Management Analysis Journal 7 (3) (2018)

Management Analysis Journal

http://maj.unnes.ac.id

THE IMPACT OF FEMALE DIRECTORS ON DIVIDEND POLICY

Wiwit Nur Maftucho✉, Moh. Khoiruddin

Management Department, Faculty of Economics, Universitas Negeri Semarang, Semarang, Indonesia

Info Article

History Article:
Received August 2018
Approved September 2018
Published September 2018

Keywords:
Dividen Policy; Female Director; State Ownership; Developing Countries.

Abstract

The purpose of this study is to explain whether there is any effect of female directors towards dividend policy in developing countries, and whether state ownership moderates the effect of female directors towards dividend policy in developing countries. The population in this study is a non-financial company listed on the Indonesia Stock Exchange and Malaysia stock exchange on the period 2011-2015. The number of samples is 145 data for companies in Indonesia Stock Exchange and 1145 data for companies in Malaysia stock exchange by using purposive sampling method. The dividend payment variables are proxied by the Dividend Payout Ratio (DPR) and Dividend Yield (YIELD), female directors is proxied by the percentage of female directors, the state ownership is proxied by the percentage of share ownership by the government. Censored regression analysis using Eviews9 is used for data analysis. Based on the regression model used, it is found that there is effect of female directors on dividend policy in Indonesia, whereas there is no effect of female directors on dividend policy in Malaysia. However, positive state ownership moderates the effect female directors towards dividend policyt at companies in Malaysia.

Abstrak

Tujuan dari penelitian ini adalah untuk menjelaskan adakah pengaruh keberadaan dewan direksi perempuan terhadap kebijakan dividen di negara berkembang, dan apakah kepemilikan negara memoderasi pengaruh keberadaan dewan direksi perempuan terhadap kebijakan dividen di negara berkembang. Populasi dalam penelitian ini adalah perusahaan non financial yang terdaftar di Bursa Efek Indonesia dan Bursa Malaysia pada periode tahun 2011-2015. Jumlah sampel sebanyak 145 data untuk perusahaan pada Bursa Efek Indonesia dan 1145 data untuk perusahaan pada Bursa Malaysia dengan melalui metode purposive sampling. Variabel pembayaran dividen diproksikan oleh Dividend Payout Ratio (DPR) dan Dividend Yield (YIELD), keanekaragaman gender pada dewan direksi diproksikan oleh presentase direksi perempuan, kepemilikan negara diproksikan oleh presentase kepemilikan saham oleh pemerintah. Analisis data menggunakan analisis regresi Censored dengan menggunakan Eviews9. Berdasarkan model regresi yang digunakan, diperoleh hasil bahwa terdapat pengaruh keberadaan dewan direksi perempuan terhadap kebijakan dividen di Indonesia, sedangkan tidak terdapat pengaruh keberadaan dewan direksi perempuan terhadap kebijakan dividen di Malaysia. Namun, kepemilikan negara positif memoderasi pengaruh keberadaan dewan direksi perempuan terhadap pembayaran dividen pada perusahaan di Malaysia.

✉ Correspondence Address:
L2 Building, 1st Floor, Faculty of Economics, Universitas Negeri Semarang
Jalan Taman Siswa, Sekaran, Gunungpati, Semarang, 50229
E-mail: wiwit.maftucho@gmail.com

ISSN 2252-6552

INTRODUCTION

According to Jensen and Meckling (1976) agency relationship is a contract between one or more principals with another person which is called an agent to do a number of tasks and delegate some decision-making authority to the agent, in order to maximize the principal's interest. Based on the contract, all agency decisions should be made for the shake of principal. However, in making managerial decisions, there is the principle of "Self Interest Behavior" which states that people will choose the best financially rewarding action for themselves (Atmaja, 2008). Based on those principles, rationally an agent may take opportunistic actions that maximize his utility, rather than maximizing value for the principal (Pratiwi & Yulianto, 2017).

Companies in developing countries such as Indonesia tend to experience agency conflicts compared to developed countries because in developing countries the legal protection of investors or shareholders is weak so that managers' behavior often does not pay attention to the shareholders' interest (Shleifer et al.,2000) In a modern company, the separation phenomenon of ownership and management has emerged potential agency conflicts (Jensen & Meckling, 1976). So that it can lead to agency conflicts between managers (agents) and shareholders.

Dividend policy is a policy that concerns the problem of profits use which is the rights of shareholders. In the division of dividend often has problems because of the proportion distribution between shared profit and retained profit to support the development of the company (Akmal et al., 2016). Based on the description, it can be understood that any dividend policy may create a risk. The arising risk of the company is also influenced by financial decision making by company management (Sari & Wijayanto, 2015).

Horne and Wachowicz (2008) state that dividend policy is an integral part of the company's funding decisions. The dividend payout ratio determines the amount of profit that can be held in the company as a source of funding, but also by holding current profits in larger amounts in the company; it means less money will be available for current dividend payments. So, the major aspect of the company's dividend policy is to determine the appropriate allocation of profits between dividend payments and the profit addition retained by the company.

According to Erfiana and Ardiansari (2016), decision-making such as dividend policy cannot be separated from the conflict between shareholders and managers. If the company chooses to distribute profits in the form of a dividend with a bigger portion than the retained profits, it will reduce the internal funds (free cash flow). Khoiruddin and Faizati (2014) argue that dividend payment to shareholders will reduce the source of funds controlled by managers, so it will affect to the decline of manager's power in making same decision of dividend payment with capital market monitoring that occurs if the company acquires new capital. Ben-Nasr (2015) states that paying higher dividends to shareholders can reduce the amount of available cash to managers so that it can reduce the level of agency problems.

Companies that can pay or not dividend can be seen from the profitability of the company, where profitability is the level of net profit that can be produced by the company in carrying out its operation (Ridloah, 2010). Companies with a high level of profitability indicate that the company can utilize its assets to gain greater profit (Haryanto, 2016). Profitability also reflects the ability of the companies to earn profits that have relation with sales, total assets and own capital (Zulkifli et al., 2017). According to Yulianto et al. (2016) profitable companies and to increase investments may more pay dividends, so the companies that pay dividends may choose funding sources derived from debts or profits.

A question arises about how company directors can be persuaded to pay higher dividends, while their natural tendency is to maintain excess cash. One possible way to do this is to include people who have different characteristics, background and experience on the board directors which may influence overall board directors' decision including those related to dividend payments (Saeed & Sameer, 2017). According to Hidayat and Utama (2017) argue that board characteristics such as board size are also important as they relate to company performance.

In general, shareholders often give power to managers to make decisions. To protect their interests, shareholders and shelter laws and regulators have emphasized the company to increase bigger gender diversity on the board directors in recent years (Saeed & Sameer, 2017). Therefore, companies began to respond by increasing the representation of women in the board directors. In a strategic management perspective, echelon theory and resource dependency theory are often used to justify the role of gender diversity or women associated with companies' strategy and performance (Sawitri et al., 2016).

The results of the Center for Governance, Institution and Organization (CGIO) study of

National Singapore University Business School (2012) show the percentage of women in the membership of board directors and commissioners in several countries including Indonesia and Malaysia. From the results obtained, the state with the highest percentage of women in the position of the board directors is Norway (40.1%), followed by Sweden (27.3%) and Finland (24.5%). Based on geographical area, Indonesia holds the first rank in Asia which is 11.6%, followed by Hongkong (10.3%) and China (8.5%), wh Malaysia is in the fourth rank for the Asian countries at 7.3 %.

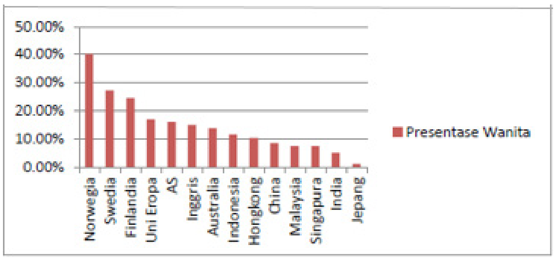

Figure 1. Percentage of Women in Membership of the Board Directors

The data shows that in various countries around the world there has been a development of gender diversity within the company's board directors, including Indonesia and Malaysia. The development of women's progress in this position of board directors, according to the results of some studies will affect dividend payment, thereby it can reduce the agency problems between managers and shareholders.

Based on the previous studies, there are some gaps that occur on the impact of gender diversity on dividend payment. Research conducted by Martinez and Bel-Oms (2015) shows that women's presence on the board directors can reduce agency problems by affecting corporate cash payments. While the results of research Saeed and Sameer (2017) states that the presence of women in the board directors is negatively related to the dividend payment. The research supports the results obtained from a study by Van (2013) which states that female board directors negatively influence dividend policy.

Besides of the existence of research gap from the previous research, the researchers also found a gap phenomenon that occurs in companies listed on the Indonesia Stock Exchange which distributes dividends during the period of research experience fluctuating or up and down, in contrast to the intention of shareholders who want to increase the gender diversity in the board directors, the dividend payment becomes relatively stable, while in Malaysia stock exchange the company that distributes dividends during the research period is relatively stable and some even increase every year according to the shareholders' interest.

This study aims to determine whether there is a positive or negative relationship between female directors and dividend payout ratio (DPR) and dividend yield (YIELD) and whether state ownership moderates the relationship between female directors and dividend payout proxied ratio (DPR) and dividend yield (YIELD) in developing countries.

Jensen and Meckling (1976) argue that agency relationships arise when one or more individuals (owners/ shareholders) give authority to an agent (manager) to work on his behalf and delegate the power to the agency to make decisions. The agency relationships that occur between principals and agents can create problems called agency problems. Agency problems may occur between shareholders and creditor (bondholder). The problem occurs because of the different interests between both parties concerned, where the majority of shareholders tend to want the distribution of dividends in a great amount to avoid the possibility of managers investing and into things that are not related to the main activities of the company. Conversely, managers tend to distribute a small dividend because the company needs substantial funds for the company's operations or for business expansion. This is because, the higher dividends to be distributed to shareholders, the lower funds are in the management of management (Anita & Yulianto, 2016).

The agency theory shows various mechanisms to reduce the problem such as dividend payout, leverage utilization, managerial equity compensation and board composition (Jensen, 1986). Agency theory tries to explain the occurrence of dividend issues by examining agency relationships between managers and shareholders. This theory argues that dividend payouts can reduce agency problems by taking a managerial discretionary fund that can cause managers to act beyond the limit (Jiraporn et al., 2011).

Some agency theory literature admits that the function of board directors as the primary monitoring mechanism is to help align the interests of managers and shareholders (Bathala & Rao, 1995). If different boards monitor effectively, they tend not to use dividends as a tool for building the reputation. Instead, they do it with strong controls and effective monitoring (Shleifer et al., 2000). This suggests that the composition of the council is a substitute for dividend policy to reduce agency problems. Otherwise, companies that have a diversity of boards directors are expected to have better corporate governance so that the protection of corporate shareholders is stronger (Saeed & Sameer, 2017).

According to Cornell and Shapiro (1987) states that the theory of stakeholders gives a view, that the company is a nexus of contract that includes investors and non-investor stakeholders within the company. The main objective of the stakeholder theory is to assist corporate management in enhancing value creation as a result of activities undertaken and minimizing possible losses to stakeholders (Devi et al., 2017). While the main principle of stakeholder theory is to show that a company depends heavily on stakeholders to maintain its survival, because the stakeholders are an important resource needed for the success of the company (Galbreath, 2018). Therefore, dividend policy should not be limited only to maximize the welfare of shareholder but also to the welfare of stakeholders (Ben-Nasr, 2015).

Miles et al. (2006) states that the presence of women on the board directors of the company, it is expected to engage in building better relationships with stakeholders because women are considered more focused about the needs of others and to place the company in order to more understand the demands of all stakeholders (Galbreath, 2018). Gender diversity on the board directors tends to create more effective communication between board directors and stakeholders. In addition, the board directors also significantly emphasize non-financial performance improvement, as well as customer satisfaction and social activities of the company (Terjesen et al., 2009).

The Government is one of the stakeholders that not only creates and enacts legislation to ensure that companies fulfill the demands of various stakeholders but also become stakeholders who own part or all of the ownership of a company (Saeed & Sameer, 2017). The role of government, especially as owner, is more common in developing countries like Indonesia. Oktavilia et al. (2017) state that governments and employers work together to enhance the competitiveness of the industry, especially to improve the quality of industrial products.

Hypothesis Development

From the perspective of agency theory, the diversity of board directors is considered a better monitor of management because it has many questions or challenges of perception from the CEO and is less likely to dampen shareholder interest (Adams & Ferreira, 2009). Chen et al. (2014) in his research indicates that gender diversity on the board of directors provides greater monitoring benefits to shareholders by providing multiple points of view and active oversight in evaluating executive decisions. Thus, gender diversity on the board directors has a greater tendency to balance the earnings of managers and shareholders through their influence on dividend policy (Saeed & Sameer, 2017).

The female directors are expected to be a good supervisor, who can strengthen the rights of shareholders, in this case, strong shareholders are shareholders who are able to pressure managers to pay high dividends. Martinez and Bel-Oms (2015) conducted research on the effect of women's representation on the board directors in Spain and found that there was a positive relationship between gender diversity and dividend payment. The same results were obtained by Byoun et al. (2016) to companies in the United States, where companies that have gender diversity on the board directors are more likely to pay dividends compared to companies which have less gender diversity on the board directors.

Shleifer et al. (2000) argue that the institutional environment of the state influences corporate decisions, such as dividend payment decisions. Especially in developing countries, where weak corporate governance, weak law enforcement and limitations on cash distribution potentially lead to agency problems. Therefore, woman directors in developing countries are more likely to choose to pay dividends to reduce agency problems. Students' articles should include the development of hypotheses with the following conditions. Thus, the proposed hypothesis is:

H1: There is a positive effect of female directors on dividends policy proxied by the dividend payout ratio in developing countries.

Unlike public capital markets in western countries, governments in developing countries are important stakeholders who maintain the ownership of manager in most listed companies (Saeed & Sameer, 2017). Research conducted by Saeed et al. (2015) provided anecdotal evidence showed that company with state ownership have preferential treatment in the credit market and have implied warranties from government bailout funds if there are financial difficulties.

According to Saeed and Sameer (2017) stated that support for a positive relationship between gender diversity on the board directors and dividend payment at State-owned enterprises in developing countries could also be drawn from agency theory. State-owned enterprises in developing countries tend to have more severe agency problems than private companies (Ben-Nasr, 2015). They experience agency problems from two sources, first from the difference of the board controlling and the manager and second because of differences in political objectives between the main owners of company and citizens (Menozzi et al. 2011). Furthermore, the inclusion of profit in the form of money due to treatment in the credit market can increase the amount of cash, so it can make managers to take over and also increase the tendency of managers in self-interest (Saeed & Sameer, 2017). Under these conditions, gender diversity on the board directors can help to reduce agency problems and one of the mechanisms which can be done is to pay dividends.

Through many considerations, dividend distribution is one mechanism that can be done by the board of directors with gender diversity to reduce agency problems. Therefore, it can be concluded that with the existence of gender diversity on the board of directors is expected to choose high dividend payout policy to the company with state ownership in developing countries, which is signed by high agency costs (Saeed & Sameer, 2017). Thus, the proposed hypothesis is:

H2: Positive state ownership moderates the effect of female directors on dividend policy proxied by dividend payout ratio in developing countries.

Huang and Kisgen (2013) conducted research on corporate finance and acquisition decisions made by female directors and compared to those made by male directors. The results show that companies with female directors tend to make an acquisition and create less debt. Similarly, Chen et al. (2014) identifies differences in pessimism and risk optimism by the director and finds that the representation of women's board directors has bigger relation to the number of acquisitions made by the company and the size of the acquisition.

It shows that female directors have a low tolerance on the risk, especially those related to investment and corporate finance, so that female director will have less willingness to withdraw the money for dividend payments and maintain the company's cash as anticipation to the uncertainty future of the company. While investors who invest capital in the form of shares, they wish to obtain dividend and capital gains (Tastaftiani & Khoiruddin, 2015). Such female directors' behavior is expected more in developing countries because companies operating in high-risk environments have implemented restrictive policies to protect themselves from unexpected events in the future (Saeed & Sameer, 2017).

Considering the existence of high risk in developing countries and the risk-aversion tendencies by female directors, it is possible that women directors will minimize the risk by maintaining cash and paying low dividends. Based on these explanations and considering unprecedented volume of investment in developing countries in recent decades that also reduces the need for additional corporate capital, it can be concluded that companies in developing countries with high diversity of board directors have a greater tendency to maintain internal funds as an investment, which could lead to a negative relationship between gender diversity on the board directors and dividend payment in developing countries. Thus, the proposed hypothesis is:

H3: There is a negative effect of female directors on dividend policy proxied by dividend yields in developing countries.

According to Saeed and Sameer (2017) argued that support for a positive relationship between gender diversity on the board directors and the dividend payment in state-owned enterprises in developing countries could also be drawn from agency theory. State-owned enterprises in developing countries tend to have more severe agency problems than private companies (Ben-Nasr, 2015). They experience agency problems from two sources, first from the difference of the board controlling and the manager and the second because of differences in political objectives between the main owner of the company and the citizens (Menozzi et al., 2011). Under these conditions, gender diversity on the board directors can help to reduce agency problems and one of mechanism that can be done is to pay dividends. Basically, managers in state-owned enterprise tend to make decisions which are not only based on the interests of the company itself, but also consider the interests of the government as its owner (Abiprayu & Wiratama, 2016).

Empirical studies conducted by Jonge (2014) provided evidence that state-owned enterprises in developing countries are under high pressure to include women in their meeting rooms, especially to improve corporate governance. Among other reasons, state-owned en-

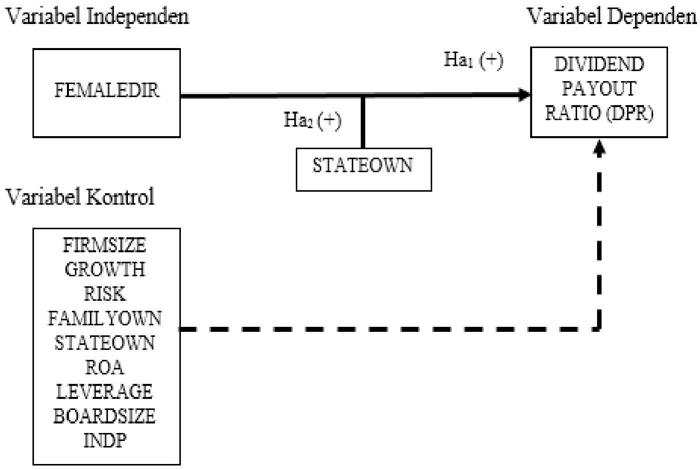

Figure 2. Research Model

terprises are expected to serve as examples of companies to give the general public an idea of managerial effectiveness and good corporate governance that helps legitimize state policy (Saeed & Sameer, 2017). Thus, the proposed hypothesis is:

H4: Positive state ownership moderates the effect of female directors on dividend policy proxied by dividend yield in developing countries.

METHOD

In this research, researchers took the population of non-financial companies listed on the Indonesia Stock Exchange (BEI) and Malaysia Stock Exchange in the period 2011-2015 and had paid dividends during the study period. There were 325 companies listed on the Indonesia Stock Exchange and 806 companies listed on Bursa Malaysia. The sampling technique used in this research is using purposive sampling method. The sample criteria in this study will be presented in Table 1.

Based on these criteria, there are 29 companies from Indonesia Stock Exchange so that the sample size is 29 x 5 = 145 samples and 229 companies from Malaysia stock exchange that filled the criteria, so the sample size is 229 x 5 = 1145 samples. This study used gender diversity variables denoted by FEMALEDIR as independent variables, state ownership denoted by STATE OWN as a moderating variable and

Table 1. Sample Selection Criteria

No.	Sample Selection Criteria	Number of Filled Samples	
		Indonesia Stock Exchange	Malaysia Stock Exchange
1.	Companies listing on the Indonesia Stock Exchange and Malaysia Stock Exchange during the study period	325	806
2.	Companies included in the financial sector	(50)	(32)
3.	Companies not included in the financial sector	275	774
4.	Companies that do not pay dividends to shareholders during the study period	(246)	(545)
	Number of Sample	29	229

Tabel 2. Measurement of Research Variables

Variable	Notation	Measuring	Sources
Dividend Payout Ratio	DPR	Dividend Per Share / Earning Per Share	Darmadji dan Fakhruddin (2015)
Dividend Yield	YIELD	Dividend Per Share / Stock Price	Darmadji dan Fakhruddin (2015)
Proportion of Women Director	FEMALEDIR		Saeed dan Sameer (2017)
State Ownership	STATEOWN	Government ownership of common stock of companies	Saeed, Belghitar, dan Yousaf (2016)
Company Size	FIRMSIZE	*Ln* Total Assets	Martinez dan Bel-Oms (2016)
ROA Volatility	RISK	Return on Asset Volatility	Saeed dan Sameer (2017)
Asset Growth	GROWTH	The percentage growth of company assets from year to year	Martinez dan Bel-Oms (2016)
Family Ownership	FAMILYOWN	Dummy variables are equal to "1" if the family company are equal to "0" vice versa	Saeed dan Sameer (2017)
Return on Asset	ROA		Darmadji dan Fakhruddin (2015)
Debt Policy	LEVERAGE		Afzal dan Sehrish (2011)
The Size of Board Directors	BOARDSIZE		Martinez dan Bel-Oms (2016)
Independent Board	INDP		Martinez dan Bel-Oms (2016)

9 variables such as, company size, asset growth, return on asset volatility, family ownership, state ownership, return on assets, leverage, board size and independent board as control variables. The measurements used in this study will be presented in Table 2.

Analysis method used in this research is censored regression analysis method. The Censored method is same as the Tobit model, both of this model are used for continuous variables (can have any value, not necessarily round and should not be positive). The difference is that the continuous variables in the censored regression are limited due to censoring data. In this case, the range is limited within a certain range of values due to its collection or institutional limits (Gazali, 2011). And the year of observation around five years. The censored regression model equation is as follows:

Y= β_0+β_1 X_1+ β_2 X_2+β_3 X_3+β_4 X_4+β_5 X_5+ e

Where:

DIVIDEND	= DPR and YIELD
FEMALEDIR	= Presentation of Women Directions
STATEOWN	= State Ownership
FIRMSIZE	= Company Size
GROWTH	= Asset Growth
RISK	= ROA Volatility
FAMILYOWN	= Family Ownership
ROA	= Return on Asset
LEVERAGE	= Debt Equity Ratio
BOARDSIZE	= Size of Board Directors
INDP	= Independent Board
β_0	= Constant
ε	= Error

RESULT AND DISCUSSION

In Table 3 Descriptive statistics contain the following information: mean or average, maximum or highest score, minimum or lowest score and standard deviation from Indonesia and Malaysia. The Y1 (DPR) variables in Indonesia Stock Exchange and Malaysia stock exchange have mean values 55,625 and 1,002, the maximum value of 903,240 and 35,060, the minimum value of 0.680 and -32.649 of the total revenue of the company. It can be said that the listed companies in Indonesia Stock Exchange and Malaysia stock exchange relatively pay a high dividend. Variable Y2 (YIELD) on the Indonesia Stock Exchange and Malaysia stock exchange have each mean value 4,747 and 18,841, the maximum value is 122,020 and 198,830 and the minimum value is 0.40 and 0.001. While the independent variables X1 (FEMALEDIR) at Indonesia Stock Exchange and Malaysia stock exchange have each mean value 9,483 and 9,878, the same maximum value is 50,000 and the same minimum value is 0.000 of the total of the company's board directors. The results indicate that many of the companies listed on the Indonesia Stock Exchange as well as Malaysia stock exchange which has a level of gender diversity on the board directors are relatively low.

The moderation variable is Z (STATEOWN) on companies listed on the Indonesia Stock Exchange and Malaysia stock exchange each has a mean value 3,526 and 0.639, the ma-

Table 3. Descriptive Statistics

INDONESIA STOCK EXCHANGE/ N (145)					MALAYSIA STOCK EXCHANGE/ N (1145)				
Var.	**Mean**	**Max.**	**Min.**	**SD**	**Var.**	**Mean**	**Max.**	**Min.**	**SD**
Y1	55.625	903.240	0.680	77.539	Y1	1.002	35.060	-32.649	2.838
Y2	4.747	122.020	0.040	13.841	Y2	18.481	198.830	0.001	28.546
X1	9.483	50.000	0.000	12.815	X1	9.878	50.000	0.000	11.039
Z	3.526	52.280	0.000	13.001	Z	0.639	73.590	0.000	5.365
X2	29.806	33.134	26.573	1.551	X2	19.421	25.316	13.861	1.567
X3	14.663	90.780	-59.720	16.567	X3	12.759	1920.631	-91.686	70.756
X4	3.700	67.130	0.060	7.1288	X4	7.019	626.392	-24.332	27.039
X5	0.248	1.000	0.000	0.434	X5	0.502	1.000	0.000	0.500
X6	3.526	52.280	0.000	13.001	X6	0.639	73.590	0.000	5.365
X7	14.777	71.510	0.050	12.305	X7	11.079	634.001	-9.901	22.026
X8	0.989	5.670	0.110	0.945	X8	0.322	39.313	-2.756	1.322
X9	1.846	2.708	0.693	0.384	X9	2.036	2.890	1.386	0.255
X10	39.902	80.000	16.660	12.366	X10	43.935	100.000	14.286	12.291

Table 4. Multicollinearity Test Results

	Indonesia Stock Exchange											
	Y1	**Y2**	**X1**	**Z**	**X2**	**X3**	**X4**	**X5**	**X7**	**X8**	**X9**	**X10**
Y1	1	0.65	-0.03	-0.08	-0.03	-0.09	0.05	0.23	0.11	-0.06	-0.03	-0.01
Y2		1	-0.12	-0.02	0.01	0.03	-0.03	0.11	-0.04	-0.07	-0.03	-0.11
X1			1	-0.20	-0.09	0.09	0.13	0.04	0.23	0.16	-0.04	0.37
Z				1	0.11	0.10	-S0.07	-0.16	-0.11	0.45	-0.08	-0.13
X2					1	0.02	-0.06	-0.18	-0.16	0.03	0.44	0.12
X3						1	-0.07	-0.05	-0.02	0.13	0.08	0.05
X4							1	-0.09	0.59	0.12	0.03	0.38
X5								1	-0.15	-0.05	-0.17	-0.28
X7									1	-0.07	-0.10	0.41
X8										1	0.03	0.16
X9											1	0.10
X10												1

Malaysia Stock Exchange												
	Y1	Y2	X1	Z	X2	X3	X4	X5	X7	X8	X9	X10
Y1	1	-0.05	0.06	-0.02	0.07	-0.03	0.05	0.03	-0.05	0.02	0.01	-0.04
Y2		1	0.02	-0.07	0.02	-9.87	-0.01	-0.01	-0.02	-0.04	-0.03	0.06
X1			1	0.08	0.04	-0.03	-0.03	-0.06	-0.01	-0.01	0.01	-0.10
Z				1	-0.18	-0.01	-0.01	-0.83	-0.03	0.02	0.08	-0.05
X2					1	0.03	-0.03	-0.23	-0.06	0.16	0.36	-0.07
X3						1	-0.02	-0.03	0.03	0.01	0.02	-0.01
X4							1	0.05	0.64	-0.03	-0.09	-0.02
X5								1	0.04	0.03	-0.03	-0.14
X7									1	-0.06	-0.05	0.03
X8										1	0.07	-0.04
X9											1	-0.36
X10												1

ximum values 52.280 and 73,590 respectively, the same minimum value is 0.000 and the standard deviation value respectively - in the amount of 13,001 and 5,365 of the total shares of the company. This indicates that the companies in which there are shares ownership by the government both in Indonesia stock exchange and Malaysia stock exchange are relatively low.

Then there are nine control variables presented in the descriptive statistics table below, where each control variable also has the mean, maximum, minimum and standard deviation of both companies in the Indonesia Stock Exchange and Malaysia stock exchange.

Based on Table 4 multicollinearity test, shows that there is no multicollinearity between the independent variable and moderation variables, as well as between independent variables and control variables both on data from companies listed on Indonesia Stock Exchange and Malaysia stock exchange. This is indicated by the absence of correlation values between high variables above that is 0.90. The highest correlation value on the companies in the Indonesia Stock Exchange is 0.37 which is the correlation between the gender diversity (X1) and the independent counsel (X10), whereas at the companies in Malaysia Stock exchange the highest correlation value is 0.08, i.e., the correlation between gender diversity (X1) and state ownership Z).

Based on Table 5, the results of the first hypothesis test (Ha_1) showed analysis of the

Table 5. Hypothesis Test Results

Independent Variable and Moderate Variable	**Depedend Variable**	**BEI**		**Hypothesis**	**Malaysia Stock Exchange**		**Hypothesis**
		Calculation of z	**Sig (5%)**		**Calculation of z**	**Sig (5%)**	
Gender Diversity (Femaledir)	Dividend Payout Ratio (DPR)	0.006947	0.6751	(Ha_1) Rejected	-0.003918	0.1344	(Ha_1) Rejected
	Dividend Yield (YIELD)	-0.009147	0.0483	(Ha_3) Accepted	0.003145	0.5086	(Ha_3) Rejected
State Ownership (Stateown)	Dividend Payout Ratio (DPR)	0.000114	0.9944	(Ha_2) Rejected	-0.001008	0.0498	(Ha_2) Accepted
	Dividend Yield (YIELD)	-0.002861	0.5565	(Ha_4) Rejected	-0.002169	0.4543	(Ha_4) Rejected

positive effect of gender diversity on dividend payment proxied by dividend payout ratio (DPR) Sig (5%) value is 0.6751 with value greater than 0.05 (0.6751 > 0.05) Indonesia Stock Exchange, while the company in Malaysia Stock Exchange obtained Sig (5%) value of 0.1344 which value is greater than 0.05 (0.1344 > 0.05). From these results, it can be concluded that the first hypothesis (Ha_1) which states the influence of female directors on dividend policy proxied by dividend payout ratio (DPR) is rejected, both on companies listed in Indonesia Stock Exchange and Malaysia stock exchange. The results of this study support the research from Huang and Kisgen (2013) and Chen et al. (2014) which states that gender diversity on the board of directors has a negative and insignificant effect on dividend payments.

The second hypothesis test result (state-own) positively moderate the effect of female directors on dividend policy proxied by dividend payout ratio (DPR), for companies listed in Indonesia Stock Exchange obtained Sig value (5%) equal to 0.9944 the value is greater than the level of significance 0.05 (0.9944 > 0.05), so it can be concluded that the second hypothesis (Ha_2) on companies listed on the Indonesia Stock Exchange was rejected.

Unlike companies in the Indonesia Stock Exchange, the hypothesis (Ha_2) test results at companies in Malaysia Stock Exchange show that positive state ownership moderates the effect of female directors on the dividend payout ratio (DPR) with Sig (5%) value of 0.0498 is smaller than the 0.05 significance level, so the hypothesis (Ha_2) of the company in Malaysia stock exchange is accepted. These results support the research of Saeed and Sameer (2017) and Saeed et al. (2015) which indicates positive state ownership moderates the relationship between gender diversity and dividend payment.

The third hypothesis test result (Ha_3) shows an analysis of the negative effect of female directors on dividend policy proxied by dividend yield (YIELD) for companies listed on the Indonesia Stock Exchange obtained by Sig (5%) value of 0.0483, the value is less than the significance 0.05 (0.0483 < 0.05) and regression coefficient value of -0.009147. From these results, it can be concluded that the third hypothesis (Ha_3) on companies listed on the Indonesia Stock Exchange is accepted. These results support research conducted by Van (2013) and Deshmukh et al. (2013) stating that gender diversity on the board of directors has a negative effect on dividend payouts

Unlike the company in Indonesia Stock Exchange, the hypothesis test result (Ha_3) at the company in Malaysia stock exchange shows the value of Sig is (5%) of 0.5086 which is greater than the 0.05 significance level (0.5086 > 0.05), so the third hypothesis (Ha_3) on companies in Malaysia stock exchange was rejected.

The result of the fourth hypothesis test (Ha_4) that is state ownership positively moderate the effect of female directors on dividend policy proxied by dividend yield (YIELD) obtained Sig value is (5%) of 0.5565 which is greater than 0.05 (0.5565 > 0.05) at the company on the Indonesia Stock Exchange, while at the company in Malaysia obtained the value of Sig (5%) of 0.4543 whose value is greater than 0.05 (0.4543 > 0.05). From these results, it can be concluded that the fourth hypothesis (Ha_4) that states positive state ownership moderate the effect of female directors on dividend policy proxied by dividend yield (YIELD) is rejected, both on companies listed on the Indonesia Stock Exchange and Malaysia stock exchange. This result is inconsistent with previous research by Saeed and Sameer (2017) and Saeed et al. (2015) which shows the positive state ownership results moderate the relationship between gender diversity and dividend payment.

CONCLUSION AND RECOMMENDATION

The conclusion of this study is that there is no effect of female directors on dividend policy proxied by dividend payout ratio in developing countries, Indonesia as well as Malaysia. State ownership moderates positively the effect of female directors on dividend policy proxied by dividend payout ratio in developing countries, Malaysia. There is a negative effect of female directors on dividend policy proxied by dividend yields in developing countries, Indonesia. State ownership does not moderate the effect of female directors on dividend policy proxied by dividend yields in developing countries, both in Indonesia or Malaysia.

REFERENCES

Abiprayu, K. B., & Wiratama, B. (2016). Does Ceo's Hubris Affecting Dividends Payout? *Jurnal Dinamika Manajemen, 7*(1), 66-75.

Adams, R. B., & Ferreira, D. (2009). Women in the Boardroom and Their Impact on Governance and Performance. *Journal of Financial Economics, 94*(2), 291-309.

Afzal, M., & Sehrish, S. (2011). Ownership Structure, Board Composition and Dividend Policy in Pakistan. *African Journal of Business Management, 7*(11), 811-817.

Akmal, Z., & Yulianti, R. (2017). Pengaruh *Return On*

Asset, Sales Growth, Firm Size dan *Debt To Equity Ratio* terhadap Pembayaran Dividen pada Perusahaan Manufaktur Sub Sektor Perusahaan Makanan dan Minuman yang Terdaftar di Bursa Efek Indonesia Periode 2010-2014. *Jurnal Ekonomi Manajemen dan Akuntansi (JEMSI), 2*(2).

Anita, A., & Yulianto, A. (2017). Pengaruh Kepemilikan Manajerial dan Kebijakan Dividen terhadap Nilai Perusahaan. *Management Analysis Journal, 5*(1).

Atmaja, L. S. 2008. *Teori dan Praktik Manajemen Keuangan.* Yogyakarta: ANDI.

Bathala, C. T., & Rao, R. P. (1995). The Determinants of Board Composition: an Agency Theory Perspective. *Managerial and Decision Economics, 16*(1), 59-69.

Ben-Nasr, H. (2015). Government Ownership and Dividend Policy: Evidence from Newly Privatized Firms. *Journal of Business Finance & Accounting, 42*(5-6), 665-704.

Byoun, S., Chang, K., & Kim, Y. S. (2016). Does Corporate Board Diversity Affect Corporate Payout Policy?. *Asia-Pacific Journal of Financial Studies, 45*(1), 48-101.

Chen, G., Crossland, C., & Huang, S. (2016). Female Board Representation and Corporate Acquisition Intensity. *Strategic Management Journal, 37*(2), 303-313.

Cornell, B., & Shapiro, A. C. (1987). Corporate Stakeholders and Corporate Finance. *Financial Management, 16*(1), 5-14.

Darmadji, T., & Fakhruddin, H. M. (2011). *Pasar Modal di Indonesia.* Edisi 3. Jakarta: Salemba Empat.

Deshmukh, S., Goel, A. M., & Howe, K. M. (2013). CEO Overconfidence and Dividend Policy. *Journal of Financial Intermediation, 22*(3), 440-463.

Devi, S., Budiasih, I. G. N., & Badera, I. D. N. (2017). Pengaruh Pengungkapan *Enterprise Risk Management* dan Pengungkapan *Intellectual Capital* terhadap Nilai Perusahaan. *Jurnal Akuntansi dan Keuangan Indonesia, 14*(1), 20-45.

Erfiana, D. & Ardiansari, A. 2016. Pengaruh Masalah Keagenan, Kebijakan Dividen dan Variabel Moderasi *Growth Opportunity* terhadap Nilai Perusahaan. *Management Analysis Journal, 5*(3), 224-256.

Galbreath, J. (2018). Is Board Gender Diversity Linked to Financial Performance? the Mediating Mechanism of CSR. *Business & Society, 57*(5), 863-889.

Gazali, I. (2011). *Aplikasi Analisis Multivariat dengan Program IBM SPSS 19*. Edisi 5. Semarang: UNDIP.

Haryanto, S. (2016). Profitability Identification of National Banking Through Credit, Capital, Capital Structure, Efficiency and Risk Level. *Jurnal Dinamika Manajemen, 7*(1), 11-21.

Hidayat, A. A., & Utama, S. (2017). Board Characteristics and Firm Performance: Evidence from Indonesia. *International Research Journal of Business Studies, 8*(3).

Huang, J., & Kisgen, D. J. (2013). Gender and Corporate Finance: are Male Executives Overconfident Relative to Female Executives?. *Journal of Financial Economics, 108*(3), 822-839

Indonesian Boardroom Diversity Report. (2012). *Female Footprints in IDX-Listed Companies.* Centre for Governance, Institutions & Organisations: National University of Singapore Business School. (Downloaded 17 January 2018, 11:55 WIB)

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

Jensen, Michael C. (1986). Agency Cost of Free Cash Flow, Corporate Finance and Takeovers. *American Economic Review. 76*(2), 323-329.

Jiraporn, P., Kim, J. C., & Kim, Y. S. (2011). Dividend Payouts and Corporate Governance Quality: an Empirical Unvestigation. *Financial Review, 46*(2), 251-279.

Jonge, A. (2014). The Glass Ceiling that Refuses to Break: Women Directors on the Boards of Listed Firms in China and India. In *Women's Studies International Forum*, 47, 326-338.

Khoiruddin, M., & Faizati, E. R. (2014). Reaksi Pasar terhadap *Dividend Announcement* Perusahaan yang Sahamnya Masuk Daftar Efek Syariah. *Jurnal Dinamika Manajemen, 5*(2).

Shleifer, A., Vishny, R. W., Porta, R., & Lopez-de-Silanes, F. (2000). Investor Protection and Corporate Governance. *Journal of financial economics, 58*(1-2), 3-27.

Menozzi, A., Gutiérrez Urtiaga, M., & Vannoni, D. (2011). Board Composition, Political Connections and Performance in State-Owned Enterprises. *Industrial and Corporate Change, 21*(3), 671-698.

Miles, M. P., Munilla, L. S., & Darroch, J. (2006). The Role of Strategic Conversations with Stakeholders in the Formation of Corporate Social Responsibility Strategy. *Journal of Business Ethics, 69*(2), 195-205.

Oktavilia, S., & Khoiruddin, M. (2017). Mappings Industry as the Strategy for Enhancing Competitiveness of Industry in Semarang Regency. *Advanced Science Letters, 23*(8), 7131-7134.

Van Pelt, T. (2013). *The Effect of Board Characteristics on Dividend Policy.* Unpublished Working Paper, Tilburg School of Economics and Management, Department of Finance. Tilburg University: Netherlands, 1-62.

Pratiwi, R., & Yulianto, A. (2017). Pengaruh Struktur Kepemilikan dan Komisaris Independen terhadap Biaya Keagenan Perusahaan yang Masuk dalam *Indonesia Most Trusted Companies. Management Analysis Journal, 5*(3).

Pucheta-Martinez, M. C., & Bel-Oms, I. (2015). The Board of Directors and Dividend Policy: the Effect of Gender Diversity. *Industrial and Corporate Change, 25*(3), 523-547.

Ridloah, S. (2010). Faktor Penentu Struktur Modal: Studi Empirik pada Perusahaan Multifinansial. *Jurnal Dinamika Manajemen, 1*(2).

Saeed, A., Belghitar, Y., & Clark, E. (2015). Political Connections and Leverage: Firm-Level Evidence from Pakistan. *Managerial and Decision Economics, 36*(6), 364-383.

Saeed, A. Belghitar, Y., & Yousaf, A. (2016). Firm-level Determinants of Gender Diversity in the Boardroom: Evidence from some Emerging Markets. *International Business Review, 25*(5), 1076-1088

Saeed, A. & Sameer, M. (2017). Impact of Board Gender Diversity on Dividend Payments: Evidence from some Emerging Economies. *International Business Review, 26*(6), 1100-1113.

Sari, E. L., & Wijayanto, A. (2015). Pengaruh Keputusan Investasi, Pendanaan dan Dividen terhadap Nilai Perusahaan dengan Risiko sebagai Variabel Mediasi. *Management Analysis Journal, 4*(4).

TerjesenYuli, H. S. R., Untoro, W., & Trinugroho, I. (2016). Women in Top Management and Bank Performance: Evidence from Indonesia. *Indonesian Capital Market Review, 8*(2), 23-31.

Tastaftiani M., & Khoiruddin, M. (2015). Analisis Pengaruh Pengumuman Dividen Tunai terhadap Abnormal Return dan Variabilitas Tingkat Keuntungan Saham. *Management Analysis Journal, 4*(4), 333-340.

Terjesen, S., Sealy, R., & Singh, V. (2009). Women Directors on Corporate Boards: a Review and Research Agenda. *Corporate Governance: an International Review, 17*(3), 320-337.

Van Horne, James C., & Wachowicz, Jhon M., JR. 2008. *Fundamentals of Financial Management. Thirteenth Edition*. Gosport: Ashford Colour Press Ltd.

Yulianto, A. 2013. Keputusan Struktur Modal dan Kebijakan Dividen sebagai Mekanisme Mengurangi Masalah Keagenan. *Jurnal Dinamika Manajemen, 4*(2), 164-183.

Yulianto, A., Suseno, D. A., & Widiyanto, W. (2016). Testing Pecking Order Theory and Trade off Theory Models in Public Companies in Indonesia. *International Journal of Economic Perspectives, 10*(4), 21-28.

Zulkifli, Z., Endri, E., & Kurniasih, A. (2017). Determinan Internal Dividend Payout Ratio Perusahaan Farmasi Terdaftar di Bursa Efek Indonesia. *Jurnal Keuangan dan Perbankan, 21*(2).