

V. CONCLUSION

5.1 Research Conclusion

The research results and discussion examine the influence of dividend policy to the stock prices movement at the ex-dividend day in stocks listed on KOMPAS 100 Index in the Indonesian Stock Exchange (IDX), in the period of 2018 to 2022. The dependent variable is stock prices movement at the ex-dividend day. The independent variable is dividend yield, dividend growth, firm board, and free float. The moderating variable is market index. The control variable is firm size and listing period. The hypothesis testing is conducted with E-Views 12.

The empirical result discovers that dividend yield has a negative and significant effect to the stock prices movement at the ex-dividend day. Dividend growth is founded to doesn't have a significant effect toward the stock prices movement at the ex-dividend day. The greater stock prices volatility is not observed on the stocks list on the development board, though those listed on main board are recognized to have a better liquidity. Furthermore, this study also discovers that free float doesn't significantly influence the stock prices movement at the ex-dividend day of the Indonesian Stock Exchange (IDX). The direct influence of these independent variables toward the dependent variable happens due to the large existence of short-term prospect investors who engage into the dividend capture strategy, resulting in downward pressure of stock prices movement. Thus, it supports the Bird in hand theory from Gordon (1959) which states that investors prefer to dividends over potential capital gain.

The market index is founded to moderates the relationship between dividend yield and dividend growth toward the stock prices movement at the ex-dividend day. It weakens the relationship between dividend yield and stock prices movement at the ex-dividend day, as well as strengthen the relationship between dividend growth and stock prices movement at the ex-dividend day. Thus, the presence of market index to describes the economic stability attracts the long-prospect investors to make such investment in the Indonesian Stock Exchange (IDX), resulting to decrease the stock prices volatility. In conclusion, this study accepts the H5 and H6, while it rejects H1, H2, H3, and H4.

5.2 Research Implication

This research is expected to be useful and can be implicated by the interested parties. The following implication of the research is hereby described below:

1. Theoretical Implication

This research enriches the empirical evidence regarding the stock prices movement at the ex-dividend day in the Indonesian stocks market, especially for KOMPAS 100 index. It proves that dividend policy influences the stock prices movement at the ex-dividend day.

3. Practical Implication

This research can be utilized by the investors, market participants, and policymakers, especially in the Indonesian stock market, for analyzing the market situation, and make decision based on fundamental and technical information.

5.3 Research Limitation

The researcher realizes that this research is not perfect and has several limitations, including:

1. This research only focuses on dividend yield and dividend growth as the metrics in investigating the influence of dividend policy toward the stock prices movement at the ex-dividend day.
2. The other variables included in this study for assessing the influence of dividend policy toward the stock prices movement at the ex-dividend day, are limited to firm board, free float, market index, firm size, and listing period.
3. The sample of this study is confined to the companies listed on the KOMPAS 100 Index in the Indonesian Stock Exchange (IDX), with the data collected from the period 2018-2022

5.4 Research Recommendation

According to the research limitation above, the future research is suggested to:

1. Further research is suggested to utilize other metrics such as interim dividend and final dividend in assessing the influence of dividend policy toward the stock prices movement at the ex-dividend day.
2. The future study is recommended to include other variables such as tax, debt, and company's profitability in examining the influence of dividend policy toward the stock prices movement.
3. The future research could investigate other indices, such as LQ-45 and IDX80, and utilize a broader sample range to obtain a more reliable data.