

CHAPTER V

CONCLUSIONS AND IMPLICATIONS

A. Conclusions

This study aims to test and obtain empirical evidence about what affect dividend policy in non-financial companies listed on the Indonesia Stock Exchange for the period 2016-2020. Based on the result of the analysis and discussion, several things can be concluded as follows:

1. Stock liquidity proxied by Amihud's illiquidity ratio has an insignificant effect. This shows that Amihud's illiquidity ratio doesn't affect the level of dividend percentage that will be paid to shareholders.
2. Stock liquidity proxied by share turnover has a significant effect. This shows that share turnover will affect changes in dividend policy.
3. Good corporate governance proxied by board size has an insignificant effect on dividend policy. This shows that board size doesn't affect the level of dividend percentage that will be paid to shareholders.
4. Good corporate governance proxied by independence board has an insignificant effect on dividend policy. This shows that independence board doesn't affect the level of dividend percentage that will be paid to shareholders.

B. Implications

Based on the result of the research and discussion previously described, the implications that the researcher can give as consideration for future decisions making are as follows:

1. From this study shows the results of empirical information that Amihud's illiquidity ratio has an insignificant effect on dividend policy. But the share turnover has a negative and significant effect on dividend policy. The implication for companies is that they must focus on the share turnover because potential investors will prioritize these before investing. The implication for potential investor is they can use the share turnover variable as an indicator in influencing dividend policy, so that this indicator can be an assessment of the company before investing. This implication does not apply to other stock liquidity proxies, namely Amihud's liquidity ratio because the results of this study indicate that the Amihud's illiquidity ratio is not significant to dividend policy.
2. From this study show the result of empirical information that the board size and independence board both has an insignificant effect on dividend policy. The implication for companies is that they not must focus on the board size and independence board because of these does not affect dividend policy. The implications for potential investors that investor should choose other factors for make an investment.

C. Research Limitations and Next Agenda Research

In this study, there are several limitations of the study which experience by researcher, namely:

1. Researchers in this research combine the technical and fundamental analysis which makes it difficult for researchers to process and interpret the data.
2. Also for the several variables, the amount variation of dependent variable cannot be explained by variations in independent variables, this makes the results less clear on the results and interpretation of the data

Due to the limitations of the research describe above, some suggestion what researchers can give for the next agenda are as follows:

1. Separating technical research and fundamental research.
2. Changing the proxy of the independent variable
3. Adding the independent variable where the variation number of the variable can explain the variation of dependent variable
4. Extending the period of research in the analysis