya Pada Perusahaan Makanan dan Minuman Di Bursa Efek Indonesia. *Media Bisnis*, *12*(2), 119–126. https://doi.org/10.34208/mb.v12i2.916.

Devina, I., Harianto, S., & Yanto, J. (2019). Analisis Pengaruh Struktur Modal Terhadap Praktik Manajemen Laba. *Studi Akuntansi dan Keuangan Indonesia*, *2*(1), 124-148. https://doi.org/10.21632/saki.2.1.124-148

Dewi, H. K. (2021). Sebagian Emiten BUMN Tak Bagi Dividen Tahun Buku 2020, Ini Prospeknya Menurut Analis. https://investasi.kontan.co.id/news/sebagian-emiten-bumn-tak-bagi-dividen-tahun-buku-2020-ini-prospeknya-menurut-analis. Diakses pada tanggal 3 Januari 2023.

Fatmawati & Ahmad, R. (2017). Teori Catering dan Karakteristik Keuangan dalam Keputusan Dividen Perusahaan BUMN di Indonesia. *Ekuitas: Jurnal Ekonomi dan Keuangan*, *1*(3), 325-341. https://doi.org/10.24034/j25485024.y2017.v1.i3.2056

Friana, H. (2019). Kasus Lapkeu Garuda: Bukti KAP Taraf Internasional Bisa Kebobolan. https://tirto.id/kasus-lapkeu-garuda-bukti-kap-taraf-internasional-bisa-kebobolan-edi1. Diakses pada tanggal 3 Januari 2023

Gunawan, A. W., Assagaf, A., Sayidah, N., & Mulyaningtyas, A. (2019) Financial Distress di BUMN Indonesia dan Faktor-Faktor yang Mempengaruhi. *Ekuitas: Jurnal Ekonomi dan Keuangan*, *3*(2), 226-243. https://doi.org/10.24034/j25485024.y2019.v3.i2.4135

Hartono, P. G., & Matusin, A. R. (2020). Determinants of Dividend Policy of Real Estate, Property, and Building Construction Companies Listed in IDX with Unbalanced Panel Data Approach. *TIJAB (The International Journal of Applied Business)*, *4*(2), 139. https://doi.org/10.20473/tijab.v4.i2.2020.139-156

Herdianta, & Ardiati, A. Y. (2017). Pengaruh Return On Asset, Debt to Equity Ratio, Free Cash Flow dan Ukuran Perusahaan Terhadap Pembayaran Dividen Pada Perusahaan Manufaktur Yang Terdaftar DI BEI Tahun 2013-2017. *MODUS Jurnal Ekonomi Bisnis*, *32*(2), 110–126. https://doi.org/10.24002/modus.v32i2.3502

Irman, M., Guinata, G. S., & Diana, H. (2019). Pengaruh Laba Bersih, Arus Kas Operasi, Dan Current Ratio Terhadap Dividen Kas Pada Perusahaan Aneka Industri Yang Terdaftar Di Bursa Efek Indonesia Periode 2015-2017. *Jurnal Akuntansi dan Bisnis*, *4*(2), ISSN 2527-8223.

Jaara, B., Alashhab, H., & Jaara, O. (2018). The Determinants of Dividend Policy for Non-financial Companies in Jordan. *International Journal of Economics and Financial*, *8*(2), 198-209. https://www.researchgate.net/publication/331702430

Jannah, S. N. (2018). Kebijakan Pembagian Dividen Perusahaan BUMN Indonesia Periode 2011-2016. *Jurnal Ekonomi Akuntansi dan Manajemen*, *17*(1), 65-80. https://doi.org/10.19184/jeam.v17i1.18061

Jensen, M. C., and Meckling, W. H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. *Journal of Financial Economics, 3*(4), 305-360.

Kurniawan, D. & Kristamurti, R. (2021). Pengaruh Profitabilitas, Likuiditas dan Leverage Terhadap Dividend Payout Ratio pada Emiten Sektor Industri Barang Konsumsi di Bursa Efek Indonesia. *Oikonomia*, *17*(1), 27–38.

Kusuma, P. J., Hartoyo, S., & Sasongko, H. (2018). Analysis of Factors that Influence Dividend Payout Ratio of Coal Companies in Indonesia Stock Exchange. *Jurnal Dinamika Manajemen*, *9*(2), 189–197. https://doi.org/10.15294/jdm.v9i2.16417

Larasati, W. F., & Siswanti, T. (2022). Pengaruh Loan To Deposit Ratio (Ldr), Debt To Equity Ratio (DER), dan Growth Terhadap Dividend Payout Ratio (DPR) (Studi kasus pada industri perbankan. *JIMA Jurnal Ilmiah Mahasiswa Akuntansi*, *2*(2), 67–78.

Lestari, P. E. A. & Pangestuti, C. D (2022). Analisis Faktor Yang Mempengaruhi Kebijakan Dividen Pada Sektor Consumer and Goods. *Jurnal Ekonomi, Management dan Akuntansi*, *24*(2), 335-345. https://doi.org/10.29264/jfor.v24i2.10726

Lestari, S., Gulo, D. L., Handayani, V. J., & Sari, W. (2022). Good Corporate Governance and Profitability as Key Factor for Dividend Distribution Decisions. *Jurnal Mantik*, *6*(2), 1248-1255.

Lohonauman, H., & Budiarso, N. S. (2021). the Effect of Free Cash Flow and Profitability on Dividend Payout Ratio (Case of Lq-45 Indexed Firms in Indonesia Stock Exchange for Period 2011-2018). *Accountability*, *10*(1), 1. https://doi.org/10.32400/ja.32071.10.1.2021.1-6

Mangundap, S., Ilat, V., & Pusung, R. (2018). Pengaruh Leverage Dan Free Cash Flow Terhadap Kebijakan Dividen Pada Perusahaan Indeks LQ45 yang Terdaftar Di Bursa Efek Indonesia Tahun (2012-2016). *Going Concern : Jurnal Riset Akuntansi*, *13*(02), 569–577. https://doi.org/10.32400/gc.13.02.19844.2018

MediaBUMN. (2022). BUMN Karya Catat Kinerja Negatif di Semester I/2022. https://mediabumn.com/bumn-karya-catat-kinerja-negatif-di-semester-i-2022/. Diakses pada tanggal 9 Januari 2023.

Mustafa, A. N. & Sulistyowati, E. (2022). Pengaruh CAR, NPL, LDR, dan Firm Size terhadap Profitabilitas BUMN Sektor Perbankan. Jurnal Proaksi, 9(1), 84-96. https://doi.org/10.32534/jpk.v9i1.2511

Noviyanto, A. (2016). Pengaruh Laba Bersih, Arus Kas Operasi, dan Likuiditas Terhadap Kebijakan Dividen. *Jurnal*

*Profita*, *8*, 1–13.

Nursyahbandarmahdi, N., Sarah, S., & Haryono, L. (2020). Struktur Kepemilikan Institusional, Koneksi Politik dan Kebijakan Dividen Perusahaan di Bursa Efek Indonesia. *Studi Akuntansi dan Keuangan Indonesia, 3*(1), 120-124. https://doi.org/10.21632/saki.3.1.120-144

Octaviana, A. Y. C., Mardani, R. M., & Wahono, B. (2016). Pengaruh Free Cash Flow, Profitabilitas, Likuiditas, dan Leverage Terhadap Kebijakan Dividen (Studi pada Perusahaan Food and Beverage yang Terdaftar di Bursa Efek Indonesia Periode 2015-2017). *E-JRM : Elektronik Jurnal Riset Manajemen*, *8*(18), 177–191.

Ocak, M., & Ozden, E. A. (2018). Signing Auditor-Specific Characteristics and Audit Report Lag: A Research From Turkey. *The Journal of Applied Business Research*, *34*(2), 277-294.

Panglipurningrum, Y. S. & Husain, T. (2021). Determinan Keterlambatan Pelaporan Audit Pada Perusahaan Yang Melakukan IPO (Initial Public Offerings). *ProBank : Jurnal Ekonomi dan Perbankan, 1*(1), 80-88.

Pradnyavita, K. I. dan Suryanawa, Ketut. (2020). Pengaruh Profitabilitas, Ukuran Perusahaan, dan, Arus Kas Bebas, Terhadap Kebijakan Dividen. *E-Jurnal Akuntansi, 30*(1), 238-250.

Puspita, E. (2017). Pengaruh Likuiditas, Profitabilitas, Leverage, dan Market Ratio terhadap Dividend Payout Ratio pada Perusahaan Manufaktur. *Ekuilibrium : Jurnal Ilmiah Bidang Ilmu Ekonomi*, *12*(1), 17. https://doi.org/10.24269/ekuilibrium.v12i1.420

Puspa, A. W. (2021). Jika Garuda Indonesia ditutup, Ini Dampak Bagi Persaingan Maskapai. https://ekonomi.bisnis.com/read/20211101/98/1460847/jika-garuda-indonesia-ditutup-ini-dampak-bagi-persaingan-maskapai. Diakses pada tanggal 6 Januari 2023.

Putra, M. R. A., & Wirakusuma, M. G. (2021). Firm Size as a Moderating Variable on Audit Delay Factors Analysis. *Integrated Journal of Business and Economics*, *6*(2), 87-101. 10.33019/ijbe.v6i2.407

Putri, N. A. C., & Anggrahini, K. D. (2021). Pengaruh Kepemilikan Manajerial Terhadap Kebijakan Pembagian Dividen Perbankan dengan Pemoderasi Tanggungjawab Sosial Perusahaan. *Perspektif Akuntansi*, *3*(3), 271–284. https://doi.org/10.24246/persi.v3i3.p271-284

Risnaningsih, Goma, C. V. D., & Suhendri, H. (2022). Pengaruh Nilai Tukar, Ukuran Perusahaan dan Leverage Keuangan Terhadap Profitabilitas. Jurnal Akuntansi dan Pajak, 23(1), 1-8.

Rochmah, H. N., & Ardianto, A. (2020). Catering dividend: Dividend premium and free cash flow on dividend policy. Cogent Business & Management, 7(1), 1-16. https://doi.org/10.1080/23311975.2020.1812927

Rosyadi, M. E., & Lusiani, E. (2017). Faktor-Faktor Yang Mempengaruhi Kebijakan Dividen. *JRAK: Jurnal Riset Akuntansi dan Komputerisasi Akuntansi*, *8*(1), 63–84. https://doi.org/10.33558/jrak.v8i1.882

Rosyadi, M. E., & Lusiana, E. (2022). Faktor – Faktor Yang Mempengaruhi Kebijakan Deviden Perusahaan Non Keuangan Yang Terdaftar di BEI. Jurnal Akuntansi, 2 (1), 645-658. https://jurnaltsm.id/index.php/EJATSM

Santosa, P. W., Aprilia, O., & Tambunan, M. E. (2020). The intervening effect of the dividend policy on financial performance and firm value in large indonesian firms. *International Journal of Financial Research*, *11*(4), 408–420. https://doi.org/10.5430/ijfr.v11n4p408

Septiani, M., Ariyani, N., & Ispriyahadi, H. (2020). The effect of stock prices, return on assets, and firm size on dividend payout ratio: evidence from Indonesian financial service companies. *Diponegoro International Journal of Business*, *3*(1), 17–27. https://doi.org/10.14710/dijb.3.1.2020.17-27

Stevanius, S., & Yap, S. (2018). Pengaruh debt to asset ratio, rasio kas, size, return on asset, growth dan kepemilikan institusional terhadap dividend payout ratio pada sektor perbankan. *Jurnal Bisnis Dan Akuntansi*, *19*(1), 117–128. https://doi.org/10.34208/jba.v19i1.70

Suhaimi, R., & Haryono, S. (2021). Pengaruh Arus Kas Bebas, Arus Kas Operasi dan Pajak terhadap Kebijakan Dividen pada Perusahaan yang Terdaftar di Jakarta Islamic Index. *Jurnal Ilmiah Akuntansi Dan Humanika*, *11*(2), 240–248.

Suheriadi. (2021). PwC Indonesia: Keunikan Ini Membuat BUMN Kurang Agile. https://infobanknews.com/pwc-indonesia-keunikan-ini-membuat-bumn-kurang-agile/. Diakses pada tanggal 9 Januari 2023.

Sulhan, M & Herliana, Y. T (2018). The Effect of Liquidity and Profitability to Dividend Policy with Asset Growth as Moderating Variable (Study on Property Sector, Real Estate and Building Construction Listed on Indonesia Stock Exchange). *Jurnal of in Economics, Business and Management*, *101*(1), 23-28. https://dx.doi.org/10.2991/iconies-18.2019.4

Tarigan, E. I. & Hutapea, J. Y. (2020). Pengaruh Leverage terhadap Audit Delay dengan Mediasi Corporate

Governance pada Perusahaan BUMN yang Terdaftar di BEI. *Jurnal Ilmiah Akuntansi Indonesia*, *5*(2), 137-152.

Tedja, I. C., Suganda, T. R., & Oktariani, F. (2020). Permintaan Investor dan Karakteristik Keuangan terhadap Keputusan Pembayaran Dividen. *Jurnal Akuntansi*, *12*(2), 327–336. https://doi.org/10.28932/jam.v12i2.2528

Tekin, H. & Polat, A. Y. (2021). Do market differences matter on dividend policy? *Borsa Istanbul*, *21*(2), 197-208.

Tia. (2021). Selama 10 Tahun, Perusahaan Chairul Tanjung Disebut Tak Terima Dividen Garuda. https://www.idxchannel.com/economics/selama-10-tahun-perusahaan-chairul-tanjung-disebut-tak-terima-dividen-garuda. Diakses pada tanggal 6 Januari 2023.

Wadoyo, D. U., Sianturi, E. D., & Caesaria, F. C. (2022). Pengaruh Free Cash Flow terhadap Earnings Management (Studi pada Perusahaan BUMN Sektor Industri Pengolahan yang Terdaftar di Bursa Efek Indonesia (BEI) Tahun 2018-2019. *Jurnal Publikasi Ilmu Ekonomi dan Akuntansi*, *2*(1), 87-91. https://doi.org/10.55606/jupea.v2i1.195

Wibowo, T. S., & Lusy. (2021). The Effect of Free Cash Flow, Company Growth and Profitabilitas on Debt Policy on Mining Sector Companies Listed On The Indonesia Stock Exchange. I*nternasional Journal of Economic, Busines & Accounting Research*, *5*(4), 1232–1240. https://jurnal.stie-aas.ac.id/index.php/IJEBAR

Widiantari, N. P. O., & Candradewi, M. R. (2021). Free cash flow, ownership structure, growth opportunity. *E-Jurnal Manajemen Universitas Udayana*, *10*(6), 560–584.

Widyakto, A., & Triyani, D. (2022). Dividend Payout Ratio and Factors Affecting Food And Beverage Companies on The IDX. *Economics and Business Solutions Journal*, *6*(1), 12–22.

Widyawati, D & Indriani, A (2019). Determinants of Deviden Payout Ratio: Evidence from Indonesian Manufacturing Companies. *International Journal of Bussines*, *2*(2), 112-121. https://doi.org/10.14710/dijb.2.2.2019.112-121

Wulandari, S., Ambarita, N. P., Dwi, M., & Wahyuni, P. (2019). Pengaruh Free cash flow , Kepemilikan Institusional , Profitabilitas dan Leverage Tehadap Kebijakan Dividen Tunai Pada Perusahaan Property dan Real estate yang Terdaftar di Bursa Efek Indonesia. *Akuisis: Jurnal Akuntansi*, *15*(2), 26–34.