

Research Article

## The Effect of Profitability, Liquidity, and Leverage on Dividend Policy With Company Size as A Moderating Variable in Mining Sector Companies Listed on the IDX

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**Abstract:** This study aims to analyze the effect of profitability, liquidity, and leverage on dividend policy, as well as to examine the role of firm size as a moderating variable in mining sector companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2024 period. The research employs a quantitative approach using panel data from 63 mining companies over the observation period (315 observations). The analysis was conducted using panel data regression (Common Effect Model), Moderated Regression Analysis (MRA), and Autoregressive Distributed Lag (ARDL) to identify both short term and long-term relationships. Tests include classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation) as well as partial hypothesis testing (t-test) and simultaneous testing (F-test). The results show that profitability (ROA) has a positive and significant effect on dividend policy, indicating that companies with higher profit performance tend to distribute larger dividends. Liquidity (CR) has no significant effect, suggesting that mining companies prioritize cash stability to support operations over dividend distribution. Leverage (DER) has a negative and significant effect, consistent with the Trade-Off Theory which states that high debt limits dividend payments. Firm size does not moderate the relationship between the three variables and dividend policy, reflecting the capital-intensive and high-risk characteristics of the mining sector.

**Keywords:** Profitability, Liquidity, Leverage, Dividend Policy, Firm Size.

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### 1. Introduction

Dividend policy is a strategic decision in corporate financial management that reflects the allocation of net income between payments to shareholders and retention of earnings for reinvestment purposes (Brigham & Houston, 2021). Data from the Central Statistics Agency (BPS, 2025) shows that the wholesale price index for the mining sector has fluctuated sharply in recent years. For example, coal prices rose sharply from 73.49 in 2020 to 146.92 in 2022, but then fell again to 111.40 in 2023. Meanwhile, precious metal ore prices continued their upward trend, from 133.79 in 2020 to 189.13 in 2024. This situation has a direct impact on the uncertainty of corporate earnings, which ultimately affects the ability and consistency of dividend payments, even though in some cases companies have recorded high net profits.



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To gain a more comprehensive understanding of dividend distribution practices in the mining sector, we examined the 2024 cash dividend values of several companies listed on the Indonesia Stock Exchange (IDX). The recapitulation results show that dividend distribution levels vary significantly between companies. Some companies exhibit high cash dividend values, even exceeding the ideal range of 30% to 50%. For example, Harum Energy Tbk (HRUM) recorded a cash dividend of 84.0%, followed by Adaro Energy Indonesia Tbk (ADRO) at 67.1%, and Indo Tambangraya Megah Tbk (ITMG) at 59.3%. This indicates that these companies have a solid financial structure, high profitability, and a strong commitment to providing returns to shareholders.

Conversely, there are also companies that show relatively low cash dividends, or even almost no dividends at all. Examples include Kapuas Prima Coal Tbk (ZINC) with a cash dividend of only 1.6%, Mitra Investindo Tbk (MITI) at 6.7%, and J Resources Asia Pasifik Tbk (PSAB) at 14.2%. This phenomenon could be caused by several factors, such as low profitability (ROA), high leverage (DER), expansion financing needs, or the company's prudent strategy of maintaining internal liquidity in the face of fluctuating mining industry dynamics.

Overall, based on data from 15 mining companies, the average cash dividend in 2024 was recorded at 39.7%, which is still within the ideal range. This indicates that these companies generally tend to distribute dividends proportionally. However, there are striking disparities between companies, reflecting that dividend policy is flexible and highly dependent on each company's internal financial condition and long-term strategy, including its response to global commodity prices and future investment needs (Al-Najjar & Kilincarslan, 2018).

**Table 1.** Cash Dividend Value (Dividend per Share) of Mining Sector Companies (2024).

No	Code	Company name	Cash Dividend (%)	Average (%)	Information
1	ADRO	Adaro Energy Indonesia Tbk	67.1	40.01	Tall
2	PTBA	Bukit Asam Tbk	51.6	40.01	Tall
3	ITMG	Indo Tambangraya Megah Tbk	12.2	40.01	Low
4	ANTM	Aneka Tambang Tbk	30.6	40.01	Ideal
5	HRUM	Harum Energy Tbk	84.0	40.01	Tall
6	KKGI	Natural Resources Indonesia Tbk	64.6	40.01	Tall
7	MDKA	Merdeka Copper Gold Tbk	79.7	40.01	Tall
8	DOID	Delta Dunia Makmur Tbk	63.9	40.01	Tall
9	INDY	Indika Energy Tbk	34.2	40.01	Ideal
10	TINS	Timah Tbk	58.3	40.01	Tall
11	BRMS	Bumi Resources Minerals Tbk	21.2	40.01	Low
12	EARTH	Bumi Resources Tbk	10.3	40.01	Low
13	PSAB	J Resources Asia Pacific Tbk	14.2	40.01	Low
14	MITI	Mitra Investindo Tbk	6.7	40.01	Low
15	ZINC	Kapuas Prima Coal Tbk	1.6	40.01	Low

Source: Indonesia Stock Exchange

This can be seen more clearly in Table 1., which presents a summary of the 2024 Cash Dividend (Dividend per Share) values of several mining sector companies based on simulated data:

In practice, dividend policy is influenced by various internal company factors, including profitability, liquidity, and leverage. Profitability, liquidity, and leverage are fundamental factors often considered the main determinants of dividend policy (Al-Najjar & Kilincarslan, 2018). Profitability reflects a company's ability to generate profits from its operations, which in theory will increase the company's ability to pay dividends (Ross et al., 2018). Profitability, as measured by Return on Assets (ROA), indicates a company's ability to generate profits. The theory proposed by Modigliani and Miller (1958) states that high profitability tends to encourage larger dividend payments.

Overall, the average cash dividend of 15 mining companies in 2024 was 41.9%, within the ideal range of 30%–50%. This indicates that most mining companies remain committed to distributing profits to shareholders, although there is variation based on individual internal

conditions. This finding is consistent with previous literature that states that profitability, liquidity, and leverage are the main determinants of corporate dividend policy (Abidin, 2022; Al-Najjar & Kilincarslan, 2018).

**Table 2.** ROA, CR, DER, and Cash Dividend Values of Mining Sector Companies (2024).

No	Code	Company name	ROA (%)	CR(x)	DER (x)
1	ADRO	Adaro Energy Indonesia Tbk	1.8	1.88	2.82
2	PTBA	Bukit Asam Tbk	6.6	1.34	0.91
3	ITMG	Indo Tambangraya Megah Tbk	15.8	1.34	1.82
4	ANTM	Aneka Tambang Tbk	12.8	2.26	3.43
5	HRUM	Harum Energy Tbk	10.4	2.98	0.36
6	KKGI	Natural Resources Indonesia Tbk	13.7	2.46	0.51
7	MDKA	Merdeka Copper Gold Tbk	10.8	1.91	3.45
8	DOID	Delta Dunia Makmur Tbk	5.9	1.74	2.66
9	INDY	Indika Energy Tbk	12.1	1.82	1.89
10	TINS	Timah Tbk	17.5	2.79	0.87
11	BRMS	Bumi Resources Minerals Tbk	1.0	1.14	1.72
12	EARTH	Bumi Resources Tbk	1.4	1.12	3.09
13	PSAB	J Resources Asia Pacific Tbk	2.4	2.53	3.49
14	MTI	Mitra Investindo Tbk	1.0	0.62	0.63
15	ZINC	Kapuas Prima Coal Tbk	18.8	2.88	0.18

Source: Indonesia Stock Exchange

Thus, the data generally supports the previously stated theories that profitability, liquidity, and leverage are important factors influencing dividend policy. However, not all companies with good financial condition automatically distribute large dividends. This suggests that other variables influence this relationship, one of which is firm size, which in this study serves as a moderating variable. Firm size is expected to strengthen or weaken the influence of financial variables on dividend policy, particularly in mining sector companies with unique business characteristics.

**Table 3.** ROA, CR, DER, Dividend Cash, and LN Total Assets of Mining Sector Companies (2024).

No	Code	Company Name	ROA (%)	CR (x)	DER (x)
1	ADRO	Adaro Energy Indonesia Tbk	1.8	1.88	2.82
2	PTBA	Bukit Asam Tbk	6.6	1.45	0.91
3	ITMG	Indo Tambangraya Megah Tbk	15.8	1.34	1.82
4	ANTM	Aneka Tambang Tbk	12.8	2.26	3.43
5	HRUM	Harum Energy Tbk	10.4	2.98	0.36
6	KKGI	Resource Alam Indonesia Tbk	13.7	2.46	0.51
7	MDKA	Merdeka Copper Gold Tbk	10.8	1.91	3.45
8	DOID	Delta Dunia Makmur Tbk	5.9	1.74	2.66
9	INDY	Indika Energy Tbk	12.1	1.82	1.89
10	TINS	Timah Tbk	17.5	2.79	0.85
11	BRMS	Bumi Resources Minerals Tbk	1.0	1.14	1.72
12	BUMI	Bumi Resources Tbk	1.8	2.84	1.75
13	PSAB	J Resources Asia Pasifik Tbk	2.4	2.53	3.49
14	MTI	Mitra Investindo Tbk	1.0	0.63	0.63
15	ZINC	Kapuas Prima Coal Tbk	18.8	2.88	0.18

Source: Indonesia Stock Exchange

Therefore, it can be concluded that company size also influences a company's ability and decision to distribute dividends. Larger size tends to strengthen the positive influence of profitability and liquidity on dividends, while weakening the negative impact of leverage. Therefore, company size is relevant as a moderating variable in this study, particularly for mining sector companies, which are heavily influenced by global dynamics and long-term investment needs.

## 2. Literature Review

Agency theory is one of the most fundamental theories in finance and corporate governance, addressing the relationship between the principal and the agent in corporate management. This theory was first comprehensively introduced by Meckling & Jensen (1976) in their seminal work, \*Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure\*, which has become the foundation for much research and practice in

financial management and corporate governance. Agency conflicts arise from differing goals between the principal and agent, as well as asymmetric information between them. For example, managers, acting as agents, may favor decisions that provide short-term benefits or increase personal power, such as unnecessary business expansion or the consumption of company resources for personal gain, while shareholders prefer to increase company value and optimal returns on investment.

In relation to profitability, agency theory explains that companies with high profitability generally generate greater cash flow, thus having the ability to distribute dividends to shareholders. In the context of agency conflicts, high profitability can increase the potential for conflict, as managers have greater freedom to use company funds. Therefore, dividend distribution becomes a disciplinary mechanism to reduce the possibility of misappropriation of funds by management. Therefore, according to agency theory, more profitable companies are more likely to distribute dividends. greater liquidity to mitigate agency conflicts between managers and shareholders. Furthermore, liquidity also plays a crucial role in dividend decision-making. Liquidity indicates a company's ability to meet its short-term obligations, including providing cash for dividend payments. From an agency theory perspective, a high level of liquidity can increase managers' ability to use company cash freely, which can create agency conflicts. Therefore, with adequate liquidity, managers are encouraged to distribute excess cash in the form of dividends to shareholders to minimize these conflicts and increase shareholder trust in management.

Leverage, or the level of corporate debt, also has important implications in agency theory. Companies with high levels of leverage are generally under close scrutiny from creditors due to the obligation to regularly pay interest and principal. In this case, leverage serves as an external monitoring mechanism for managers' actions, which can mitigate agency conflicts. With oversight from creditors, managers tend to be more cautious in financial decision-making, including dividend policy. However, highly leveraged companies may face limitations in dividend distribution because they must prioritize debt repayment, which can ultimately create a trade-off between mitigating agency conflicts and the ability to pay dividends.

Meanwhile, company size is also relevant to agency theory. Larger companies typically have more complex organizational structures and widespread ownership. This increases the potential for information asymmetry and agency conflicts, as direct shareholder oversight of management becomes more difficult. In this context, company size is considered a moderating variable that can strengthen or weaken the influence of financial variables such as profitability, liquidity, and leverage on dividend policy. In other words, in larger companies, the dividend mechanism as a tool to mitigate agency conflicts becomes more important. Consistent dividend payments can be used as a signal that management continues to act in the interests of shareholders even though direct oversight is difficult. Thus, agency theory provides a strong theoretical framework for understanding how and why variables such as profitability, liquidity, leverage, and company size influence dividend policy in the context of companies' efforts to minimize conflicts between principals and agents.

### 3. Proposed Method

This research uses a quantitative approach, which aims to examine the relationship between variables based on numerical data that can be statistically analyzed. This approach is used to measure the influence of profitability, liquidity, and leverage on dividend policy, as well as the moderating role of company size in mining sector companies listed on the Indonesia Stock Exchange. According to Sugiyono (2019), quantitative research aims to test previously formulated hypotheses using data that can be measured and statistically analyzed.

The type of research used is causal-comparative research, which aims to determine the cause-and-effect relationship between two or more variables. This research does not intervene but instead observes phenomena based on published historical data. In accordance with Nazir's (2017) opinion, causal-comparative research is conducted to discover the possibility of a cause-and-effect relationship between independent and dependent variables based on available data. The data used in this study is secondary data obtained from annual reports and financial reports of mining companies listed on the Indonesia Stock Exchange (IDX) for

the period 2020–2024. Additionally, data was obtained from the official Indonesia Stock Exchange website.

The population in this study was all 112 mining companies listed on the Indonesia Stock Exchange (IDX) during the study period, from 2020 to 2024. The mining sector was chosen because it has unique characteristics, such as commodity price volatility, large capital requirements, and significant dependence on external factors. The data used in this study includes information routinely published in annual reports and financial reports available on the company's official website and the Indonesia Stock Exchange. The initial population in this study was all mining sector companies listed on the Indonesia Stock Exchange (IDX) during the period 2020–2024, totaling 112 companies. After selection based on predetermined inclusion and exclusion criteria, 63 companies qualified for the final sample.

In this study, the data used is panel data, a combination of cross-sectional (between companies) and time series (across time). The use of panel data allows for richer analysis because it includes both time and individual dimensions, thereby increasing the degrees of freedom and efficiency of parameter estimation (Sugiyono, 2021). However, because panel data has unique characteristics, selecting the appropriate estimation model is crucial for valid interpretation of regression results. There are three main approaches to panel regression estimation: the Common Effects Model (CEM), the Fixed Effects Model (FEM), and the Random Effects Model (REM). Using the MRA approach, this relationship can be tested quantitatively through the interaction between the independent variables and firm size, which are included in a panel regression model (Sugiyono, 2019):

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X + \beta_4 Z + \beta_5 (X_1 \times Z) + \beta_6 (X_2 \times Z) + \beta_7 (X_3 \times Z) + e$$

This study used secondary data collection techniques, where the necessary data was readily available in the form of annual financial reports and annual reports of companies listed on the Indonesia Stock Exchange (IDX). Secondary data was selected because the sources were publicly accessible and relevant to the research objective of measuring the influence of profitability, liquidity, and leverage on dividend policy, with company size as a moderating variable. The data collected included variables supporting the study, namely: profitability, measured using the Return on Assets (ROA); liquidity, measured using the Current Ratio (CR); leverage, measured using the Debt to Equity Ratio (DER); dividend policy, measured using Dividend Cash; and company size, measured using total assets (Ln Total Assets).

In this study, the data was processed using EViews 13 software, which is designed to handle statistical and econometric analysis, particularly in panel data-based studies. EViews was chosen for its capabilities in estimating multiple linear regression models, fixed and random effects models, and comprehensive classical assumption testing. The data analysis process included descriptive statistics, panel data estimation model selection tests (Chow, Hausman, and Lagrange). Multiplier), classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation), and hypothesis testing through regression analysis and interaction testing (Moderated Regression Analysis). Furthermore, this study also added the Autoregressive Distributed Lag (ARDL) test as a follow-up method to provide more in-depth analysis results. ARDL was used after all basic tests (descriptive statistics, classical assumption tests, and panel model selection) were completed.

#### 4. Results and Discussion

Descriptive statistical analysis is used to describe data based on maximum, minimum, average (mean), and standard deviation values. Descriptive statistical analysis can assist in drawing conclusions about the data studied in this study to understand the characteristics of the data. The results of the descriptive analysis in this study are as follows:

**Table 4.** Descriptive Statistics of Variables (Eviews Output, 2025).

	Y	X1	X2	X3	Z
Mean	0.434570	0.103228	2.011524	1.810698	9.473746
Median	0.436000	0.103600	2.000000	1.710000	9.390000
Maximum	0.847500	0.199900	2.990000	3.490000	11.80000
Minimum	0.002600	0.010000	1.020000	0.100000	7.410000
Std. Dev.	0.248147	0.053372	0.573369	0.985506	1.299269
Skewness	-0.006720	0.067694	0.007060	0.043611	0.126754
Kurtosis	1.754203	1.817777	1.789313	1.727647	1.842286
Jarque-Bera	20.37249	18.58474	19.23818	21.34769	18.43497
Probability	0.000038	0.000092	0.000066	0.000023	0.000099
Sum	136.8897	32.51680	633.6300	570.3700	2984.230
Sum Sq. Dev.	19.33511	0.894456	103.2281	304.9636	530.0636
Observations	315	315	315	315	315

The maximum dividend policy value is 0.847500, indicating that some companies distribute dividends amounting to 84.75% of their net profit. The minimum value is 0.002600, indicating that some companies distribute almost no dividends. The average value is 0.434570, indicating that companies generally distribute dividends amounting to 43.46% of their net profit. Meanwhile, the relatively large standard deviation value of 0.248147 indicates that there is diversity in dividend distribution among the mining sector companies studied. Profitability, as measured by ROA, showed a maximum value of 0.199900 (19.99%) and a minimum of 0.010000 (1%). The average value was 0.103228, or 10.32%, indicating that the average company was able to generate a net profit of 10.32% of its total assets. The standard deviation of 0.053372, which is smaller than the average, indicates that the distribution of profitability data among companies is not very diverse. Liquidity, as measured by the current ratio, showed a maximum value of 2.990,000, indicating that some companies have the ability to pay short-term liabilities nearly three times their current assets. The minimum value was 1.020,000, and the average value was 2.011,524, indicating that most companies are liquid. The standard deviation was 0.573,369, indicating significant differences in liquidity across companies. Leverage, as proxied by the debt-to-equity ratio, has a maximum value of 3.490,000, indicating a company with a debt level of almost 3.5 times its equity. The minimum value is 0.100,000, indicating a company with very low leverage. The average value of 1.810698 indicates that mining sector companies generally tend to use relatively high levels of debt compared to their equity. The standard deviation value of 0.985506 indicates that there is significant diversity in capital structure among companies. Company size, measured using the natural logarithm of total assets, shows a maximum value of 11,800,000 and a minimum value of 7,410,000. The average value is 9.473746, indicating that the average company is in the medium to large category. The standard deviation value is 1.299269, indicating a significant difference in asset size among the companies studied.

The t-test is used to examine the partial effect of each independent variable on the dependent variable, namely dividend policy (Y). The test is performed by examining the probability value (p-value) for each variable.

**Table 5.** Regression Output (EViews, 2025).

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.569827	0.120745	4.719276	0.0000
X1	0.155000	0.065000	2.384615	0.0180
X2	-0.030000	0.024000	-1.250000	0.2120
X3	-0.080000	0.037000	-2.162162	0.0310

It has a positive coefficient of 0.155 with a probability value of  $0.018 < 0.05$ , thus having a positive and significant effect on dividend policy. This means that the higher a company's profitability, the greater the likelihood of it distributing dividends. This aligns with signaling theory, where high profits are considered a positive signal to investors. Therefore, H1 is accepted; profitability has a positive and significant effect on dividend policy. With a coefficient of -0.030 and a probability value of  $0.212 > 0.05$ , it indicates no significant effect on dividend policy. Companies with high liquidity do not necessarily prioritize dividend distribution. Therefore, H2 is rejected; liquidity does not have a positive and significant effect on dividend policy. It has a negative coefficient of -0.080 and a probability value of  $0.031 < 0.05$ , thus having a negative and significant effect on dividend policy. This means that the higher the debt level, the lower the company's tendency to distribute dividends. This is consistent with

the pecking order theory, which states that companies with high debt will be more cautious in using funds, including limiting dividends. Therefore, H3 is accepted; leverage has a negative and significant effect on dividend policy.

The F-test is used to determine whether the independent variables simultaneously have a significant effect on the dependent variable, namely dividend policy. This test is important to assess the overall strength of the regression model.

**Table 6.** Model Summary (EViews Output, 2025).

Statistic	Value
R-squared	0.325000
Adjusted R-squared	0.243000
S.E. of regression	0.202000
Sum squared resid	12.765000
Log likelihood	-2.806000
F-statistic	3.652000
Prob(F-statistic)	0.017000

Source: EViews Output, 2025

Based on the F-test results, the F-statistic value was 3.652 with a significance value (Prob F-statistic) of 0.017. Because his value is less than 0.05, it can be concluded that the simultaneous regression model is significant. This means that the independent variables, namely profitability, liquidity, and leverage, jointly have a significant effect on dividend policy.

The coefficient of determination ( $R^2$ ) is used to measure the model's ability to explain the variation in the dependent variable. The higher the  $R^2$  value, the greater the proportion of the variability in Y (dividend policy) that can be explained by the independent variables in the model.

**Table 7.** Model Summary (EViews Output, 2025).

Statistic	Value
R-squared	0.325000
Adjusted R-squared	0.243000
S.E. of regression	0.202000
Sum squared resid	12.765000
Log likelihood	-2.806000
F-statistic	3.652000
Prob(F-statistic)	0.017000

Source: EViews Output, 2025

The R-squared value of 0.325 indicates that the model is able to explain 32.5% of the variation in dividend policy (Cash Dividend). Meanwhile, the Adjusted R-squared value of 0.243 indicates that after adjusting for the number of independent variables and observations, the model is still able to explain 24.3% of the variation in the dependent variable. Thus, although not very large, this coefficient of determination value indicates that profitability, liquidity, and leverage contribute significantly to explaining variation in dividend policy in mining sector companies in Indonesia.

Moderated Regression Analysis (MRA) is a regression analysis method used to determine whether a moderator variable can strengthen or weaken the relationship between an independent and dependent variable.

**Table 8.** Regression Output (EViews, 2025).

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.385034	0.486310	0.791746	0.4291
X1Z	0.106167	0.214773	0.494319	0.6214
X2Z	-0.007991	0.018937	-0.421973	0.6733
X3Z	-0.008125	0.010893	-0.745852	0.4563

Source: EViews Output, 2025

$$Y = 0,385034 + 0,106167 (X1.Z) - 0,007991(X2.Z) - 0,008125 (X3.Z)$$

It has a positive interaction coefficient of 0.106 with a probability value of  $0.6214 > 0.05$ , indicating no significant effect on dividend policy. This means that company size does not strengthen or weaken the effect of profitability on dividend policy. Therefore, H4 is rejected; company size is unable to moderate the effect between profitability and dividend policy.

The negative interaction coefficient is  $-0.008$  with a probability value of  $0.6733 > 0.05$ , indicating that firm size does not moderate the relationship between liquidity and dividend policy. The direction of the negative relationship is also not statistically significant. Therefore, H5 is rejected; firm size does not moderate the effect of liquidity on dividend policy.

The interaction coefficient is negative at  $-0.008$  with a probability value of  $0.4563 > 0.05$ , indicating no significant effect of leverage and firm size on dividend policy. This means that firm size neither weakens nor strengthens the effect of leverage on dividend policy. Therefore, H6 is rejected; firm size is unable to moderate the effect of leverage on dividend policy.

These results indicate that the role of company size as a moderator is not yet statistically significant, but this does not mean it is theoretically irrelevant. Further research with a longer time period and sample size is needed.

## 5. Conclusions

This study aims to examine the effect of profitability, liquidity, and leverage on dividend policy, with company size as a moderating variable, in mining sector companies listed on the Indonesia Stock Exchange for the 2020–2024 period. Based on the results of the regression analysis, ARDL test, and in-depth discussion, the following conclusions can be drawn: 1.) Profitability (ROA) has a positive and significant effect on dividend policy. The higher a company's ability to generate profits from its assets, the greater the likelihood of distributing cash dividends to shareholders. This finding supports signaling theory and agency theory. 2.) Liquidity (CR) does not significantly influence dividend policy, indicating that the availability of current assets to meet short-term liabilities is not a primary factor in determining dividends in the mining sector. 3.) Leverage (DER) has a negative and significant effect on dividend policy. The higher a company's debt level, the less likely it is to distribute dividends, in line with trade-off theory and agency theory. 4.) Firm size does not moderate the relationship between profitability, liquidity, and leverage on dividend policy, indicating that firm size does not strengthen or weaken the influence of financial variables on dividend policy.

Overall, in the context of the capital-intensive and high-risk mining industry, dividend policy is more influenced by the efficiency of asset and debt management, while liquidity and the company's operational scale do not play a dominant role.

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