Independent Director of Managers and Paid Dividends

I. Putu Sugiartha Sanjaya, and Kornelia Dian Novianti Sumaryata

Department of accounting, Fakultas Bisnis dan Ekonomika, Universitas Atma Jaya Yogyakarta, Indonesia

Abstract. Independent director is new issue in Indonesia. Existing independent director in the company will reduce agency problem in the company. Because he/she has a role to protect the interests of non-controlling shareholders. Independent director in the team of managers confirms that company implements good corporate governance. The objective of this research is to investigate whether independent director influence paid dividend. Independent director is measured by the proportion of independent directors on the board of directors (managers). Dividend is measured by dividend payout ratio. Data of the research is collected from the Indonesian Stock Exchange from 2014-2016. This study uses purposive sampling method for collecting data. The obtained samples in this research are 393 firm years. The result of the study is independent director negatively influence paid dividend. Negatively result is caused by significant role of controlling shareholder to vote independent director on the general meeting of shareholders.

Keywords: Independent director · Dividends · Corporate governance and Agency problem

1 Introduction

The objective of this paper is to investigate the impact of independent director of managers (external manager) on paid dividends. This is new issue because the independent director is new item in implementing good corporate governance in Indonesia. Therefore, the Indonesian Stock Exchange (BEI) has published circular letter for the explanation of tenure for independent commissioner and independent director Number: SE-00001/BEI/02-2014 on February 4th, 2014. The contents of the letter are first, explanation of the term independent director in regulation number I-A. The independent director is the substitute for the term non-affiliated director. The second explanations are for tenure of independent commissioner and independent director.

The circular letter was published in implementation of BEI regulation amendment number I-A. The regulation is the appendix I of the BEI number Kep-00001/BEI/01-2014 on January 20th, 2014. Based on this regulation, prospective and already listed on the main board or the development board must meet the requirement of having independent director. Based on point V.4, the listed company must meet the requirement of having independent director. Therefore, the listed firms in the BEI need to have independent director.

Sanjaya, I. and Sumaryata, K.
Independent Director of Managers and Paid Dividends.
DOI: 10.5220/0009870300002900
In *Proceedings of the 20th Malaysia Indonesia International Conference on Economics, Management and Accounting (MIICEMA 2019)*, pages 353-363
ISBN: 978-989-758-582-1; ISSN: 2655-9064

From the regulation number I-A 2014 point III.1.5, the listed firms must meet the requirement of having independent director at least one person from the members of the board of directors. Independent director is elected in the general meeting of shareholders. The independent directors must comply with certain requirements such as (1) having no affiliation with the controller of the listed company, (2) having no affiliation relationship with the commissioners or other directors, (3) not working as a board of directors in another company, and (4) not being an insider to the institution or capital market supporting professionals. The tenure of independent director is maximum two consecutive periods.

The term of independent directors is the first time to be formally released by BEI in 2014. There are several reaction at that time about the appearance of that term. Some people have an opinion that independent directors is the part of the improvement of good corporate governance. [1] explained *Dilema Direktur Independen*. However, there are no more evidence about the reason why listed company must have independent director. BEI does not give any formal reason about why listed company need to meet the requirement of having independent director.

The term of independent director in Indonesia is not the same as term of independent director in another countries such as Australia, United Kingdom, USA, and so on. In Indonesian context, board of directors are managers managing the company day to day. However, board of directors in USA, UK, and Australia are same as board of commissioners in Indonesian context. Board of directors are executive, and board of commissioners are monitoring and controlling for managers. Therefore, independent director is part of managers in the company. Independent director is not same as independent commissioner. Independent director is selected by general meeting shareholders. There is no study before for existing independent director in managers. A lot study has done abroad about independent directors on board of directors. However, the role of independent directors here is not same as the role of independent director in Indonesia.

Such as [2] studied in Australia for independent directors may have significant role in influencing paid dividends. While in London, it was found that paid dividends is negatively associated with the number of outside directors or independent directors on the board of directors [3]. According to [4], dividends in Indonesia are determined at the general meeting of shareholders. Dividends are the part of the company's profits distributed to the shareholders. Dividends reflect cash flow to shareholders and informs the current and future performance of the company [5]. It is the return that expected by the shareholders in their investment. [6] have argued that, if controlling shareholders hold almost full control of firms, they can make decisions based on their best interests. When control rights are concentrated in the hands of a small number of shareholders, the decisions of the firm is much more easier to control by them, rather than when the control rights split among many of them. However, the decisions based on controlling shareholders interests are not always congruent with non-controlling shareholders. Controlling shareholders may make decisions not pay dividend, so the non-controlling shareholders will not get the return of their investment that they expect to get. Therefore, agency conflicts between controlling shareholders and non-controlling shareholders are mostly found in those firms with concentrated ownership.

[11] explained family members involve directly in board of directors on all occasions. It indicates that family owners are the insiders most easy to access to the company resources for their private benefit. This argument is supported by [13]

reporting that family members often to be a top manager in East Asia and Western Europe. These phenomena also happened in Indonesia. A lot of listed firms in the Indonesian Stock Exchange hire family members to be part of board of directors and commissioners. [21] explained the controlling shareholders have higher incentive to expropriate the resources of company by participating in firm's management. Participation in management makes controlling shareholders easier to generate private benefits. To reduce the possibility expropriation, the listed firms need an independent director. Independent director at the company is expected for balancing in making decision on board of directors. The decision will be more objective for all (insiders and outsiders). Therefore, independent director can contribute on process to design paid dividend in general meeting shareholders.

According to [7], the controlling shareholders seeks to maximize the value of the company and personal interests as well as minimize the risk of bankruptcy. The existence of independent directors may reduce the agency conflict. [2] found independent directors have significant role in influencing paid dividends. The result suggests that independent directos can monitor and restrict the opportunistic behaviour of controlling families. Independent directors can enhance the governance of family-controlled firms to choose higher paid dividends. However, the term of independent director in Indonesia may not be same as the term of independent director in another countries. According to [8], Indonesia adopt different corporate board model with Australia and other countries as United Kingdom, New Zealand, and others. Indonesia uses two-tier board system separating the board of commissioners and the board of directors. While Australia, United Kingdom, New Zealand, and others use single board system where membership of the board of commissioners and board of directors are not separated.

In Indonesia, dividends are determined at the general meeting of shareholders. However, in the annual report of ABM Investama Tbk (ABMM) at 2012, the dividend policy just need to approval from shareholders in general meeting of shareholders. Board of directors may be designed to paid dividend. In its policy, the board of directors may reduce paid dividend or not to pay dividend at all. The existing of independent directors as the part of board of directors as the independent parties may influence for paid dividend. But it is just an opinion and it is not supported by empirical evidence. This research will add literature about whether independent director of managers will influence paid dividend.

This study is expected to provide several contributions. The first, the results of this study are to contribute to related emerging literature on the effects of independent directors on paid dividend. Studying of independent director of managers is still limited. The second, the results of this study will inform the shareholders both controlling and non-controlling in making decisions in general meeting shareholders. This research will provide insight to the shareholders about the existences of independent director that need to be considerated besides the quantitative information for making decisions. The last, the results of this study will contribute to regulator for evaluating existing independent director in the company. The existing will raise the cost for the company. The cost will also be bearded by non-controlling shareholders (outsiders).

2 Literature Review

Suggested that dividends are an instrument to align between principles and agents. In perspective agency problem type II, dividends are a tool for reducing conflict between controlling shareholders and non-controlling shareholders[9]. [10] argued that dividends and debt are a tool for substituting in controlling and monitoring of agency costs. [6] explained when controlling shareholders especially family owners hold almost full control, controlling shareholders tend to generate private benefits. They are some examples also in Indonesia such as expending fund of companies, paying extreme salaries for themselves, providing family members on board of directors and board of commissioner positions. They are also exampling how controlling shareholders to generate their own purpose such as outright theft, misusing firms' resources, selling other companies that they control at favorable prices to themselves. They are examples for expropriating by controlling shareholders. In these cases, expropriation of wealth of non-controlling shareholders is the prominent agency problem.
Studied in 27 different countries for ownership structures of large firms. The results showed a few of these firms are widely held and majority of them are heavily concentrated and commonly controlled by families. [11] also found that family members involve directly in board of directors on all occasions. Therefore, family owners and commonly they are the insiders most easy to access to the company resources for their private benefit. Therefore, it will be to lead to higher conflicts between principal (controlling shareholders)–principal (non-controlling shareholders). [12] documented that a single shareholder controls more than two-thirds of publicly listed East Asian firms and families dominate about 40 per cent of all listed companies.[13] suggested that the diverging interests of large controlling and small non-controlling shareholders are the most prevailing source of agency conflicts. [14] explained that families tend to have more motivation to expropriate wealth of non-controlling shareholders than any other large controlling shareholders.

[15] reported the decline in firm value at high levels of concentrated ownership because it is the risk of expropriation by controlling shareholders. This is an example of agency cost. To reduce possibly agency cost, [16] have suggested that non-controlling shareholders would seek for paid dividends to reduce expropriation by controlling shareholders. Paid dividends can reduce these agency problems between controlling shareholders and minority shareholders [16]. Basically, paid dividends are return to all shareholders in proportion to their ownership of shares. Paid dividends are a tool for reducing possibility expropriation.

2.1 Last Empirical Evidences

Previous researchers in some countries have documented that concentrated ownership negatively impact on paid dividends. [13] also studied controlling shareholders and paid dividends when control rights are larger than cash flow rights. [13] documented controlling shareholders have more negative impact to paid dividends in East Asia than in Western Europe. The results indicate that controlling shareholders use the companies' funds to pursue their private benefit rather than paying dividends to non-controlling shareholders. When firms with a higher probability of engaging in expropriations, they will pay lower dividends to keep the resources of the company for their private benefit. The findings suggested that the interests of non-controlling shareholders are weakly protected from expropriation. Subsequently non-controlling shareholder will receive lower paid dividends.

[17] studied in Finland and documented that concentrated ownership has negative impact on paid dividends. [18] studied in Germany and reported that firms lower pay dividend when the firms are heavily controlled by controlling shareholders. It indicates that controlling shareholders extract their own purpose (private benefit) at the expense of non-controlling shareholders.

[19] studied in Hong Kong shows that the association between paid dividend and family ownership depends on the level of ownership. [20] studied in Hong Kong and reported that firms controlled by family have the stronger association between paid dividend and potential expropriation. [21] is the first researcher in Indonesia studied concentrated ownership and paid dividends. Concentrated ownership in Indonesia is important and significant issue to research. Here, there are control rights, cash flow rights, and cash flow right leverage. The cash flow right concentration is an incentive to avoid expropriation. [21] documented that cash flow rights are positively association to paid dividends. However, control right concentration is an incentive for controlling shareholders to generate private benefits through expropriation. [21] also documented that control rights are negatively association to paid dividends. When control rights exceed cash flow rights (it is called cash flow right leverage), the controlling shareholders have higher incentive to expropriate by participating in firm's management. The controlling shareholders' participation in management makes them more free to generate private benefits.

[22] studied in China and they found that the controlling shareholders use paid dividends for tunneling. [23] studied in Spanish Bank and found that owners have higher divergence between control and cash-flow rights have had significantly lower profitability during the pre-crisis period (before 2007-2008). [24] studied the link between concentrated ownership and dividend policy in Japan. Their results showed that the presence of controlling shareholders has a negative effect on paid dividends. Controlling shareholders compensate non-controlling shareholders with low paid dividend.

[25] studied in Chinese firms and documented that concentrated ownership has a negative effect on paid dividends. These results indicate that firms with concentrated ownership pay lower dividends. Concentrated ownership will exploit dividend mechanisms for tunneling.[26] studied in Italian and documented that family ownership has negative impact on paid dividends. found that Italian family firms pay lower dividends. Studied in China, [27] explained that Chinese firms with higher public and small ownership tend to pay lower cash dividends. [28] studied in 17 Western European countries about the conflicts between controlling shareholders and non-controlling shareholders by considering the effects of excess control rights of controlling shareholders on profitability and risk in a sample of banks from 17 Western European countries. [28] found banks controlled by shareholders having higher control rights such as family-controlled or concentrated ownership banks have poorer performance in the form of lower profitability and higher earnings volatility and default risk in the pre-crisis period. [29] documented that banks pay more dividends and are more likely to pay dividends in strong non-controlling shareholders protection countries.

[30] studied in Indonesia and documented controlling ownership has a positive significantly impact on paid dividend. It indicates that more percentages of ownership will impact to more paid dividend. [31] studied in Turkey and documented that foreign and state ownership are associated with a less likelihood of paying cash dividends. However, family effect through both ownership and board representation, foreign investors, domestic financial institutions, the state and minority investors ownerships, have a significantly negative impact on paid dividends. [32] studied in Malaysia and found evidence suggesting that at low levels of family ownership paid dividends are lower. It means minority and other shareholders less likely to be concerned with expropriation. If higher levels of family ownership, paid dividends are higher. It means minority and other shareholders anticipate expropriation by the former. [33] found that firms with a higher ownership concentration pay less in dividends and hold less cash. Over a certain threshold the controlling shareholder more prefers to pay low dividends.

2.2 Hypothesis

[11] reported that family members involve directly in board of directors on all occasions. Therefore, family owners and commonly they are the insiders most easy to access to the company resources for their private benefit. It is supported by [13] documented that families which often supplied a top manager are the main players in East Asia and Western Europe. For Indonesian context, [21] also suggested when control rights exceed cash flow rights (it is called cash flow right leverage), the controlling shareholders have higher incentive to expropriate by participating in firm's management. The controlling shareholders' participation in management makes them freer to generate private benefits.

The Indonesian Stock Exchange announced regulation on 2014 at Circular Letter Number: SE-00001/BEI/02-2014 for listed firms to hire independent director on board of directors. Therefore, the listed firms must have independent director in board of directors (Managers team). Board of directors here is different with board of directors in some countries such as U.S.A., U.K., Australia and so on. Board of directors in Indonesian context are managers operating firm day to day. However, board of directors in abroad are same as board of commissioners in Indonesian context. Board of directors are executive, and board of commissioners are monitoring and controlling for operating firm day to day. Therefore, independent director is part of managers in the company. Independent director is not same as independent commissioner. A person to be independent director is selected by general meeting shareholders. Here, controlling shareholders use voting rights to select someone to be independent director. The spirit is to implement good corporate governance in Indonesia but, it is big question because the jure independent director is from external and no have relation to the company and shareholders. However, it is remained big question for de facto of independent. Therefore, this study formulates research hypothesis without direction.

H_1: Independent Director of Managers Effects on Paid Dividends

3 Research Method

3.1 Sample

The sample in this research is all companies listed on the Indonesian Stock Exchange in 2014-2016. The sampling technique uses purposive sampling. Purposive sampling is done by taking samples from the population based on some certain [34]. The sampling criteria in this study are as follows.

- All companies listed on the Indonesian Stock Exchange during the period 2014-2016 still publish the company's complete and audited financial statements, and company's annual report.
- The composition of board of directors and the composition of independent director can be traced from their annual report or financial statements.
- All companies informing paid dividends can be traced from their financial statement or annual report.

3.2 Research Variable

Dependent variable in this research is paid dividend measured by dividend payout ratio (DPR). Dividend payout ratio is an indicator of the percentage of earned income that is distributed to the owners or shareholders in the form of cash. The measurement of DPR according to [5] is using the following formula.

$$DPR = \frac{Dividend\ per\ share}{Earning\ per\ share}$$

Independent variable in this research is Independent Director. Independent directors is measured by the proportion of independent director on the board. Independent directors are identified through the company's annual report obtained from the Indonesian Stock Exchange.

$$ID = \frac{the\ number\ of\ Independent\ Directors\ in\ the\ company}{the\ total\ number\ of\ directors\ in\ the\ company}$$

The control variables used in this research are financial performance (ROA), long term debt (DEBT), and firm size (SIZE). Financial performance (ROA) is measured by using return on assets, which is net income divided by total assets. DEBT is long term debt as a percentage of total assets. SIZE is measured as the natural logarithm of total assets. The type of data in this study is secondary data archive.

3.3 Hypothesis Testing

In this study, the statistical tests that is used to test the hypothesis is multiple linear regression analysis. Multiple linear regression analysis is the method used to test depedency between variables. [34] explains that multiple linear regression is a tool used to determine the effect of one or more independent variables on one dependent variable. Hypothesis test aims to test whether independent director effect on paid dividends.

Regression equation used to test the effect of independent directors on dividend payout ratio is defined by the following equation:

$$DPR_{t+1} = \propto_0 + \beta_1 ID_{it} + \beta_2 ROA_{it} + \beta_3 DEBT_{it} + \beta_4 SIZE_{it} + \varepsilon$$

where:

DPR = dividend payout ratio (dividend per share divided by earning per share)
ID = Independent Directors (the proportion of independent directors on the board)
ROA = return on asset
$DEBT$ = long term debt as a percentage of total assets
$SIZE$ = firm size, measured as the natural logarithm of total assets

4 Data Analysis and Discussion

4.1 Sample Selection

According to the sample criteria in the sample selection, the companies that fit the criteria in this research are 393 firms in three years reseach period. Total observation in this reseach are 1179 firm years. Table 1 illustrates the sample selection procedures.

Table 1. Sample Selection Result.

DESCRIPTIONS	Companies
Companies listed in IDX 2014-2016	527
Companies that do not publish complete and audited financial statements and annual report.	(76)
Companies that the composition of board of directors and independent directors can not be traced from their financial statements or annual report.	(58)
Total Companies	393
Total Observations	1179

4.2 Descriptive Statistics

Descriptive statistics test is used to provides variable description in the research. It used to provide an overview of a data viewed from the number of sample, minimum value, maximum value, mean value and standard deviation of each variable. Table 2 shows the result of descriptive statistics test.

Table 2. Descriptive Statistics Result.

	N	Minimum	Maximum	Mean	Std. Dev.
DPR	1179	-1.20	2.88	.1566	.25010
ID	1179	.00	1.00	.2066	.15999
ROA	1179	-.73	2.19	.0322	.11747
DEBT	1179	.00	17.97	.5673	.72882
SIZE	1179	22.97	36.96	28.7418	1.79799

Table 2 shows DPR has minimum value of -1.20 and maximum value of 2.88. DPR has the average value of 0.1566 and standard deviation of 0.2501. ROA has minimum value of -0.73 and maximum value of 2.19. ROA has the average value of 0.0322 and standard deviation of 0.11747. DEBT has minimum value of 0.00032 and maximum value of 17.97. DEBT has the average value of 0.5673 and standard deviation of 0.72882. SIZE has minimum value of 22.97 and maximum value of 36.96. The average value of SIZE is 28.7417 and the standard deviation is 1.79799.

4.3 Hypothesis Testing

Multiple linear regression analysis is used to test whether there is a significant effect between related variables. The results are as follow at Table 3.

Table 3. Summary of the testing hypothesis.

VARIABLE	OLS regressions: paid dividends (DRP)
ID	-0.037**
	(-2.344)
ROA	0.352***
	(11.440)
DEBT	-0.029***
	(-5.889)
SIZE	0.010***
	(6.981)
F stat	57.154***
R^2	0.215

Notes: The t and F statistics in parentheses with ***, **, * denotes significant at 1, 5, and 10 percent level, respectively.

Based on results Table 3, ID negative effects on DRP. If any ID, DRP declines 3.7%. It indicates that independent director gives negative meaning in he/she is existing in the company. The results show that the existing independent director for non-controlling shareholders is bad news. Existing independent director in the company also raises more expenses for the company. It will impact for shareholders. The negative result may be caused the process of selecting independent director on general meeting shareholders. Controlling shareholders still dominant using their power to select someone to be independent director in the company. The other word, company just follow regulation to hire independent director in the company. Based on the results, *de jure* independent director is independent but in *de facto* independent director is non "independent".

The listed firms with the independent director can not reduce the possibility expropriation. It indicates that controlling shareholders use the companies' funds to pursue their private benefit rather than paying dividends to non-controlling shareholders and independent director cannot protect the possibility expropriation. [13] argued when firms with a higher probability of engaging in expropriations, they will pay lower dividends to keep the resources of the company for their private benefit. The findings suggested that the interests of non-controlling shareholders are weakly protected by independent director. Non-controlling shareholders do not receive benefit from the existing independent director. Although, salary and wages for independent director are cost for non-controlling shareholders. The results of this study to support the policy of regulator to remove independent director from listed companies. Accordance to [35], the Financial Services Authority (OJK) finally approved the plan of the Indonesian Stock Exchange to remove the obligation to have an independent director in the listed companies.

Finally based on the results, research hypothesis (H_1) is supported. The results show that the lack of role independent director to reduce the conflics and agency problem.

5 Conclusion

Based on the results, independent director negatively effects on paid dividends. The existing of independent director in board of directors is not good news for non-controlling shareholders. It increases cost of monitoring but less benefits. This study is still limitation that time period of study is limited. Therefore, next researcher can improve this study using long periods and insert other variable in equation.

References

[1] L.W. Tumbaleka, “Dilema Direktur Independen”, www.anwartumbelaka.com, 2016.

[2] L.S. Setia-Atmaja, “Dividend and debt policies of family-controlled firms: the impact of board independence”, International Journal of Managerial Finance, vol. 6, pp. 128-142, 2010.

[3] B. Al-Najjar and K. Hussainey, “The association between dividend payout and outside directorships”, Journal of Applied Accounting Research, vol. 10, pp. 4-19, 2009.

[4] K.A. Cahyani and I.P.S. Sanjaya, “Analisis Perbedaan Dividen pada Perusahaan Keluarga dan Non Keluarga berdasarkan kepemilikan ultimat”, MODUS, vol. 26, pp. 133-144, 2014.

[5] L. P. Gitman, “Principle of Managerial Finance”, 10th edition, USA: Addison Wesley, 2003.

[6] A. Shleifer and R. Vishny, “A survey of corporate governance”, Journal of Finance, vol. 52, pp. 737-783, 1997.

[7] L. Wijayanti, “Pengaruh Kontrol Keluarga dan Komisaris Independen terhadap Kebijakan Dividen dan Struktur Modal pada Perusahaan yang terdaftar di BEI”, Jurnal Ekonomi dan Bisnis, vol. XXIV, pp. 81-89, 2014.

[8] L. Susanti and S.R.Nidar, “Corporate Board and Firm Value : Perspective Two-Tier Board System in Indonesia”, International Journal of Scientific and Technology Research, vol. 5, pp. 300-305, 2016.

[9] M.C. Jensen and W.H. Meckling, “Theory of the firm: managerial behavior, agency costs and ownership structure”, Journal of Financial Economics, vol. 3, pp. 305-360, 1979.

[10] M. Jensen, “Agency costs of free cash flow, corporate finance and takeovers”, American Economic Review, vol. 76, pp. 323-329, 1986.

[11] R. La Porta, F. Lopez-de-Silanes, and A. Shleifer, “Corporate ownership around the world”, Journal of Finance, vol. 54, pp. 471-517, 1999.

[12] S. Claessens, S. Djankov, and L. Lang, “The separation of ownership and control in East Asian corporations”, Journal of Financial Economics, vol. 58, pp. 81-112, 2000.

[13] M. Faccio, L. Lang, and L. Young, “Dividends and expropriation”, American Economic Review, vol. 91, pp. 54-78, 2001.

[14] B. Villalonga and R. Amit, “How do family ownership, control and management affect firm value?”, Journal of Financial Economics, vol. 80, pp. 385-417, 2006.
[15] S. Claessens, S. Djankov, and L. Lang, “Who controls East Asian corporations – and the implications for legal reform”, Working Paper, No. 11465, The World Bank, Washington, DC, September 1999.
[16] R. La Porta, F. Lopez-de-Silanes, A. Shleifer, and R. Vishny, “Agency problems and dividend policies around the world”, Journal of Finance, vol. 55, pp. 1-33, 2000.
[17] B. Maury and A. Pajuste, “Controlling shareholders, agency problems, and dividend policy in Finland”, Working Paper, Stockholm School of Economics, Stockholm, 2002.
[18] K. Gugler and B.B. Yurtoglu, “Corporate governance and dividend pay-out policy in Germany”, European Economic Review, vol. 47, pp. 731-758, 2003.
[19] Z. Chen, Y.L. Cheung, A. Stouraitis, and A.W.S. Wong, “Ownership concentration, firm performance, and dividend policy in Hong Kong”, Pacific-Basin Finance Journal, vol. 13, pp. 431-449, 2005.
[20] J.C.Y. How, P. Verhoeven, and C.L. Wu, “Dividends and expropriation in Hong Kong”, Asian Academy of Management Journal of Accounting and Finance, vol. 4, pp. 71-85, 2008.
[21] B. Siregar, “Pengaruh Pemisahan Hak AliranKas dan Hak Kontrol terhadap Dividen”, Jurnal Riset Akuntansi Indonesia, vol. 11, pp. 158-185, 2008.
[22] D. Chen, M. Jian, and M. Xu, “Dividends for tunneling in a regulated economy: the case of China”, Pacific-Basin Finance Journal, Vol. 17 No. 2, pp. 209-223, 2009.
[23] V. Azofra and M. Santamaría, “Ownership, control, and pyramids in Spanish commercial banks”, Journal of Banking & Finance, vol. 35, pp. 1464-1476, 2011.
[24] K. Harada and P. Nguyen, “Ownership concentration and dividend policy in Japan,” Managerial Finance, vol. 37, pp. 362-379, 2011.
[25] H. Lv, W. Li, and S. Gao, “Dividend tunneling and joint expropriation: empirical evidence from China’s capital market”, The European Journal of Finance, vol. 18, pp. 369-392, 2012.
[26] A. De Cesari, “Expropriation of minority shareholders and payout policy”, The British Accounting Review, vol. 44, pp. 207-220, 2012.
[27] K.C.K. Lam, H. Sami, and H. Zhou, “The role of cross-listing, foreign ownership and state ownership in dividend policy in an emerging market”, China Journal of Accounting Research, vol. 5, pp. 199-216, 2012.
[28] A. Tarazi and N. Zedek, “Excess control rights, financial crisis and bank profitability and risk”, Journal of Banking & Finance, vol. 55, pp. 361-379, 2014.
[29] B.N. Ashraf and C. Zheng, “Shareholder protection, creditor rights and bank dividend policies,” China Finance Review International, vol. 5, pp. 161-186, 2015.
[30] D. Setiawan, B. Bandi, L.K. Phua, and I.Trinugroho, “Ownership structure and dividend policy in Indonesia,” Journal of Asia Business Studies, vol. 10, pp. 230-252, 2016.
[31] B.Al-Najjar and E. Kilincarslan, “The effect of ownership structure on dividend policy: evidence from Turkey,” Corporate Governance, vol.16, pp. 135-161, 2016.
[32] S.J. Benjamin, S. Wasiuzzaman, H. Mokhtarinia, N.R. Nejad, “Family ownership and dividend payout in Malaysia,” International Journal of Managerial Finance, vol. 12, pp. 314-334, 2016.
[33] F. Rossi, R. Boylan, and R.J. Cebula, “Financial decisions and ownership structure as control mechanisms of agency problems: evidence from Italy,” Corporate Governance, vol. 18, pp. 531-563, 2018.
[34] J. Hartono, “Metodologi Penlitian Bisnis Salah Kaprah dan Pengalaman-Pengalaman”, Edisi Keenam, Yogyakarta, Indonesia: BPFE UGM, 2013.
[35] Dni, “OJK restui hapus kewajiban perusahaan punya direktur independent”, https://economy.okezone.com, 2018.