
THE EFFECT OF NET PROFIT MARGIN, SALES GROWTH, ROA (RETURN ON ASSETS) ON DIVIDEND POLICY WITH MANAGEMENT OWNERSHIP AS A MODERATING VARIABLE

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Abstract

The purpose of this study is to examine how dividend policy impacts Net Profit Margin (NPM), sales growth, and Return on Assets (ROA). Furthermore, this study also investigates the role of managerial ownership as a moderating variable. A key decision made by a company is dividend policy, which influences the amount of profit distributed to shareholders and impacts the company's financial performance. This study uses a quantitative approach with secondary data from the company's financial statements. Regression analysis and moderation tests are used to determine whether the relationship between independent variables and dividend policy is strengthened or weakened by managerial ownership. The results are expected to show that Net Profit Margin, sales growth, and Return on Assets influence dividend policy. Furthermore, it is assumed that managerial ownership has the ability to moderate this relationship, allowing them to provide a better understanding of the components that influence a company's dividend policy.

Keywords: Net Profit Margin, Sales Growth, Return on Assets, Dividend Policy, Managerial Ownership.

INTRODUCTION

Companies are fundamentally established with the primary objective of generating profit. The greater the profit, the greater the potential for increased shareholder welfare. This welfare is reflected in increased company value, as evidenced by share prices and consistent dividend distribution (Heliani et al., 2022). In the context of financial decisions, dividend policy is a crucial aspect for management, as it reflects efforts to maintain a balance between shareholder interests and the company's internal funding needs (Naibaho & Widyastari, 2023).

A high Net Profit Margin (NPM) indicates a company's ability to effectively manage costs, maximize

revenue, and maintain its return on assets. This provides a positive signal to investors that the company has healthy financial performance and the potential to consistently distribute dividends (Safitri & Hasanuh, 2025). Research conducted by Naibaho and Widyastari (2023) shows that Net Profit Margin has a positive effect on dividend policy, meaning that an increase in NPM will increase a company's tendency to distribute dividends to shareholders. However, other studies show that a high NPM is not always followed by an increase in dividend distribution because dividend decisions are also influenced by management policies and the company's financial strategy, such as retaining profits for expansion and capital strengthening (Purwitasari

& Septiani, 2013; Izabel & Kuswanto, 2025). The differences in these research results indicate inconsistencies regarding the effect of Net Profit Margin on dividend policy. This indicates that a high level of net profit does not necessarily directly encourage a company to distribute dividends. Another factor that is no less important in determining dividend policy is Return on Assets (ROA). ROA reflects a company's ability to generate net profit through the utilization of all its assets, thus demonstrating management's effectiveness in managing company resources (Kasmir, 2019). Companies with a high ROA generally have stronger financial conditions and a greater capacity to distribute dividends to shareholders. Conversely, a low ROA indicates a company's limited ability to generate profits, which can impact low dividend distributions (Brigham & Houston, 2019). Although theoretically, a high Return on Assets reflects a company's ability to generate profits and distribute dividends, several previous studies have shown that ROA does not always have a significant effect on dividend policy.

Not only financial factors, but managerial ownership also plays a significant role in influencing dividend policy. Managerial ownership is the proportion of company shares owned by management, who are directly involved in decision-making. The level of management share ownership is believed to influence dividend policy because it concerns the alignment of interests between managers and shareholders (Anggraeni & Hadiprajitno, 2013). In this study, managerial ownership is positioned as a moderating variable that can

strengthen or weaken the influence of Net Profit Margin, sales growth, and ROA on dividend policy.

The application of managerial ownership as a moderating variable in this study is based on a research gap identified in various previous literature. Referring to several previous studies, factors influencing dividend policy still show inconsistent results. First, regarding the Net Profit Margin (NPM) variable, research by Naibaho and Widyastari (2023) shows a significant positive effect, but this contrasts with the results of research by Purwitasari and Septiani (2013), which stated that NPM has no effect on dividend policy. Second, regarding sales growth, Prasetyo et al. (2024) found a bidirectional effect dependent on company strategy, while Natsir et al. (2023) found that sales growth had no significant effect because profits were prioritized for operations. Third, regarding the Return on Assets (ROA) variable, Yunisari and Ratnadi (2018) found a positive effect, while other research drafts indicate that effective asset utilization does not always guarantee higher dividend distributions due to managerial considerations.

LITERATURE REVIEW

Net Profit Margin

Net Profit Margin (NPM) is a financial ratio used to measure a company's ability to generate net profit from each net sale. This ratio is obtained by comparing net profit after tax to total net sales. The NPM value indicates the percentage of net profit earned from each rupiah of sales made by the company. The higher the NPM ratio, the better the company's performance in generating profits from

its operational activities, thus reflecting the effectiveness and efficiency of management in controlling costs and maximizing revenue (Fitriyani, 2019). Net Profit Margin also describes the extent of the company's remaining revenue after deducting all costs, both operational and non-operational, including taxes and interest. This ratio is an important indicator for investors to assess management's ability to manage the company efficiently and optimize profits. A high NPM indicates that the company is able to manage resources well, reduce costs, and maintain a healthy profit level. Conversely, a low NPM may indicate inefficiencies in cost management or declining sales performance. For investors and other stakeholders, NPM is used not only to assess current financial performance but also as a basis for predicting future profitability. The comparison between net profit and total sales allows investors to estimate the proportion of income used to cover operational costs and how much net profit is available to be distributed as dividends or retained as reinvestment funds (Safitri & Hasanuh, 2025).

Sales growth

Sales growth reflects a company's past performance, which serves as an indicator for projecting future performance. Increased sales volume also reflects a company's ability to compete in the market (Rachmah & Susilawati, 2024). Sales growth is also an indicator of demand and a company's competitiveness in an industry. The company's growth rate can influence its ability to maintain profits to fund future opportunities (Novitasari, 2015). Sales growth is an important indicator, where revenue

generated from the sale of goods or services will be used to measure the level of sales growth. Companies must also determine a sales growth rate that is consistent with the company's reality and the financial market and implement it in the form of a financial plan. Sales growth reflects the manifestation of the success of past period investments and can be used as a production of future growth. The calculation of the sales growth rate is by comparing the final sales period with the sales used as the base year (Handayani et al., 2025).

Return on assets

Return on Assets (ROA) is a financial ratio used to measure a company's ability to generate net profit through the utilization of all its assets. ROA reflects the level of management effectiveness in managing company resources to achieve the company's primary goal, namely generating profit. The higher the ROA, the more efficient the company is in utilizing its assets to generate profits (Puspitaningtyas et al., 2019). ROA not only reflects a company's financial health but is also an important indicator in financial decision-making, including dividend policy. Companies with a high ROA generally have a greater financial capacity to distribute dividends to shareholders because the profits generated are relatively greater compared to the total assets used. This makes ROA one of the ratios frequently used by investors and management to assess company performance and the prospects for future dividend distribution (Agatha & Irsad, 2021).

Managerial ownership

Managerial ownership is a position where a manager has a dual role in the company, namely as a manager and a shareholder. Management actively participates in company decision-making, namely the directors and commissioners. This gives managers the same interests as external shareholders because they have shareholder status. Managers will not prioritize personal interests because decisions made in the interests of shareholders will impact the manager (Sari & Wulandari, 2021). Managerial ownership ensures that managers do not have different interests from shareholders, thereby reducing agency conflicts that can impact company value. Managerial ownership is an effort to prevent opportunistic behavior from managers and serves as an incentive for manager performance. Managerial ownership can be measured by the percentage of managerial ownership to total outstanding shares. Companies with managerial ownership value, or companies in which commissioners and directors play an active role in decision-making, enjoy equality with other shareholders, and tend to pay high dividends to improve shareholder welfare in accordance with a company's primary business objectives (Sumanti & Mangantar, 2015). Management share ownership fosters alignment of interests between managers and shareholders. Managers who own company shares are more motivated to improve company performance because the company's profits directly impact them as shareholders. This can minimize conflicts of interest and increase company value.

Hypothesis Development

Net Profit Margin (NPM) is a ratio that measures how much net profit a company obtains from every rupiah of sales made. (Nugraha et al., 2021). This ratio reflects level The company's efficiency in controlling operational costs and generating profits from the revenue it earns. The higher the NPM value, the greater the proportion of net profit generated from each rupiah of sales, thus reflecting the company's good financial performance. (Rizkania & Nurhayati, 2020) If the NPM is low, managers are more likely to retain earnings to improve operational performance, so the amount of dividends distributed will be smaller. (Naibaho & Widyastari, 2023). Furthermore, agency theory also explains that dividend policy can be used as a mechanism to control agency conflicts (agency costs of free cash flow). According to Jensen (1986), dividend distribution can reduce the amount of cash managed by managers, thereby reducing the opportunity for misuse of company funds for personal gain. The results of research conducted by (Naibaho & Widyastari, 2023) as well as (Purba & Yusran, 2020) shows that Net Profit Margin has a significant positive effect on dividend policy, as measured by the Dividend Payout Ratio (DPR). This finding is further supported by research by Aprima et al. (2024), which found that NPM is a key indicator in determining the amount of dividends paid, as it demonstrates management's effectiveness in generating profits.

H1: Net Profit Margin (X1) has a positive effect on dividend policy (Y).

Sales growth is an important indicator for assessing a company's

ability to improve its performance over time. High sales growth reflects an increase in the company's products or services and its management's success in expanding market share. Companies with good sales growth rates typically have long-term profit prospects because they are able to maintain stable cash flow and strengthen their competitive position in the market. Febryanto (2025) This conflict can arise due to differences in the short-term orientation of shareholders and the long-term orientation of managers. (Napitupulu & Hasnawati, 2024) On the other hand, companies with low sales growth usually have less investment needs, so they tend to distribute profits in the form of dividends. (Handayani et al., 2025). Research conducted by Napitupulu & Hasnawati (2024) A study of LQ45 companies in Indonesia showed that company growth had a significant negative effect on dividend policy. This finding aligns with research by Silaban and Purnamawati (2016), which found that companies with high growth rates are more likely to retain earnings to finance expansion.

H2: Sales growth (X2) has a negative effect on dividend policy (Y).

Return on Assets ROA is a financial ratio used to measure a company's ability to generate net profit through the utilization of all its assets. This ratio reflects the effectiveness of management in managing company assets to generate profits. The higher the ROA value, the greater the company's ability to generate profits from the assets used, thus increasing the company's potential to distribute profits in the form of dividends to shareholders (Yunisari & Ratnadi,

2018). In this context, the ROA level can serve as a signal for shareholders to assess manager performance and serve as a basis for dividend policy decisions (Mahanavami, 2023). A high ROA has the potential to reduce agency conflicts because the company has sufficient financial capacity to simultaneously fulfill two main objectives: financing internal investments and paying dividends to shareholders. Previous research supports a positive relationship between ROA and dividend policy. Yunisari and Ratnadi (2018) found that ROA has a positive and significant effect on dividend policy, where companies with a high ROA tend to distribute larger dividends as a form of appreciation to shareholders and as a signal of good financial performance to investors.

H3: ROA (Return on Assets) (X1) has a positive effect on dividend policy (Y).

Net Profit Margin (NPM) is a ratio that describes a company's ability to generate net profit from each sale. The higher the NPM, the greater the net profit available to the company, including for distribution in the form of dividends to shareholders. Under these conditions, the company has greater financial capacity to provide returns to investors without disrupting operational funding needs. However, the extent of the NPM's influence on dividend policy depends not only on the company's ability to generate profits but also on how management decides to distribute those profits. (Sumanti & Mangantar, 2015). . Managerial ownership is the proportion of company shares owned by managers or management parties, who are directly involved in making strategic decisions about the

company.(Suleiman & Loka, 2022). managerial ownership can change the direction of the relationship between earnings and dividend policy depending on management orientation.(Sari & Khafid, 2020).Thus, it can be concluded that managerial ownership plays a significant role in determining the extent to which profits (as reflected in the NPM) are allocated as dividends. When managerial ownership is high and managers' orientations align with shareholders, the influence of NPM on dividend policy is strengthened. Conversely, if managers are more oriented toward long-term growth, this influence is weakened.

H4:Managerial ownership (Z) moderates the effect of Net Profit Margin (X1) on dividend policy (Y).

Sales growth reflects a company's ability to increase revenue over time. High sales growth indicates a company has good business prospects and is capable of expanding its market and increasing its sales share. However, increased sales also result in increased funding requirements for raw material purchases, fixed asset investments, and other expansion costs.(Naibaho & Widyastari, 2023)High managerial ownership gives managers a direct interest in the company's well-being, as company profits also impact the increase in the value of the shares they own.(Rachmah & Susilawati, 2024). managerial ownership weakens the positive influence of sales growth on dividend policy, because managers prioritize reinvestment over profit distribution.(Anggraeni & Hadiprajitno, 2013)This is done to maintain the reputation and attract

investors to continue investing their capital.(Novitasari, 2015). Thus, it can be concluded that managerial ownership plays a role in weakening the relationship between sales growth and dividend policy.

H5:Managerial ownership (Z) moderates the effect of sales growth (X2) on dividend policy (Y)

*Return on Assets*ROA is a key indicator that shows a company's ability to generate net profit through the utilization of all its assets. The higher the ROA value, the more effective the company is in managing its assets to generate profits, thus increasing the company's ability to provide returns to shareholders in the form of dividends (Sumanti & Mangantar, 2015). Managers will be more careful in managing the company's profits and assets, because every decision to distribute dividends will have a direct impact on their welfare.Along(Yunisari & Ratnadi, 2018). This is because managers tend to strive to maintain the company's reputation and investor trust by demonstrating good financial performance through stable and consistent dividend distribution (Natsir et al., 2023). Therefore, it can be concluded that managerial ownership plays a significant role in determining the direction and strength of the relationship between ROA and dividend policy. The proportion of shares owned by managers can strengthen or weaken the influence of ROA on dividend policy, depending on the company's financial strategy and management decision-making orientation.

H6:Managerial ownership (Z) moderates the influence of ROA

(Return on Assets) (X3) on dividend policy (Y)

METHOD

In this study, the researcher used a quantitative research method. Quantitative descriptive research aims to describe and explain a phenomenon or relationship between variables using numerical data that is analyzed statistically. Quantitative methods are defined as methods based on the philosophy of positivism, used to research specific populations or samples, data collection using research instruments, and statistical data analysis, with the aim of testing predetermined hypotheses. Quantitative research is research that uses numerical data as a tool to analyze what is desired or desired to be studied (Sugiyono, 2019). The population in this study were all companies listed in the LQ45 index on the Indonesia Stock Exchange (IDX) during the 2020-2024 period. The selection of companies included in the LQ45 index was based on the consideration that these companies have a high level of liquidity, large market capitalization, and have relatively stable financial performance. The sample in this study was determined using a purposive sampling technique, namely a method of determining samples based on certain criteria tailored to the research

objectives (Sugiyono, 2019). This study used secondary data. Secondary data is data sources obtained through intermediaries or indirectly. The data is in the form of annual financial reports from mining companies listed on the Indonesia Stock Exchange through the website www.idx.co.id for the years 2020-2024. The data collection method in this study uses data derived from existing documents, namely financial reports.

RESULTS

The study was conducted using time series data from 2020 to 2024 on companies listed on the LQ45 index on the Indonesia Stock Exchange. The sample size was 30 LQ45 companies listed on the IDX over a five-year period, resulting in 150 data points. The LQ45 index was chosen because it encompasses companies with high liquidity, large market capitalization, and relatively stable fundamental performance, making it a more representative reflection of the Indonesian capital market. Furthermore, companies in this index have a more consistent track record of dividend distribution compared to other companies.

Figure 4.1 Graph of Average Dividend Policy for the 2020-2024 Period



Table 4.1 Results of the Variance Coefficient Test

	N	Minimum	Maximum	Mean	Standard Deviation
NPM (X1)	150	-0.2	2.11	0.158	0.2236
Sales Growth (X2)	150	-1.00	14.2	0.303	1,5129
ROA (X3)	150	0.0	1.2	0.068	0.1128
Dividend Policy (Y)	150	0.0	4.5	0.481	0.5940
Managerial Ownership (Z)	150	0.0	1.1	0.397	0.2988
Valid N (listwise)	150				

The samples tested were 30 company data with a period of 2020-2024 (5 years) resulting in 150 data samples.

Table 4.4 Multicollinearity Test Results

Model	Collinearity Statistics		Results
	Tolerance	VIF	
NPM (X1)	0.939	1,065	Not occur multicollinearity
Sales Growth (X2)	0.993	1,007	There is no multicollinearity

ROA (X3)	0.935	1,070	There is no multicollinearity
Managerial Ownership (SQRT_Z)	0.989	1,011	There is no multicollinearity

a. Dependent Variable: Dividend Policy (SQRT_Y)

Based on the results of the multicollinearity test indicated by the Variance Inflation Factor (VIF) value, all independent variables have very low VIF values, which are close to 1 for NPM (1.065), Sales Growth (1.007), ROA (1.070), and Managerial Ownership (1.011). These values are far below the general tolerance limit, which is VIF <10 or even <5, so it can be

concluded that there is no multicollinearity in the regression model. This means that each independent variable does not have a high correlation with each other, so they do not influence each other excessively and the regression model used is considered stable and worthy of further analysis.

Table 4.5 Heteroscedasticity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.259	0.036		7,218	0
NPM (X1)	-0.03	0.075	-0.038	-0.46	0.65
Sales Growth (X2)	0.015	0.011	0.111	1,364	0.18
ROA (X3)	-0.2	0.149	0.04	-1.33	0.19
Managerial Ownership (SQRT_Z)	0.087	0.052	0.095	1,673	0.1

a. Dependent Variable: ABRES

Based on the test results in the coefficients table, the significance value for the NPM variable is 0.649, Sales Growth is 0.175, ROA is 0.187, and Managerial Ownership (SQRT_Z) is 0.097. All independent variables have a significance value greater than 0.05. This indicates that there is no significant influence between the

independent variables on the absolute value of the residual. Thus, it can be concluded that the regression model does not experience symptoms of heteroscedasticity, so that the residual variance is constant (homoscedasticity) and the regression model is suitable for further hypothesis testing.

Table 4.6 Autocorrelation Test Results

Model	R	R Square	Adjusted Square	R Standard Error of the Estimate	Durbin Watson
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1	0.093a	0.009	-0.019	0.36010	2,398
a. Predictors; (Constan), NPM, Sales Growth, ROA, Managerial Ownership					
b. Dependent Variable: Dividend Policy					

Based on table 4.6, it is known that the Durbin-Watson (DW) value is 2.048. With a sample size of 150 and 4 independent variables ($k = 4$), the Durbin-Watson table yields $dL = 1.6788$ and $dU = 1.7881$. Furthermore, the values $4 - dU = 4 - 1.7584 = 2.3212$ and $4 - dL = 4 - 1.6756 = 2.2119$ are calculated. Since the DW value is

between dU and $4 - dU$, i.e. $1.7584 < 2.398 < 2.3212$, the autocorrelation coefficient is zero. This means that there is no autocorrelation in this regression model. Thus, the research results meet the Durbin-Watson decision-making criteria, so the regression model is suitable for use without autocorrelation problems.

Table 4.7 Multiple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	0.557	0.039			14,270	0,000
NPM (X1)	-0.046	0.136	-0.029		-0.335	0.738
Sales Growth (X2)	0.010	0.020	0.043		0.521	0.603
ROA (X3)	0.108	0.269	0.034		0.402	0.688

a. Dependent Variable: Dividend Policy (Y)

Table 4.8 Model Fit Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.064	3	0.021	0.165	0.920b
Residual	18,901	146	0.129		
Total	18,965	149			

a. Dependent Variable: Dividend Policy

b. Predictors: (Constant), ROA, NPM, Sales Growth

As seen in the table above, the model fit test was conducted using the F-test through the ANOVA table to determine the effect of independent variables simultaneously on dividend policy. Based on the test results, a

significance value of 0.920 (> 0.05) was obtained, thus it can be concluded that Net Profit Margin, Sales Growth, and ROA together do not significantly influence dividend policy. Thus, the multiple linear regression model at this

stage is not able to explain the overall variation in dividend policy.

Table 4.9 Results of the Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	,058a	,003	-0.17	0.35980

a. Predictors: (Constant), ROA, NPM, Sales Growth

b. Dependent Variable: Dividend Policy (Y)

Based on Table 4.9, the Adjusted R Square value is -0.17. An R Square value of 0.003 indicates that the independent variable is only able to explain 0.3% of the variation in the dependent variable, while the remaining 99.7% is explained by other factors outside the research model. An Adjusted R Square value of -0.017

indicates that after adjusting for the number of independent variables and the number of samples, the model's ability to explain the dependent variable becomes very low. A negative adjusted R square value indicates that the regression model is less good at predicting the dependent variable.

Table 4.10 Partial T-Test Results

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	0.557	0.039			14,270	0,000
NPM (X1)	-0.046	0.136	-0.029		-0.335	0.738
Sales Growth (X2)	0.010	0.020	0.043		0.521	0.603
ROA (X3)	0.108	0.269	0.034		0.402	0.688

a. Dependent Variable: Dividend Policy

Based on Table 4.10, the results of the t-test data processing using SPSS version 25, the magnitude of the influence of each independent variable on dividend policy can be seen. The Net Profit Margin (NPM) variable has a regression coefficient value of -0.046

with a significance value of 0.738 (> 0.05). This indicates that NPM does not have a significant effect on dividend policy. A negative coefficient indicates that an increase in NPM tends to decrease dividend policy, but this effect is not statistically significant. The Sales

Growth variable has a regression coefficient value of 0.010 with a significance value of 0.603 (> 0.05). This indicates that sales growth does not have a significant effect on dividend policy. Although the coefficient is

positive, the effect is not statistically significant. The Return on Assets (ROA) variable has a regression coefficient value of 0.108 with a significance value of 0.688 (> 0.05).

Table 4.11 Results of the Moderation F Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.814	7	0.116	0.910	,501b
Residual	18,151	142	0.128		
Total	18,965	149			

c. Dependent Variable: Dividend Policy

d. Predictors: (Constant), Profitability, NPM, Sales Growth

Based on Table 4.11, the F test results show that the F value is 0.910 with a significance level of 0.501 (> 0.05). The moderation regression test in this study uses the dependent variable and the Managerial Ownership variable (Z) which has been transformed using the square root method (SQRT) to meet the normality assumption. These results indicate that

simultaneously the independent variables (NPM, Sales Growth, ROA), the moderating variable (SQRT_Z), and the interaction variables (X1Z, X2Z, and X3Z) do not significantly influence dividend policy. Thus, the moderation regression model in this study is not able to explain the influence of these variables on dividend policy significantly.

Table 4.11 Results of the R2 Moderation Test

Model	R	RSquare	Adjusted R Square	Standard Error of the Estimate
1	,207a	,043	-0.004	3.35752

Based on Table 4.11, the R Square value of 0.043 indicates that the independent variables, moderating variables, and interaction variables together are able to explain 4.3% of the variation in the dividend policy variable. Meanwhile, 95.7% of the variation in dividend policy is

explained by other factors outside the research model that were not examined. The Adjusted R Square value of -0.004 indicates that after adjusting for the number of variables and research samples, the model's ability to explain the dependent variable becomes very low.

Table 4.12 Results of the Moderation T-Test

Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	t
1	(Constant)	0.573	0.085		6,723

NPM (X1)	-0.131	0.480	-0.082	-0.272	0.786
Sales Growth (X2)	-0.015	0.077	-0.063	-0.194	0.847
ROA (X3)	-0.581	0.449	-0.184	-1,296	0.197
Managerial Ownership (SQRT_Z)	-0.057	0.191	-0.050	-0.299	0.765
X1Z	0.066	0.759	0.028	-0.087	0.931
X2Z	0.031	0.100	0.100	0.306	0.760
X3Z	-18,001	1,124	0.313	2,123	0.035

Based on the analysis results in Table 4.12, it can be seen that each independent variable and interaction term has a coefficient value, t-value, and significance level that describe its influence on the dependent variable, namely dividend policy. In general, a significance value (Sig) <0.05 indicates that a variable has a significant influence on dividend policy.

DISCUSSION

The results of the study indicate that Net Profit Margin (NPM), sales growth, and Return on Assets (ROA) do not significantly influence dividend policy. This indicates that dividend distribution decisions are not solely determined by the company's level of profitability or growth, but are more influenced by other factors such as funding needs, expansion strategies, cash flow stability, and management's policy of retaining earnings. Furthermore, managerial ownership is unable to moderate the effect of NPM and sales growth on dividend policy. This means that management's share

ownership neither strengthens nor weakens the relationship between these two variables and dividend policy. However, in contrast to previous results, managerial ownership is proven to significantly moderate the effect of ROA on dividend policy in a negative direction. This indicates that the higher the share ownership by management, the weaker the relationship between profitability (ROA) and dividend policy. This condition indicates that management tends to prefer retaining earnings for internal company purposes rather than increasing dividend distribution, even though the company has a high level of profitability.

CONCLUSION

Based on the analysis, it was found that Net Profit Margin, sales growth, and Return on Assets (ROA) partially had no significant influence on a company's dividend policy. On the other hand, the role of managerial ownership as a moderating variable showed mixed results. This variable

was deemed unable to moderate the influence of Net Profit Margin or sales growth on dividend policy. However, managerial ownership was shown to significantly moderate the effect of ROA on dividend policy, albeit in a negative direction.

Based on these findings, it is recommended that companies continue to consider various other internal

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- factors when determining dividend policy. Meanwhile, investors should not focus solely on profitability when making investment decisions. For scientific advancement, further research is expected to utilize longer observation periods and employ more complex analytical methods to achieve more comprehensive and robust results.
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