



THE DETERMINANTS OF DIVIDEND PAYOUT RATIO: EVIDENCE FROM
MALAYSIAN PUBLIC LISTED FIRMS

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ABSTRACT

Dividend policy refer to the organization's decision in determining how much proportion of earnings to give to the shareholders and how much proportion is used to make new investments. The aim of this study is to investigate the relationship between dividend payout ratio in Malaysian firms with profitability, size and liquidity. The paper used a sample of top 100 firms that is listed in Bursa Malaysia for the year 2019 and for the sample size, this study used period of 5 years which from 2014 until 2018. Theories that have been used in this study are Dividend Irrelevant Theory and Agency Theory. In order to know the relationships between dependent variable (DPR) and its determinants, regression analysis have been taken to test the hypotheses. The study found that at the regression analysis, the return on equity and firm size which measure by total assets have negative significant relationship with dividend payout ratio. However, as for the company's liquidity, the result shows that it has negative insignificant relationship with DPR. Based on the result, only profitability and firm size that affect the dividend payment throughout the top 100 companies in Malaysia.