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The Influence of Leverage, Liquidity, Profitability and Company Size on Dividend Policy

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ABSTRACT

The type of research used by researchers is quantitative methods. Quantitative methods are research methods based on the philosophy of positivism, used to research certain populations or samples, data collection using analytical research instruments, data analysis is quantitative/statistical. Based on the results of analysis carried out on 72 samples over a 6 year period using multiple linear regression analysis, it shows that in the observation period (2017-2022) of the 4 hypotheses tested, only 3 were accepted, while 1 hypothesis was rejected .

Keywords: Leverage, Liquidity, Profitability and Company Size on Dividend Policy.

INTRODUCTION

In today's developments, the business world is developing rapidly, giving rise to intense competition between companies. This situation causes companies to have to establish effective policies to maintain their survival by encouraging their growth. The establishment of a company certainly has clear goals to achieve, both short-term and long-term goals. The company's short-term goal is to obtain the maximum possible profit and income. Meanwhile, the company's long-term goal is to increase company value through dividend policy (Mangkunegara, 2017)). Dividends are the distribution of company income which is the right of shareholders which can be in the form of cash, assets or other forms (Mangkunegara, 2017). This dividend is part of the company's profits and is distributed to shareholders, thus companies invested with capital must improve company performance as efficiently as possible (Mangkunegara, 2017)

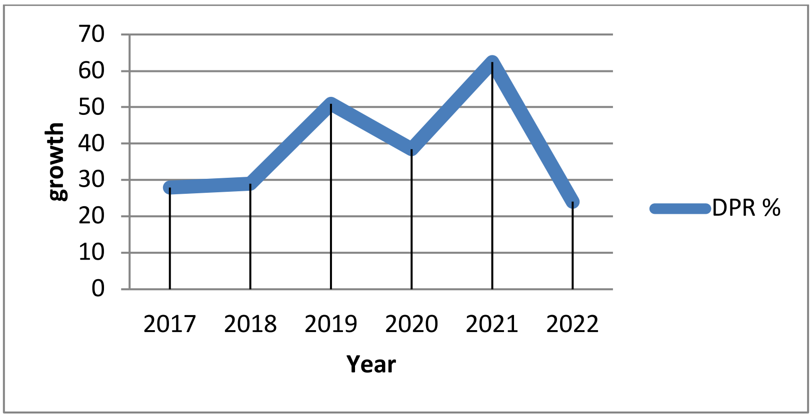
Dividend policy is a company's policy to distribute its profits to shareholders (Mangkunegara, 2017)Dividend policy involves two interested parties, namely the interests of shareholders with their dividends and the interests of company management with their retained earnings to potential problems, namely agency problems. Optimal dividend policy is a policy that produces a balance between current dividends and future growth which maximizes share prices (Mangkunegara, 2017). The food and beverage industry is a leading manufacturing sector that contributes greatly to the national economy (Kristianingrum et al., 2022). This can be seen from the consistent and significant contribution to Gross Domestic Product (GDP), non-oil and gas industry and investment realization. The food and beverage industry is the subsector that is most resistant to economic crises, because when a crisis occurs, food and beverages will still be sought after and needed because they are the most basic needs. However, this has also caused many entrepreneurs to try to enter the food and beverage subsector, thereby causing an increase in the number of competitors in similar industries (Nurcahyono, Sukesti, et al., 2021). For this reason, companies must pay attention to their performance, including financial performance, so that they can manage finances and generate higher profits so that they can increase their value. The following is an overview of Company Value *(Price to Book Value)* in the food and beverage company sub-sector listed on the Indonesia Stock Exchange for the 2017-2020 period:

Table 1. PBV food and beverage sub-sectors

Company name	Year					
	2017	**2018**	**2019**	**2020**	**2021**	**2022**
PT Wilmar Cahaya Indonesia Tbk	0.85	0.5	0.95	0	0.6	0.73
PT. Indofood CBP Sukses Makmur Tbk	5,11	5.83	6.79	2.84	4.32	3.54
PT. Mayora Indah Tbk	6.71	7.28	7.66	3.9	5.23	4.75
PT. Nippon Indosari Corpindo Tbk	5.39	6.83	8.99	4.74	7.34	6.54
PT. Ultrajaya Milk Industry Trading & Co	3.59	4.61	5.29	1.28	2.53	3.45

Source http://www.idx.co.id/ , Data Which processed by SPSS in 2022

Based on table 1.1, it can be seen that the average value of *Price to Book Value* (PBV) atregistered food and beverage sub-sectors on the IDX during the 2010-2014 period experienced fluctuation And tend increase.



Source: www.idx.com Data which at work out
Figure 1. Dividend Payout Ratio

However, if we examine it further using the graph above, the distribution of dividends by manufacturing companies in the food and beverage sub sector with *the* dividend payout *ratio percentage of* the company in 2017 looks very promising with *a dividend payout ratio* (DPR) percentage of 28.00 %. In 2018 , the DPR percentage increased by 1 % to 29.00 %. In 2019 the DPR percentage reached 50.99 % , experiencing a significant increase of 21.99 % from 2018 . In 20 20 the DPR percentage again experienced a very high decline of 12.55% from 2017 to 38.44%. In 20 21 the dividend distribution ratio increased again by 23.99 % from the previous year to 62.43%. Until 2022 , the dividend distribution ratio experienced a significant decrease from the previous year, namely 38.39 % (www.idx.com). Based on the explanation above, it can be seen that manufacturing companies are in the food and beverage sub-sector in 201 7-20 21 dividend distribution experienced an increase and fluctuated in 202 2 which experienced a drastic decrease , because the DPR percentage in 202 2 was the lowest percentage in the last 5 years(Nurcahyono et al., 2024). In contrast to the company's growth in 2019, where the company's performance began to improve compared to previous years, so dividend distribution could be carried out.

Dividend policy in a company is very important because it is a reflection of a company's performance and company stability. The better the company's performance, the more potential investors will be interested in investing in the company. Dividend policy is a difficult decision for company management (Nurcahyono, Sukesti, et al., 2021). On the one hand, dividend distribution will fulfill investors' hopes of getting a return as a result of their investment, while on the other hand, dividend distribution is expected not to threaten the survival of the company. Therefore, company management should be able to create an optimal dividend policy, meaning that the policy must produce a kind of balance between the interests of shareholders through dividends and the interests of the company in terms of its growth. In this research, various variables are used to analyze dividend policy, including leverage, liquidity, profitability and company size. However, existing results show inconsistencies in the influence of leverage, liquidity, profitability and company size on dividend policy. Therefore, further research needs to be carried out to review the influence of these variables.

Leverage is a company's ability to use assets or funds that have fixed costs (*fixed cost assets or funds*) to increase the level of income (return) for company owners (Mangkunegara, 2017). The use of debt that is too large in operational activities has a negative impact on the company because the company has to pay obligations which will reduce the profits obtained. The decrease in profits obtained by the company will reduce the distribution of dividends to shareholders (Mangkunegara, 2017). Based on previous research regarding the effect of leverage on dividend policy, there are inconsistent results. Research conducted by Sari (2015), Kangarloue (2014), Sunarya (2013) shows that leverage which is proxied by the Debt to Equity Ratio (DER) has a negative effect on dividend policy because the results of the test t count > t table because the higher the leverage means the higher Also, the company's debt level results in the company's low ability to pay dividends, whereas in research by Apriliyona & Asyik (2018) , *Nugroho , et al (2021)* , Christina , et al (2021) Leverage has a positive effect on dividend policy with the results of the t test <t table because the higher the company's debt and accompanied by an increase in net profit earnings, the dividend distribution to investors will increase.

Liquidity is a ratio that describes a company's ability to meet short-term obligations. So the level of company *liquidity* can influence a company's dividend policy (Mangkunegara, 2017). A company that has a high level of *liquidity* will give the impression that the company is able to fulfill its short-term obligations, thereby making investors and potential investors interested in investing their capital to share profits in the form of dividends (Sukesti et al., 2024). Based on previous research regarding the influence of *liquidity* on dividend policy, there are inconsistent results. Research conducted by Griffin (2010), Apriliyona & Asyik (2018) , Putri, et al (2016) states that *liquidity* has a negative effect on dividend policy , while according to research conducted by Rolanta, et al (2020), Krisardiyansah & Amanah (2018), Andyana & Badjar (2014) stated that *liquidity* has a positive effect on dividend policy because the company is able to finance all operations within the company, so the greater the liquidity of a company, the greater the possibility of its ability to distribute dividends.

Profitability is the company 's ability to earn profits through all existing capabilities and resources such as sales activities, cash, capital, number of employees, number of company branches, and so on (Mangkunegara, 2017). The greater the profits obtained by the company, the greater the dividends it will provide to shareholders. Based on previous research regarding the influence of *liquidity* on dividend policy, there are inconsistent results. Research conducted by Utami (2016) and Dewi (2020) states that *profitability* has a negative effect on dividend policy, whereas according to research by Rolanta, et al (2020), Bangun & Santioso (2018), Dana Wahyudi, (2016) which states that profitability has a positive effect on dividend policy. One of the policies that must be considered to optimize company value is dividend policy (Nurcahyono et al., 2022). The impact of dividend policy is the amount of the company's retained earnings which is a source of internal funding for the company that will be used to develop the company in the future (Mangkunegara, 2017). The company's survival and growth need to be considered in dividend distribution decisions. Company size is the size of a company as indicated or assessed by total assets, total sales, total profits, tax burden and so on (Mangkunegara, 2017)). Research conducted by Rolanta et al, (2020), Pratiwi (2017), Arif & Akbar (2013) state that company size has a negative effect on dividend policy, whereas according to research by Apriliyona & Asyik (2018), Atmoko (2017), and Huang et al (2012) Company size has a positive effect on dividend policy.

This research re-examines the dividend policy from research conducted by (Mangkunegara, 2017)namely company size, profitability, and leverage. Then the researcher adds a liquidity variable, because according to researchers liquidity is quite an important variable because liquidity is a form of the company's ability to generate cash in short term to fulfill its obligations, added because liquidity affects dividend policy. This research develops research related to dividend policy conducted by (Mangkunegara, 2017). In research conducted by (Mangkunegara, 2017)the variables used to analyze dividend policy are company size, profitability and leverage. Then the researchers added independent variables including liquidity, because according to the researchers liquidity is quite an important variable because liquidity is a form of a company's ability to generate cash in the short term to fulfill its obligations, added because liquidity influences dividend policy (Agustin et al., 2023; Nurcahyono, Hanum, et al., 2021; Sukesti et al., 2021).

LITERATURE REVIEW

Signal theory provides an illustration that a signal or signal is an action taken by company management that tells investors how management views the company's prospects. This theory reveals that investors can differentiate between companies that have high value and companies that have low value (Brigham and Houstan, 2013). Signal theory suggests how companies should provide signals to users of financial reports. Signals can be in the form of promotions or other information that states that the company is better than other companies. Information published as an announcement will provide a good signal for investors in making investment decisions. If the announcement contains positive value, it is hoped that the market will react when the announcement is received by the market (Mangkunegara, 2017)

The relationship between signal theory and dividends is that investors perceive changes in dividends as a sign of management's estimates of earnings. There is a tendency for share prices to rise if there is an announcement of a dividend increase. Dividends themselves will not cause an increase or decrease in share prices, but the company's prospects as indicated by the increase (decrease) in dividends paid will cause changes in share prices (Nurcahyono et al., 2022). *Dividend signaling theory* is based on the assumption that dividends are needed to provide positive information from managers who have complete information about the actual condition of the company to investors who are poor in information about the actual condition of the company (Mangkunegara, 2017) Signal theory has a relationship with *leverage* which is proxied by *the debt ratio. Debt Ratio* is used to determine the extent to which a company can pay off its debts, both short and long term, or to measure the amount of funds that come from debt. The higher use of debt indicates the possibility that the company will have difficulty repaying or paying debt. The lower the debt ratio will be a good signal from the company to investors (Mangkunegara, 2017)

The relationship between signal theory and *liquidity* , which states that good quality companies will provide positive signals in the form of good information, so investors are expected to be able to differentiate between companies that are *non-financially distressed* and/or companies that are *financially distressed.* (Mangkunegara, 2017) The use of signal theory is related to *profitability. Profitability* is information about company profits which is calculated based on the rate of return on company assets. If *profitability* shows a high figure, it will be a good signal for investors or *good news* because a high profitability figure shows that the company's financial performance is good. Then investors are interested in investing their funds in the company. Company size is a comparison of the size of a company which can be seen in various ways , including total assets, share market value, number of employees and so on. Company size is divided into three parts , namely large *companies* , medium *size companies* and small *firms* . Like according to (Mangkunegara, 2017)said that company size is the size or size of the assets owned by a company. So the larger the size of the company, the greater the funds required compared to smaller companies, because companies with a large size will receive high revenues.

The influence of leverage on dividend policy
Leverage is a ratio that reflects the company's ability to fulfill all its obligations as shown by the portion of its own capital used to pay debts (Kasmir, 2012). Companies with high operating or financial leverage will provide low dividends (Suharli in Arilaha, 2009). The use of debt (*external financing*) has a fairly large risk of non-payment of debt, so it can be said that the use of debt needs to pay attention to the company's ability to generate profits or profits (Presetyrini, 2013). The company's source of funds from debt must consider its ability to pay off its debt obligations. The higher capital structure owned by debt causes management to prioritize paying off obligations first before distributing smaller dividends because the profits obtained are used to pay off obligations (Agustino & Dewi, 2019). Companies that do not pay dividends are predicted to have a high debt ratio because they have to concentrate on paying interest and principal on their loans, while companies that pay dividends are predicted to have a low debt ratio (Hardianto & Herlin, 2010).

Based on signal theory that The information received regarding the amount of assets and the amount of debt will be used by investors for consideration in making decisions. A low amount of debt will be attractive to investors because the company's liabilities will be smaller so that indications of financial distress in the company will be reduced according to the wishes of investors. Previous research by Galih, et al (2021), Jayanti, et al (2021), Christina, et al (2021), Aryani & Fitria (2020) stated that *leverage* has a positive effect on dividend policy.
H_1 : Leverage has a positive effect on dividend policy

The Influence of *Liquidity* on dividend policy
Liquidity is the company's ability to fulfill its obligations or pay short-term debt (Rolanta, Dewi & Suhendro, 2020). The company's liquidity is assumed in this research to be able to predict the level of return on investment in the form of dividends for investors. *The current ratio* is often used as a measure of liquidity, including in credit contract terms. The greater the company's cash position and liquidity, the greater the company's ability to pay dividends (Sartono, 2012:293). Companies that have a good level of liquidity will be considered to have good performance by investors because the company is able to fulfill its obligations (Putra & Lestari, 2016). Liquidity is a measuring tool to determine company activities because low liquidity means it is difficult for a company to repay its short-term obligations (Fitriana et al., 2024; Herianto et al., 2023). The higher the liquidity of a company, the more funds available for the company to pay dividends, finance its operations and investments, so that investors' perception of investing capital in the company will increase (Wardhana & Wahyundaru, 2020). Based on signal theory, this is a good signal for investors, the greater *the current ratio* , the company will of course be able to have a very good level of liquidity, which will provide a positive view of the company's condition and of course can increase the value of the company. Previous research examined by Nurfatma & Purwohandoko (2020), Krisardiyansah & Amanah (2016) , Karami (2013) stated that *liquidity* has a positive influence on dividend policy.
H_2 : Liquidity has a positive influence on dividend policy

The influence *of profitability* on dividend policy
Profitability is the company's ability to earn profits in relation to sales, total assets and own capital (Rodoni & Ali, 2010: 123). Thus, long-term investors will be very interested in this profitability analysis, for example shareholders will see the profits they will actually receive in the form of dividends. The profitability factor also influences dividend policy because dividends are the net profit earned by the company, therefore dividends will be distributed if the company makes a profit. Profits that are worth sharing with shareholders are profits after the company fulfills its permanent obligations, namely interest and taxes

(Rizka, 2013). A company's *profitability* describes one way to assess precisely the extent of return that will be obtained from its investment activities. Investors have a number of expectations regarding a number of returns on their investments at this time. This return is of course clearly reflected in the company's performance (Hamdan & Asyik, 2020). The profitability factor also influences dividend policy because dividends are the net profit earned by the company, therefore dividends will be distributed if the company makes a profit (Gufranita et al., 2022; Pratiwi et al., 2022). According to signal theory , it explains that company management will give signals to investors by distributing dividends which show the company's success in gaining profits, so with high profitability it is hoped that the company will distribute dividends, so that the company's ability to distribute dividends becomes a function of the company's profits (Fistriyarini & Kusmuriyant, 2015).According to previous research researched by Madyoningrum (2019), Apriliyona & Asyik (2019), Krisdiyansah & Amanah (2016) stated that profitability has a positive effect on dividend policy.
H_3: Profitability has a positive influence on dividend policy.

The influence of company size on dividend policy
Company size is a symbol of company size which is related to the opportunity and ability to enter the capital market and other types of external financing which shows the ability to borrow. This shows the relationship, that the larger the company size, the larger the dividends that will be distributed (Agustino & Dewi, 2019). Company size is a symbol of company size which is related to the opportunity and ability to enter the capital market and other types of external financing which shows the ability to borrow. This shows the relationship, that the larger the company size, the larger the dividends that will be distributed (Rizka, 2013). Based on signal theory, if a company has a large company size, the company will experience easier accessibility to the capital market so that it can obtain larger funds provided that the company has a larger dividend payout ratio than small companies. Previous research examined by Nurfatma & Purwohandoko (2020), Apriliyona & Asyik (2019), and Jape (2016) stated that company size has a positive effect on dividend policy.
H_4: Company size has a positive effect on dividend policy.

The influence of *leverage, liquidity, profitability,* and company size on dividend policy
Companies with high operating or financial leverage will provide low dividends (Suharli, 2009). Companies that have a larger debt ratio will distribute smaller dividends because the profits earned are used to pay off liabilities. Company liquidity shows the company's ability to fund company operations and pay off its short-term obligations (Keown et. Al (2001; 621). The company's liquidity position on its ability to pay dividends is very influential because dividends are paid with cash and not with retained earnings. Profitability is the company's ability to earn profits in relation to sales, total assets and own capital (Rodani & Ali, 2010: 123). Thus, long-term investors will be very interested in this profitability analysis, for example shareholders will see the profits they will actually receive in the form of dividends. Companies that have a large size will find it easier to enter the capital market so that with this opportunity the company pays large dividends to shareholders (Handayani & Hadinugroho, 2009). Signal theory explains how company information is very influential in providing a positive or negative signal for investors. This information takes into account *leverage, liquidity, profitability* and company size to increase the company's dividend policy which reflects the company's performance and operational policies.
H_5: leverage, liquidity, profitability, and company size have an influence positive towards dividend policy.

RESEARCH METHOD

Type study Which used by researcher is method quantitative. Method quantitative is a research method based on the philosophy *of positivism* , used for research on a particular population or sample, data collection using analytical research instruments, Data analysis is quantitative/statistical in nature, with the aim of testing predetermined hypotheses (Mangkunegara, 2017) This research uses a hypothesis testing study design to analyze, describe, test the influence between variables that have been hypothesized in the research as empirical evidence based on the data obtained (Mangkunegara, 2017)This research examines the relationship between the independent variable (X) and the dependent variable (Y). This research aims to explain the influence of *Leverage* (X1), *Liquidity* (X2), *Profitability* (X3), and Company Size (X4) as independent variables on Dividend Policy (Y) in *food and beverage manufacturing companies* listed on the Indonesia Stock Exchange (BEI) as the dependent variable. The population of this study is r sub- sector manufacturing companies r *food and beve r age* 2017-2022. The measurement variables of this research are:

Table 2. Research Measurement

Variable	Measurement
Lever age	DE R = Total Debt / Total Assets
Liquidity	*C R* = Current assets / Current *liabilities*
P rofitability	*R OA* = *Profit* after tax / Total equity
Company Size	Company Size = Ln (Total assets)
Dividend Policy	*DP R* = Dividend per share / ear ning per share

Analysis of *this research* data uses multiple linear regression , *the regression equation* is *as* follows *:*

$$Y = a + X1 + X2 + X3 + X4 + e$$

Information:

Y : Dividend Policy , a : constant , X1 : *Leverage* , X2 : Liquidity , X3 : Profitability ,

RESULTS

Table 3. Descriptive Statistics of Research Variables

Variable	Minimum	Maximum	Mean	Std. Deviation
Leverage (X1)	43	1,999	1,122	615
Liquidity (X2)	163	9,954	1,684	1,493
Profitability (X3)	-5	4,021	383	562
Company Size (X4)	14,888	35,548	30,657	5,856
Dividend Policy	-10	107	33	24

Source: *Processed secondary data, 2024*

Based on table 2, descriptive statistical values are obtained for each research variable with a total of 72 data, along with an explanation of each variable as follows: variable shows a mean value of 1.122 and a minimum value of 43 while the maximum value is 1.999 , a standard deviation value of 615 from the mean. This shows that the data is widely spread because the mean value is greater than the standard deviation value . The sample company data has high leverage, this is proven by the mean value which is close to the maximum value. variable shows a mean value of 1.684 and a minimum value of 163 while the maximum value is 9.954 with a standard deviation value of 1.493 from the mean. This shows that the data is widely spread because the mean value is greater than the standard deviation value . variable shows a mean value of 383 and a minimum value of -5 while the maximum value is 4.021 with a standard deviation value of 562 from the mean. This shows that the data is distributed unevenly because the mean value is smaller than the standard deviation (Sugiyono, 2014) . size variable shows a mean value of 30.657 and a minimum value of 14.888 , while the maximum value is 35.548 with a standard deviation value of 5.856 from the mean. This shows that the data is distributed unevenly because the mean value is smaller than the standard deviation value . The dividend policy variable shows a mean value of 33 and a minimum value of -10 while the maximum value is 107 with a standard deviation value of 24 from the mean. This shows that the data is spread evenly because the mean value is greater than the standard deviation .

Table 3. T-Test Results

Variable	Beta	Sig
Leverage	0.38	0.019
Liquidity	-0.359	0.009
Profitability	-0.168	0.163
Company Size	-0.608	0.002

DISCUSSION

The Effect of *Leverage* on Dividend Policy

The hypothesis in this research tests the effect *of leverage* on dividend policy. The research results show that *leverage* significant positive influence on dividend policy . Leverage is useful as an instrument for calculating how company assets are funded using liabilities (debt) both in the long and short term, if the company is in a state of liquidation. If the company 's leverage is high, then the obligations that must be carried out by the company are also high, and so should it be (Kasmar , 2013). So the signaling theory provided can be a positive signal to investors . However, the results of this test indicate that leverage has a significant influence on dividend policy. The results of this research are in line with the results of research conducted by Sari and Suja rni (2015), Kuswanto (2016) and T r isna and Gayat r i (2019), which stated that an increase or decrease in leverage Significant positive influence on increasing company dividend payments . Companies that have a capital structure structured by shareholders (stakeholders) and also directors , with this , company management must consider the interests of debtholders *but* also the interests of *shareholders.*

The Influence of Liquidity on dividend policy

The hypothesis in this research tests the effect of liquidity on dividend policy. The research results show that liquidity has a significant positive effect on dividend policy . This proves that a high level of liquidity allows companies to distribute dividends, this happens because the company is able to finance all operations within the company without being debt free, so the greater the liquidity of a company, the greater the possibility of its ability to distribute dividends (Ambarwati & Nurcahyono, 2022; Kristiana et al., 2021). This is because the higher the liquidity of a company, it shows the company's ability to pay off its short-term liabilities by using current assets in the form of cash, receivables, short-term investments, inventory and free prepayments. The results of this research support previous research by Nugraheni and Mertha (2019), Sari and Sudjarni (2015), Wahyuni (2015) stating that liquidity has a positive effect on dividend policy.

The influence of profitability on dividend policy

The hypothesis in this study tests the effect of profitability on dividend policy. The research results show that profitability does not have a significant effect on dividend policy. This is because companies that have been around for a long time and are at the maturity stage tend to have a lot of profit reserves which can be used either to be reinvested or distributed in the form of dividends without having to change the proportion of dividends to shareholders, so that dividend distribution does not depend on the amount of profitability obtained by the company. The results of this research support previous research by Hardi & Adestiana (2018) which stated that profitability has no effect on dividend policy. The absence of influence between profitability and dividend policy indicates that no matter how big or small the profits earned by the company, the company must continue to pay dividends.

The influence of company size on dividend policy

The hypothesis in this study tests the influence of company size on dividend policy. The results of the research show that company size has a significant effect on dividend policy . A large and well-established company will find it easy to enter the capital market , so the company 's ability to obtain capital will be greater because the company is large . It is said that it is easy to connect with the capital market, whereas new or small companies will experience many difficulties in accessing the capital market so that the ability to obtain capital and loans from the capital market also limited . Therefore , they tend to retain their profits to finance their operations and this means that the dividends received by shareholders will be smaller (Handayani and Hadinug roho 2018). For a company that is still small, the company tends to distribute dividends in small amounts, but when the company reaches the mature and large stage, the dividends paid will increase. From this information , it can be concluded that company size has a positive influence on dividend policy . This research is in line with the research research of Permana and Hidayati (2016), Handayani and Nug r oho (2018) which revealed that company size has no effect on dividend policy .

CONCLUSION

This research aims to examine the influence of leverage, liquidity, profitability and company size on food and beverage sub-sector manufacturing companies listed on the BEI (Indonesian Stock Exchange) in 2017-202 2 . Based on the results of analysis carried out on 72 samples over a 6 year period using multiple linear regression analysis, it shows that in the observation period (2017-2022), of the 4 hypotheses tested, only 3 were accepted, while 1 hypothesis was rejected. The explanation of each hypothesis is.

Leverage proven influential to policy dividends . This means that the level of leverage influences the company to distribute dividends to its investors . Liquidity proven influential to policy dividend. It means level Liquidity influences a company whether or not to distribute dividends to its investors. Profitability No proven to influence policy dividends . It means The size of the profit earned by the company does not affect the size of the dividend distribution. Size company proven influential to to policy dividends . The size of the company affects a company's dividend policy.

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