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HOW GOOD CORPORATE GOVERNANCE, FIRM SIZE, AND DIVIDEND POLICY AFFECT FIRM VALUE? EVIDENCE ON 100 NON-FINANCIAL COMPANIES IN ASIA

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ABSTRACT

This study aimed to determine the effect of GoodiCorporate Governance (GCG), firm size, and dividend policy on firm value in 100 non-financial companies in Asia that are included in the Forbes version of The World's Biggest Public Company in 2017-2020. The independent variables used in this study are Good Corporate Governance (GCG) (number of the board of directors and audit committee), Firm Size (total assets), and dividend policy (Dividend Payout Ratio). The dependent variable used in this study is the firm value (Tobins'Q). The data used in this study is secondary data sourced from annual reports and company financial statements for the 2017-2020 period. The sampling method used was the purposive sampling technique. The model used in this study is the Random Effect Model (REM). The results obtained are that the variables of the board of directors, audit committee, and firm size have no effect on firm value. In contrast, the dividend policy variable positively affects firm value. These results align with agency theory which requires company managers to think of the best solution to increase shareholder wealth.

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INTRODUCTION

The company's ability to run its operations well amid global competition has led a magazine led by Malcolm Stevenson Forbes Jr to issue The Global 2000 article "How The World's Biggest Public Companies Endured The Pandemic" (Murphy et al., 2020). It takes a lot of strategies to think about and use to fall into that predicate. The main strategy that needs to be done is to increase the company's value. The market price of a stock, which is an indicator of the company's value, is one of the considerations. The company's value can be reflected through one of the indicators, namely, the stock price. To increase the company's value, one thing that must be considered is the management work pattern. Good management work patterns are reflected in good corporate governance (GCG). Well-managed companies are in line with how to make investors trust company managers so that they can get positive returns and managers have interests aligned with investors (Prasinta, 2012).

To attract investors and ultimately invest in the company and provide satisfaction and wealth to shareholders, companies are required to have good company growth. Companies that experience good growth can be seen in the size of the company. A large company size indicates that the company is experiencing good growth. Sri et al. (2013) stated that company size is a fact that large companies will have large market capitalization, large book value, and high profits. Meanwhile, small companies will have small market capitalization, small book value, and low profits. Size has different effects on firm value.

The existence of good corporate governance and good company growth will make potential investors feel satisfied and confident to spend their funds to invest. In addition, the company's goal is to maximize profits and investors' wealth. This is reflected in how much shareholders receive their wealth through dividends. Dividend policy determines how much profit is received by investors. On this basis, this research will discuss "The Influence of Good Corporate Governance (CGC), Firm Size, and Dividend Policy on Company Value". This research was conducted on 100 non-financial companies in Asia that were included in the Forbes version of The Biggest Public Companies 2000 in 2020.

LITERATURE REVIEW

Agency Theory

Jensen & Meckling (1976) explain agency relationships as "agency relationships are a contract under which one or more person (the principals) engage another person (the agent) to perform some service on their behalf which involves idelegating some decision making authority to the agent". This theory occurs when agents prioritize their own profits at the expense of shareholders, which in turn affects the maximization of shareholder value. Agency problems can be caused by information asymmetry, in which there is a lack of disclosure of information between shareholders and managers. For agency theory, shareholder value is expected to fall when managers and shareholders

engage in a conflict of interest. (Ofori-Sasu et al., 2019).

Signal Theory

Signaling theory, according to Brigham & Houston (2014), is a signal given by the company about the company's prospects in the future and the company's opportunities to increase the value of the company. The principal's point of view in assessing a company's good or bad quality can be seen from the signal given by the agent containing the information/cue. One of the pieces of information that can be provided to the principal is the company report.

Good Corporate Governance (CGC)

The Organization for Economic Co-operation and Development (OECD) and the Committee on Corporate Governance, as standard-setting bodies, are responsible for ensuring that the principles they define are actively used. The researcher uses two proxies to determine the effect of Good Corporate Governance (GCG) on firm value, namely the variable of the board of directors and the audit committee. Good Corporate Governance is defined as a system to control and regulate the company with the aim of getting added value. GCG can encourage transparent, clean and professional management work patterns. The implementation of GCG in a sustainable manner will attract investors. Several parties involved in implementing the company guidelines are the Board of Directors and the Board of Commissioners (Ferial, 2016). The long-term and short-term strategies that the company will take are the duties of the board of directors. The proportion of the board of directors is important in order to minimize agency problems and decrease the company's performance. The audit committee is required to assist the finance director in reducing the possibility of fraud. This can be done by exercising good control, improving financial quality, and creating a discipline climate.

Firm Size

The average of the company's total sales for one year to several years is commonly referred to as company size. The amount of income before tax is obtained from the sales value, which is greater than fixed costs and variable costs (Tamrin et al., 2018). In addition to total assets, some things that can be calculated as company size are the market value of the company's shares, average sales, and others. When the company size is large enough, the company can easily obtain funding so that the company develops well. Therefore, the larger the company's size, the more investors will respond positively by investing in the company.

Dividend Policy

The company management has a duty to make policies, one of which is the dividend policy. The decision to share the profits received by the company during a period to investors or to use it for the continuity of the company's operations. This decision is important because it relates to efforts to maximize the company's value.

Firm Value

Firm value is the potential price buyers are willing to pay if the firm is sold. The higher the stock price, the higher the prosperity of shareholders. The better the company's value quality, the more interested investors or shareholders will be to cooperate

and invest their capital. The company's value can reflect the company's performance and the level of success that can affect investors' perceptions of the company. The value of the company will be reflected in the share price. The higher the stock price, the higher the company's value (Widiyanti et al., 2019).

RESEARCH METHODS

Unit of Analysis, Population and Sample

The units analyzed in this study are Good Corporate Governance (GCG), Firm Size or company size, Dividend Policy or Dividend Policy and Firm Value or Firm Value. The population used in this study are non-financial companies in Asia that are included in the Global 2000: The World's Biggest Public Companies version of Forbes 2020. The sample selection was carried out by purposive sampling method, namely taking samples from the population based on countries belonging within the scope of Asia and the ranking determined by Forbes. Researchers used 100 non-financial companies that fit the predetermined criteria.

Data collection technique

The data used in this research is secondary data. Secondary data in this study were obtained from financial and annual reports through each company's official websites and each country's stock exchanges. This study took data for four years, from 2017 to 2020.

Variable Operations

Company Value

Tobins'Q was chosen as a measurement tool of firm value in this study. This ratio is used to determine the company's performance through the potential ability of managers to manage company assets, the potential development of stock prices, and the potential for investment growth. Measuring Tobin's Q can use the formula:

$$\text{Tobin's Q} = \frac{\text{Market Value of Equity} + \text{Book Value of Debt}}{\text{Total Assets}}$$

Board of Directors

The board of directors is responsible for improving company performance, allocating resources, and increasing shareholder wealth. In this study, the proxy of the board of directors uses the formula:

BD = Member of the Board of Directors

Audit Committee

The audit committee responsible for overseeing oversees external audits, financial reports, and the internal control system (including internal audit). In this study, the audit committee proxy uses the formula:

AC = ∑ Member of the audit committee in the company x 100%

Firm Size

Company size is a scale where the size of the company can be classified in various ways, including log size, total assets, stock market value, and others. Therefore, the proxy used in calculating company size uses the formula:

Firm size = Natural log of total assets (total assets).

Analysis Techniques

Descriptive statistics

Descriptive statistics include the task included in this section are collecting,

processing, analysing, and presenting data (Ghozi, 2015).

Panel Data Regression Model Analysis

The approach used by researchers in this study to perform panel data regression analysis, namely the Random Effect Model (REM). The Random Effect Model estimates panel data in which the disturbance variables may be interrelated over time and between individuals. In the Random Effect Model error terms, each company accommodates different intercepts. The advantage of using the Random Effect Model (REM) is that it eliminates heteroscedasticity. This model is also called the Error Component Model (ECM) or the Generalized Least Square (GLS) technique.

Panel Data Regression Test

In determining the best and most appropriate panel data regression method among the three panel data regression methods above, the following tests can be carried out:

Uji Chow

To find out the best panelist data regression technique between the Fixed Effect Model or the Common Effect Model, a Chow test is needed with the following hypothesis:

H1: The correct regression model for panel data is the Common Effect Model.

H2: The correct regression model for panel data is the Fixed Effect Model.

T The basis for rejecting the above hypothesis is by looking at the comparison between the F-statistics and the F-table. If the F-statistic is smaller (<) than F table, then H0 is accepted and the model used is the Common Effect Model. On the other hand, if the F-statistic is greater (>) than the F-table, then H0 is rejected, which means that the most appropriate model to use is the Fixed Effect Model.

The significance used in this study was 5% (α = 0.05). If the results of the Chow test have a p-value of 0.05, then H0 is rejected, and the Fixed Effect Model is the most appropriate method. Vice versa, if the p-value > 0.05, then H0 is accepted, and the Common Effect Model is the most appropriate method.

LM test

Lagrange Test is needed to determine the best method for panel data regression between Random Effect Model and Common Effect Model. The hypotheses in this Lagrange multiplier test are:

H3: The correct regression model for panel data is the Common Effect Model.

H4: The correct regression model for panel data is the Random Effect Model.

The basis for rejecting the hypothesis above is by looking at the Chibar probe on the results of the LM test. In this study, the researcher determined to use a significance of 5% (α = 0.05). If the probability>chibar is greater than the predetermined significance, then H0 is accepted and H1 is rejected. And vice versa, if the probability of Chibar is smaller than the predetermined significance, then H0 is rejected and H1 is accepted.

Hausman test

The Hausman test is carried out in statistical testing to choose the best model between the Fixed Effect or Random Effect models, which are the most appropriate for use in panel

data regression. Hausman test testing is done with the following hypotheses:

H5 : The correct regression model for panel data is Random Effect Model.

H6 : The correct regression model for panel data is Fixed Effect Model.

The significance level used in this study was 5% (α = 0.05). If the Hausman test results show a probability value > 0.05, the most appropriate panel data regression model to use is the Random Effect Model. Meanwhile, if the results of the Hausman test show a probability value of 0.05, the panel data regression model is the most appropriate to use the Fixed Effect Model.

Regression Test (t Test)

After the panel data regression test was carried out, it was found that the Random Effect Model was the most appropriate model to be used in this study.
The criteria for accepting or rejecting the hypothesis in this test are:
If the probability value (p-value) is 0.05, then H0 is rejected. That is, at the 5% significance level, the independent variable has a significant effect on the dependent variable.
If the probability value (p-value) > 0.05 then H0 is accepted. That is, at the 5% significance level, the independent variable does not have a significant effect on the dependent variable.

RESULTS AND DISCUSSION

Based on the results in Table 1, the mean value of the firm is 9.9% and the standard deviation of the firm value is 37%. The average firm value in 2017 was 0.11, in 2018 it was 0.10, in 2019 it was 0.009, and in 2020 it was 0.009. The average firm value, which is smaller than the standard deviation of the firm value, indicates that the firm value has fluctuated and varied during the study period. The highest value at the firm value of 4.0548 came from PT Samsung Electronics in 2017. This is because in 2017, PT Samsung Electronics had a high share price and the largest number of outstanding shares compared to 2018-2020.

Table 1. Descriptive Statistics of Research Variables

Variable	Mean	Std. Dev.	Min	Max
FV	0,0995	0,3794	-0,6500	4,0548
BOARDIR	14,775	3,2704	9	27
AUDCOM	4,205	1,1774	2	11
FSIZE	10.853.122,92	31.102.025,31	2.552,43	233.946.415,00
DIVPOL	0,4073	0,4876	-1,5	6,3716

Source: Data Processed by Author (2022)

The lowest value at the firm value of -6.5% came from PT Kweichow Moutai in 2019. This is because in 2019, PT Kweichow Moutai experienced a decrease in Book Value of 16% due to the COVID-19 pandemic making PT Kweichow Moutai engaged in the industry. This wine had to add to its long-term debt and the burden to be paid increased by 20% from the previous year, 2018.

The variable board of directors as a proxy for Good Corporate Governance (GCG) has an average

value of 15. This means that 100 non-financial companies in Asia have a board of directors with an average of 15 people in each company. The average board of directors in 2017 was 10.56, in 2018 it was 10.69, in 2019 it was 10.48, in 2020 it was 10.55. Meanwhile, as many as 26% of companies have nine people on the board of directors in each year of the study. The standard deviation of the board of directors is 3.2704, which is smaller than the average value of the board of directors. The average annual value means that there is a stable and uniform movement for the number of boards of directors in each non-financial company in Asia.

The highest score on the board of directors is 27 people from PT Shin-Etsu Chemical in 2017 and PT Zijin Mining Group in 2019. The lowest score on the board of directors is nine people from PT China Vanke in 2017 and PT Kubota in 2017-2018. The addition or reduction of the number of directors who serve is usually due to simplification of the structure, retirement of one of the members, lack of effectiveness of work with a certain number of members, and various other reasons.

The audit committee variable is another proxy for Good Corporate Governance (GCG). This variable has an average value of 4.205. This means that 100 non-financial companies in Asia have an audit committee with an average of 4 people in each company. The average audit committee in 2017 was 4.19, in 2018 it was 4.17, in 2019 it was 4.22, in 2020 it was 4.24. Meanwhile, as many as 31% of companies have three people on the number of audit committees in each year of research. The audit committee standard deviation of 1.1174 is smaller than the audit committee average value, and the average annual average value means that there is a stable and uniform movement for the number of audit committees in each non-financial company in Asia.

The highest score on the audit committee was 11 people from PT Zijin Mining Group in 2019. The lowest score on the audit committee was two people from PT Korea Electric Power in 2020; PT Daikin Industries 2017-2019; and PT Kubota in 2017, 2018, and 2020. The addition or reduction of the number of audit committees in a company is usually based on several reasons, including the lack of functioning of the audit committee's role as the creator of good corporate governance, the retirement of one of the members, existing conflicts of interest within the organization, and other reasons.

Company size variable has an average value of 10,853,122.92 KRW / Rp127,051,695,79. This means that the 100 non-financial companies in Asia have an average total asset of 10,853,122.92 KRW. The standard deviation value for company size is 31,102,025.31 KRW. The average value of company size in 2017 was 12,226,008.47 KRW, in 2018 it was 11,068,689.92 KRW, in 2019 it was 10,411,243.19 KRW, and in 2020 it was 9,706,550.11 KRW. The value of the standard deviation of firm size is greater than the average value of firm size. This indicates that the company's size experienced fluctuating and varied movements during the study period.

The highest value in company size is 233.946,415.00 KRW from PT Hyundai Motor in 2020. This is due to

the increase in long-term investment, increased long-term receivables, relatively stable company operations, and a fairly significant increase in profit from the previous year. . The lowest value in company size is 2,552.43 CNY which comes from PT Poly Developments & Holdings Group in 2017. This is because PT Poly Developments & Holdings Group did not get high operating income, low cash supply, and a lot of debt in that year to be paid.

The dividend policy variable uses the Dividend Payout Ratio as an indicator of its assessment. DPR has an average value of 0.4073. This shows that every one net profit owned by the company is used to finance 0.4073 dividends. A dividend payout ratio of more than 20% means the higher the dividend distributed to investors. The average dividend policy value in 2017 was 0.38, in 2018 it was 0.46, in 2019 it was 0.43, and in 2020 it was 0.36. The standard deviation value is 48.7%. This value is greater than the average value. This means that the DPR has varied data during the study period.

The lowest value of the dividend policy is -1.5. This value was obtained from PT Lenovo Group in 2017. This happened because PT Lenovo Group had minus earnings per share value in that year. The highest value of the dividend policy, which was 6.3716, came from PT Takeda Pharmaceutical in 2019. This happened because in 2019, PT Takeda Pharmaceutical distributed larger dividends to shareholders compared to their earnings per share. The dividend for that year was 1/3 greater than its earnings per share.

The multicollinearity test was carried out to determine whether there was a correlation between the independent variables in a regression model. The correlation coefficient and the value of the Variance Inflation Factor (VIF) can be seen to find the presence or absence of multicollinearity in the regression model. The decision-making criteria related to the multicollinearity test is that if the VIF value is > 10, then it is stated that multicollinearity occurs. If the correlation coefficient of each independent variable is > 0.8, then multicollinearity occurs.

Table 2. Multicollinearity Test Results using Correlation Coefficient

Variabel	FV	BOARDIR	AUDCOM	FSIZE	DIVPOL
FV	1.0000				
BOARDIR	0.0668	1.0000			
AUDCOM	0.0570	0.5932	1.0000		
FSIZE	0.0607	-0.0451	-0.0982	1.0000	
DIVPOL	0.1903	-0.0213	0.0693	-0.0339	1.0000

Source: Data Processed by Author (2022)

Table 3. Multicollinearity Test Results of Research Variables using VIF

Variabel	VIF	1/VIF
BOARDIR	1.57	0.636678
AUDCOM	1.55	0.644076
FSIZE	1.01	0.988511
DIVPOL	1.01	0.989408
Mean VIF		1.29

Source: Data Processed by Author (2022)

The results in Tables 2 and 3 show that there is no multicollinearity between variables with a correlation coefficient value of less than 0.8000. The same thing is also shown in the VIF results, which show no multicollinearity between variables with a VIF value of less than 10. So it can be concluded that in this study, there is no correlation between independent variables.

The significance used in this study was 5% (α = 0.05). If the results of the Chow test have a p-value of 0.05, then H0 is rejected, and the Fixed Effect Model is the most appropriate method. Vice versa, if the p-value > 0.05, then H0 is accepted, and the Common Effect Model is the most appropriate method.

Table 4. Chow Test Results

Y		Prob	Obs
BOARDIR	Regresi 1	0,267	400
AUDCOM	Regresi 1	0,869	400
FSIZE	Regresi 1	0,149	400
DIVPOL	Regresi 1	0,264	400

Source: Data Processed by Author (2022)

The data in table 4 shows the results of the Chow test on 100 non-financial companies included in the Forbes version of The World Biggest Public Company in 2020 for the 2017-2020 period. A probability value of more than 0.05 means that H0 is accepted and H1 is rejected. This indicates that the Fixed Effect Model is not the best model to be used as a panel data regression model. Therefore, it is necessary to do an LMitest to determine the best model between the CommoniEffect Model and the Random EffectiModel.

The basis for rejecting the hypothesis above is by looking at the Chibar probe on the results of the LM test. In this study, the researcher determined to use a significance of 5% (α = 0.05). If the probability>chibar is greater than the predetermined significance, then H0 is accepted and H1 is rejected. And vice versa, if the probability of Chibar is smaller than the predetermined significance, then H0 is rejected and H1 is accepted.

Table 5. Lagrange Multiplier Test Results

Chibar2 (01)	Prob > chibar2
469,91	0,0000

Source: Data Processed by Author (2022)

Based on table 5 above, which contains the results of the Lagrange Multiplier test on 100 non-financial companies included in the Forbes

version of The Biggest Public Company in 2020, it can be seen in these results that the probability>chibar of 0.0000 is smaller than the significance value of 5 % (α = 0.05). This means that H0 is rejected and H1 is accepted. This indicates that the Random Effect is the best model to be used as a panel data regression model. However, we need to do Hausman test to determine the best model between Random Effect Model and Fixed Effect Model.

The Hausman test is carried out in statistical testing to choose the best model between the Fixed Effect or Random Effect models, which are the most appropriate for use in panel data regression.

The significance level used in this study was 5% (α = 0.05). If the Hausman test results show a probability value > 0.05, the most appropriate panel data regression model to use is the RandomiEffect Model. Meanwhile, if the results of the Hausman test show a probability value of 0.05, the panel data regression model is the most appropriate to use the Fixed Effect Model.

Table 6. Hausman test results

Chi2(3) = (b-B)' [(V_b-V_B)^)-1)] (b-B)	Prob > chi2
3,94	0,2683

Source: Data Processed by Author (2022)

Based on table 6 above, which contains the Hausman test results on 100 non-financial companies included in the Forbes version of The Biggest Public Company in 2020, shows that the probability>chibar of 0.2683 is greater than the 5% significance value. (α = 0.05). This means that H0 is accepted and H1 is rejected. This shows that the Random Effect is the best model for a panel regression model. These results also conclude that this research will use the Random Effect Model.

After the panel data regression test was carried out, it was found that the Random Effect Model was the most appropriate model to be used in this study.

Table 7 above shows the results of panel data regression using the Random Effect Model (REM). This study aims to determine the effect of Good Corporate Governance (GCG), company size, and dividend policy on firm value in 100 non-financial companies included in the Forbes version of The World Biggest Public Company in 2020. The criteria for accepting or rejecting the hypothesis in this test are: If the probability value (p-value) is 0.05, then H0 is rejected. That is, at the 5% significance level, the independent variable significantly affects the dependent variable. If the probability value (p-value) > 0.05 then H0 is accepted. At the 5% significance level, the independent variable does not significantly affect the dependent variable.

The results of the main regression test in this study are shown in Table 7.

Table 7. Regression Results using Random Effect Model (REM)

Y	Coef.	Std. Err.	z	P > l z l	[95% Conf. Interval]	
X1	-0,0009634	0,0065636	-0,15	0,883	-0,0138277	0,0119009
X2	0,0107479	0,0154211	0,70	0,486	-0,0194769	0,0409728
X3	5,021007	1,02009	0,49	0,623	-1,502309	2,5031209
X4	0,0668107	0,0165788	4,03	0,000	0,034317	0,0993045
_cons	0,0359685	0,0859351	0,42	0,676	-0,1324612	0,2043982

Source: Data Processed by Author (2022)

In this research hypothesis, it is assumed that the board of directors which is one of the proxies for determining Good Corporate Governance (GCG) has a positive influence on firm value. The regression results show that the board of directors has no effect (p-value = 0.883 > of 0.05) on firm value. This is because, to invest funds in a company, investors do not focus too much on corporate governance but on the benefits that will be received both in the short and long term. Therefore, the composition of the board of directors is not the main focus that can increase the company's value. This result is in line with the research of Burt et al. (2020), which states that the number of the board of directors does not produce any predictability. The effect of the board of directors only exists when the director is actively involved in the company. Another impact can be estimated through trading strategies which imply that investors are not monitoring directors in real time.

One of the other proxies determining the influence of Good Corporate Governance (GCG) on firm value is the audit committee. In this research hypothesis, it is assumed that the audit committee positively influences firm value. The regression results show that the audit committee has no influence (p-value = 0.486 > of 0.05) on firm value. This means that if the composition of the number of audit committee members increases, it will increase the company's value by an insignificant increase. This is because there are many other factors that determine the increase or decrease in firm value other than the audit committee variable. This result is in line with research by Agyemang-Mintah & Schadewitz (2018), which states that the formation of an audit committee has no impact on firm value during the post-financial crisis period. This is because shareholders and investors still view that the structure of corporate governance in the financial sector is no different from other sectors.

In this research hypothesis, it is assumed that firm size positively affects firm value. The regression results show that the company's size has no effect (p-value = 0.623 > from 0.05) on the firm's value. The size of the company in this study uses the total asset indicator. This means that any increase in the company's total assets will increase the company's value insignificantly. This means that the size of the company is not one of the factors that investors consider in investing. This result is in line with research conducted by Hirdinis

(2019), which states that firm size does not affect firm value.

The last variable discussed in this study is dividend policy. In this research hypothesis, it is assumed that dividend policy positively influences firm value. The regression results show that dividend policy has a positive (β = 0.0668) and significant (p-value = 0.000 < 0.05) effect on firm value. This means that the greater the dividend distributed to investors, the more the company's value will increase. Companies that provide high dividends will get a high trust value from investors because investors prefer certainty about their investment returns and anticipate the risk of uncertainty about the company's bankruptcy. High dividends will attract investors, thereby increasing demand for shares. High demand for shares will make investors appreciate the value of shares greater than the value recorded on the company's balance sheet so that the company's value is also high. This result is in line with research conducted by Prasetiono (2017), which states that dividend policy has a significant positive effect on firm value, which means that a good dividend policy will be a positive signal for investors.

CONCLUSION

The conclusions obtained in this study are that The board of directors as a proxy for Good Corporate Governance (GCG) has no influence on the company's value. This is because the influence of the board of directors is seen only when the board of directors is actively involved in the company. The audit committee, which is also a proxy for Good Corporate Governance (GCG), has no influence on the company's value. This is because the audit committee's function does not run according to its function and does not impact the company's internal. Firm size has no effect on firm value. This is because the large or small size of a company, seen from the total value of its assets, does not guarantee that the company will distribute dividends to shareholders. Dividend policy has a positive effect on firm value. This is because the existence of a good dividend policy will be a positive signal for investors. The greater the dividend investors receive, the higher the company's value.

Through the analysis conducted in this study, investors can consider several things in using their money to invest in the right company. Important things that investors must see before investing their funds are the company's financial performance, company value, profits to be obtained, and also the company's internal conditions. The indicators in question are contained in this study and can be used as information in decision-making. Every investor certainly wants a profit within a certain period of time on their investment. Therefore, the dividend policy indicators discussed in this study are important and companies with the best quality will certainly be the choice of investors to invest their funds. Some of the limitations experienced and become factors that must be considered by other researchers when conducting research in the future are increasing the observation period, looking for other proxies in determining Good Corporate Governance (GCG), and focusing on only one sector.

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