EFFECT OF FINANCIAL PERFORMANCE AND FIRM SIZE ON DIVIDEND POLICY (EMPIRICAL STUDY ON CONSUMER GOODS SECTOR ISSUERS 2017-2020)

Bella Tamara, Bambang Mulyana
Mercu Buana University Jakarta, Indonesia
Email: bellatamara527@gmail.com, bambang_mulyana@mercubuana.ac.id

ARTICLE INFO

Accepted
25 December 2021
Revised
05 January 2022
Disetujui
15 January 2022

Keywords:
profitability (ROE); liquidity (CR); leverage (DER); firm size (FS); dividend policy (DPR)

ABSTRACT

This study aims to examine and analyze the effect of Profitability (ROE), Liquidity (CR), Leverage (DER), and Firm Size (SIZE) on Dividend Policy (DPR) either partially or simultaneously. This research uses causal associative research. The population in this study is all issuers of the Consumer Goods sector listed on the Indonesia Stock Exchange with an observation period of 2017-2020 of 63 issuers. The sample used purposive sampling method, then 14 issuers were obtained as samples. The analytical method used in this study is panel data. The results showed that partially ROE has a significant negative effect on the DPR, CR has an significant positive effect on the DPR, DER has an insignificant positive effect on the DPR, and SIZE has an insignificant positive effect on the DPR. Simultaneously ROE, CR, DER, and SIZE have a significant effect on DPR. The coefficient of determination in this study is 49.45%.

Introduction

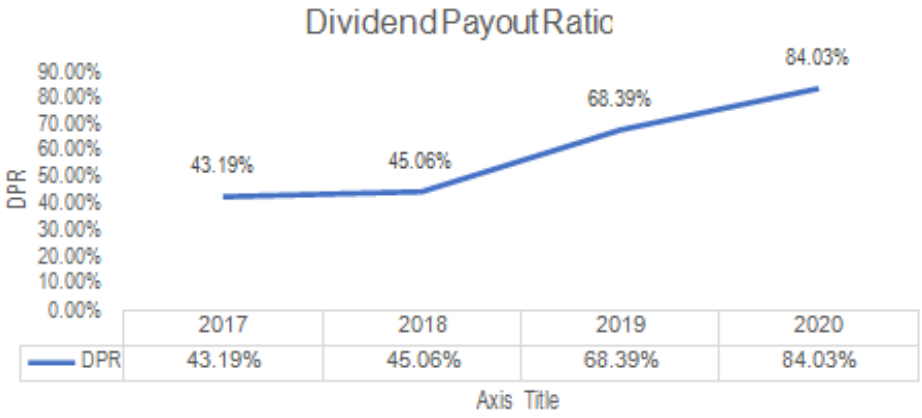
Every investor who will make an investment in the form of shares always takes into account the return on the investment made. The expected return of investors from an investment can be realized in the form of capital gains and dividends. Dividends reflect how efficiently management utilizes its financial resources and ability to profit. Shareholders or investors will get dividends consisting of two types, namely cash dividends and non-cash dividends. Cash dividend is a dividend paid by the issuer to shareholders in the form of cash money (cash) while non-cash dividend is a dividend in the form of shares paid at a predetermined level of proportion. Dividend policy is a policy to determine how much net income will be distributed to shareholders as dividends and how much net income will be reinvested in the company as retained earnings (Arifin & Asyik, 2015).

Some consumer goods companies are issuers that consistently become the winners of the top 10 issuers with the largest market capitalization on the Indonesia Stock Exchange along with several issuers from the financial sector. Based on data released by

How to cite: Tamara, B., Bambang Mulyana. (2022) Effect of Financial Performance and Firm Size on Dividend Policy (Empirical Study on Consumer Goods Sector Issuers 2017-2020). *Jurnal Syntax Admiration 3*(1). https://doi.org/10.46799/jsa.v3i1.379
E-ISSN: 2722-5356
Published by: Ridwan Institute

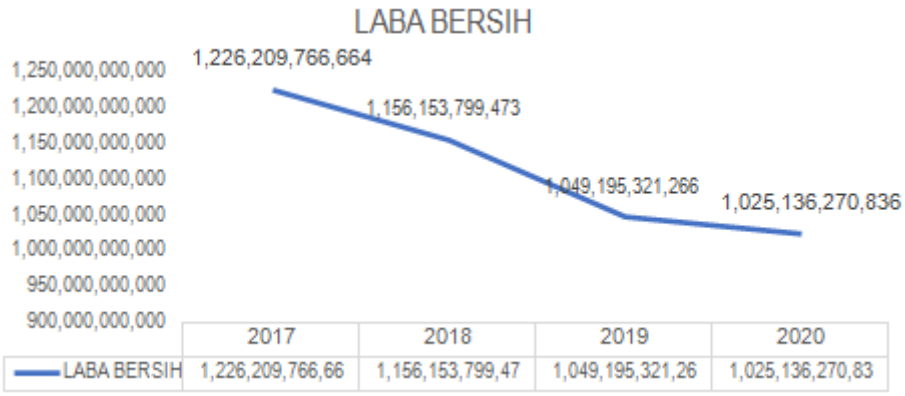
the Indonesia Stock Exchange in 2020, there were 3 consumer goods sector issuers who became the winners of the top 10 issuers with the largest market capitalization, namely PT. Unilever Indonesia Tbk (UNVR) which is in third place with market capitalization worth Rp. 313 trillion, PT. H M Sampoerna Tbk (HMSP) in seventh place with a market capitalization of Rp. 204 trillion, as well as PT. Indofood CBP Sukses Makmur Tbk (ICBP) in ninth place with a market capitalization of Rp. 118 trillion. So that it becomes one of the sectors that excite the capital market and becomes a support for economic growth in Indonesia. The position of the consumer goods sector is a consideration for researchers to conduct research with topics as mentioned above.

The following is data on dividends paid by consumer goods issuers for the period 2017-2020.



Graph 1
Dividend Payout Ratio Data Paid by Consumer Goods Issuers 2017-2020
Source: Indonesia Stock Exchange

Based on the graph 1 it was concluded that the average dividend payout ratio paid by Consumer Goods issuers in 2017-2020 experienced an upward trend. Here is the net income data of Consumer Goods issuers in 2017-2020.



Graph 2
Consumer Goods issuer net income data for 2017-2020
Source: Indonesia Stock Exchange

Based on a graph of 2 net income earned by Consumer Goods issuers in the period 2017-2020, it looks to decrease. This is inversely proportional to the dividend payout ratio paid by consumer goods issuers who experienced an increase in.

According to research conducted (Akbar & Fahmi, 2020) using the size of the company, and liquidity as independent variables to determine the effect on dividend policy. The result of this research is both likuidity and size have positive insignificant effect. Research conducted by (Bawamenewi & Afriyeni, 2019) also uses Profitability, Leverage, and Liquidity to determine the effect on dividend policy. The result of this research is both profitability and leverage have negative effect and likuidity has positive insignificant effect. Furthermore, (Herawati & Fauzia, 2018) used profitability, liquidity and leverage as independent variables to determine the effect on dividend policy. The result of this research is both profitability and leverage have positive effect and likuidity have no effect. From some previous studies that have been done but still found different research results in each of these studies.

Based on graph 1.2 it is seen that the decrease in net income in consumer goods issuers 2017-2020 is inversely proportional to the increase in dividend payout ratio payments in the same period. Thus it is necessary to examine other factors that are the cause of dividend payment policy by the issuer. Based on several factors that affect dividend policy presented in previous research, the study uses four independent variables, namely profitability, liquidity, leverage, firm size.

Based on phenomenon presented in the graph and previous research that has not found similarities in the results of their research encouraging researchers to conduct research with the title "Effect of Financial Performance And Firm Size On Dividend Policy (Empirical Study on Consumer Goods Sector Issuers 2017-2020)".

Method

1. Research Design

The study used a type of associative causal research, aimed at testing hypotheses about the effect of one or more independent variables on dependent variables. In this study, the authors wanted to find out the effect of profitability, liquidity, leverage and firm size by statistical testing to find out if there is an effect of these four variables on dividend policy.

2. Population and Research Samples

According to (Yani, 2017) population is a generalization area consisting of: objects / subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions. The population in this study is all issuers in the Consumer Goods sector listed on the Indonesia Stock Exchange (IDX) for the period 2017-2020 as many as 63 issuers.

The sample is part of the number and characteristics that the population has (Sugiyono, 2017). The sampling of samples in this study used non probability sampling techniques with purposive sampling methods. Purposive sampling technique is a sampling technique with certain criteria consideration regarding related populations (Sugiyono, 2017). The criteria set out in the selection of this sample are :

1. Issuers of the Consumer Goods industrial sector who consistently pay dividends without breaking out on the Indonesia Stock Exchange consecutively for the period 2017-2020.
2. Issuers of the Consumer Goods industrial sector listed without breaking out on the Indonesia Stock Exchange for the period 2017-2020.
3. Issuers of the Consumer Goods industry sector who have complete financial statement data needed and consistent on the Indonesia Stock Exchange consecutively for the period 2017-2020.

3. Types and Methods of Data Collection

The data used in this study are secondary data and quantitative data, time series and cross section data. The secondary data used in this study is annual financial statement data from consumer goods sector issuers listed on the Indonesia Stock Exchange (IDX) for the period 2017 - 2020. The types of data in this study are time series and cross sections with ratio scales. Data collection uses documentation techniques, namely by collecting and recording numbers presented in the company's financial statements. The required data is the value of Total Asset, Current Asset, Current Liabilities, Total Debt, Total Equity, and Total Assets, Dividend Payout Ratio.

4. Data Analysis Methods

The method of data analysis in this study is to use descriptive statistics and hypothesis tests. The independent variables used in this study are Profitability projected with ROE, Liquidity with CR, Leverage with DER, and Firm Size with

Total Assets. While the variables are bound (dependent variables) in this study the dividend policy is projected with the DPR. Hypothesis testing in this study uses a significance level of α = 5% or 0.05 by using Eviews software in data processing.

Results and Discussions

A. Result

1. Overview of Research Objects

This study consists of two types of data combined, namely time series data and cross section data. A data panel is a data set that contains individual sample data collected over a period of time. This research method data analysis technique uses the Eviews 9.0 data processing program. The study used 14 consumer goods sector issuers who met the criteria as a sample.

The Consumer Goods sector industry includes companies that produce or distribute products and services that are generally sold to consumers, but for goods that are anti-cyclical or primary / basic goods so that the demand for these goods and services is not affected by economic growth, such as primary goods retail companies, food stores, drug stores, supermarkets, beverage manufacturers, packaged foods, sellers of agricultural products, manufacturers of cigarettes, household goods, and personal care items. Issuers that meet the criteria as a sample are :

PT. Budi Starch & Sweetener Tbk (BUDI) is engaged in the manufacturing of chemicals and food products, including derivative products produced from cassava, sweet potatoes, palm oil, copra and other agricultural products as well as other industries, especially the plastics industry. The company began commercial operations in January 1981 and was listed on the Indonesia Stock Exchange on May 8, 1995.

PT. Chitose Internasional Tbk (CINT) is engaged in industry, trade and furniture services with the main focus of non-primary consumer goods on the production of chairs, including chairs used in offices, hotels, private homes. The Company was listed on the Indonesia Stock Exchange on June 27, 2014.

PT. Delta Djakarta Tbk (DLTA) is engaged in manufacturing and primary consumer goods such as bottled water. The company began commercial operations in 1933 and was listed on the Indonesia Stock Exchange on February 27, 1984.

PT. Darya-Varia Laboratoria Tbk (DVLA) is engaged in manufacturing and trading pharmaceutical and cosmetic products including toothpaste and the traditional medicine industry. The company began commercial operations in 1976 and was listed on the Indonesia Stock Exchange on November 11, 1994.

PT. Hanjaya Mandala Sampoerna Tbk (HMSP) is engaged in cigarette manufacturing and trade and invests in other companies. The company began commercial operations in 1913 in Surabaya, as a household industry. In 1930, the household industry was officially established under the name NVBM Handel

Maatschapij Sampoerna. The Company was listed on the Indonesia Stock Exchange on August 15, 1990.

PT. Indofood CBP Sukses Makmur Tbk (ICBP) is engaged in the manufacture of noodles and foodstuffs, culinary food products, biscuits, snacks, nutrition and specialty foods, packaging, trade, transportation, warehousing and cold storage, management services and research and development. The Company was listed on the Indonesia Stock Exchange on October 7, 2010.

PT. Indofood Sukses Makmur Tbk (INDF) is engaged in processed foods, seasonings, beverages, packaging, cooking oil, wheat milling and making textile sack flour. The company began commercial operations in 1990. The Company was listed on the Indonesia Stock Exchange on July 14, 1994.

PT. Kino Indonesia Tbk (KINO) is a manufacturing and distribution activity of consumer goods integrated with products such as body care, food and beverages, and pharmacies. The Company was listed on the Indonesia Stock Exchange on December 11, 2015.

PT. Kalbe Farma Tbk (KLBF) is engaged in the development, manufacture and trade of pharmaceutical preparations including medicines and consumer health products. The company began commercial operations in 1966. The Company was listed on the Indonesia Stock Exchange on July 30, 1991.

PT. Mayora Indah Tbk (MYOR) is engaged in the manufacture of food, sweets and biscuits. The company sells its products both in domestic and foreign markets. The company began commercial operations in May 1978. The Company was listed on the Indonesia Stock Exchange on July 4, 1990.

PT. Sido Muncul Tbk (SIDO) herbal medicine and pharmaceutical industry is engaged in the herbal medicine industry such as the pharmaceutical industry, herbal medicine, cosmetics, food and beverage related to health, trade, land transportation and services. The Company was listed on the Indonesia Stock Exchange on December 18, 2013.

PT. Ultrajaya Milk Industry & Trading Company Tbk (ULTJ) is engaged in the food and beverage industry. In the beverage field, the Company produces various beverages such as milk, fruit juice, tea, traditional beverages and health drinks, which are produced with UHT (Ultra High Temperature) technology, and packaged in aseptic packaging materials. In the food section, the Company produces sweetened condensed milk, powdered milk, and tropical fruit juice concentrates. The Company was listed on the Indonesia Stock Exchange on July 2, 1990.

PT. Unilever Indonesia Tbk (UNVR) is engaged in manufacturing, marketing and distribution of consumer goods including soaps, detergents, margarine, dairy-based foods, ice cream, cosmetic products, tea-based beverages and fruit juices. The Company was listed on the Indonesia Stock Exchange on January 11, 1982.

PT. Kimia Farma Tbk (KAEF) is an integrated healthcare company. The company is engaged in the production, processing, marketing, and distribution of chemicals, pharmaceuticals, biology, and other materials in Indonesia. The Company was listed on the Indonesia Stock Exchange on July 4, 2001.

2. Descriptive Statistics

Descriptive statistics to analyze data by describing the mean (average), minimum value, maximum value, standard deviation of bound variables i.e. dividend policy, and free variables namely profitability, liquidity, leverage, and firm size. The description of the statistical data of all the variables used in this study is as follows :

Table 1
Descriptive Statistics of Research

Variabel	Minimum	Maksimum	Mean	Standar Deviasi
DPR	0,07	802,97	80,22	125,56
ROE	0,12	111,8	22,51	25,65
CR	63,37	863,78	295,33	199,47
DER	0,09	2,25	0,74	0,58
LN ASSET	6,12	12,26	9,03	1,57

Table 1 shows the results of descriptive analysis of this study. Dividend policy which is varied is bound by using the DPR as a measuring instrument obtained a minimum value of 0.07% by DVLA issuers in 2020, and a maximum value of 802.97% by CINT issuers in 2020. While the overall mean value of 80.22% indicates that the distribution of dpr variable data is less good because the deviation value is greater than the average value.

Profitability which is a free variable by using ROE as a measuring instrument obtained a minimum value of 0.12% by CINT issuers in 2020, and a maximum value of 111.8% by UNVR issuers in 2020. While the overall mean value of 22.51% indicates that the distribution of ROE variable data is less good because the deviation value is greater than the average value.

Liquidity which is a free variable by using CR as a measuring instrument was obtained a minimum value of 63.37% by UNVR issuers in 2017, and a maximum value of 863.78% by DLTA issuers in 2017. While the overall mean value of 295.33% indicates that the distribution of CR variable data is less good because the deviation value is greater than the average value.

Leverage which is a free variable by using DER as a measuring instrument obtained a minimum value of 0.09% by SIDO issuers in 2017, and a maximum value of 2.25% by UNVR issuers in 2020. While the overall mean value of 0.74% indicates that the distribution of DER variable data is good because the deviation value is smaller than the average value.

Firm size which is a free variable by using ln Total Asset as a gauge obtained a minimum value of 6.12 by CINT issuers in 2017 with total assets owned by PT. Chitose Internasional Tbk amounted to Rp. 456 Trillion. Furthermore, the maximum value of 12.26 by UNVR issuers in 2020 with total assets owned by PT. Unilever Indonesia Tbk amounted to Rp. 210.789 Trillion. While the overall mean value of 9.03 indicates that the spread of size variable data is good because the deviation value is smaller than the average value.

3. Inferential Statistics

a) Data Testing

Data testing aims to analyze the data and then draw conclusions to find out the effect of financial performance on dividend policy. In this study using regression analysis of panel data, which according to (Damodar & Porter, 2013) According to (Damodar & Porter, 2013) if data analysis using regression data panel then there is no need to test classical assumptions on data, because the data is assumed to be normal.

b) Regression Equation Model Testing

Regression model estimation testing is done with common effect model (CEM), fixed effect model (FEM), and random effect model (REM). This test is done to analyze the best models in panel data. Here are the estimates of the model to be used :

Table 2
CEM Model Estimates

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-24.04733	39.99854	-0.601205	0.5504
ROE	-40.38987	6.570099	-6.147528	0.0000
CR	3.000669	0.399535	7.510410	0.0000
DER	14.95794	11.07911	1.350104	0.1829
LNSIZE	1.648953	4.616262	0.357205	0.7224
R-squared	0.531293	Mean dependent var		10.88518
Adjusted R-squared	0.494532	S.D. dependent var		69.86876
S.E. of regression	49.67410	Akaike info criterion		10.73389
Sum squared resid	125843.3	Schwarz criterion		10.91472
Log likelihood	-295.5489	Hannan-Quinn criter.		10.80400
F-statistic	14.45249	Durbin-Watson stat		3.085206
Prob(F-statistic)	0.000000			

Based on table 2 showing the prob (F-statistic) value of ROE and CR of 0.0000 < α (0.05) means that ROE and CR have a significant effect on the DPR. The adjusted R-squared result of this model is 0.4945 which indicates that this model is able to explain that the variables ROE, CR, DER, and SIZE are 49.45% and the rest is explained by other variables not described in this study.

Table 3
Fem Model Estimates

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-164.3310	206.7893	-0.794678	0.4317
ROE	-124.5802	25.93759	-4.803077	0.0000
CR	18.61701	4.579074	4.065672	0.0002
DER	38.36572	39.35329	0.974905	0.3358
LNSIZE	1.256307	24.32842	0.051639	0.9591
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.659485	Mean dependent var		10.88518
Adjusted R-squared	0.507149	S.D. dependent var		69.86876
S.E. of regression	49.05019	Akaike info criterion		10.87866
Sum squared resid	91425.02	Schwarz criterion		11.52966
Log likelihood	-286.6024	Hannan-Quinn criter.		11.13105
F-statistic	4.329155	Durbin-Watson stat		2.598338
Prob(F-statistic)	0.000085			

Based on table 3 shows the value of prob (F-statistic) ROE of 0.0000 < α (0.05) and CR of 0.0002 < α (0.05) means that ROE and CR have a significant effect on the DPR. The adjusted R-squared result of this model is 0.5071 which shows that this model is able to explain that the variables ROE, CR, DER, and SIZE are 50.71% and the rest is explained by other variables not described in this study.

Table 4
REM Model Estimates

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-24.04733	39.49616	-0.608852	0.5453
ROE	-40.38987	6.487579	-6.225723	0.0000
CR	3.000669	0.394516	7.605941	0.0000
DER	14.95794	10.93995	1.367276	0.1775
LNSIZE	1.648953	4.558282	0.361749	0.7190
Effects Specification				
			S.D.	Rho
Cross-section random			0.000000	0.0000
Idiosyncratic random			49.05019	1.0000
Weighted Statistics				
R-squared	0.531293	Mean dependent var		10.88518
Adjusted R-squared	0.494532	S.D. dependent var		69.86876
S.E. of regression	49.67410	Sum squared resid		125843.3
F-statistic	14.45249	Durbin-Watson stat		3.085206
Prob (F-statistic)	0.000000			

Based on table 4 shows the prob (F-statistic) value of ROE and CR of 0.0000 < α (0.05) means that ROE and CR have a significant effect on the DPR. The adjusted R-squared result of this model is 0.4945 which indicates that this model is able to explain roe, CR, DER, and SIZE variables are 49.45% and the rest are explained by other variables not described in the study.

Tables 4.2, 4.3, and 4.4 show the estimated results of each model. The table explains that each model has different significance values. To find which model is best, further analysis is done using Chow Test, Hausman Test, and Lagrange Multiplier Test.

c) Selection of Panel Data Regression Estimation Model

1. Chow Test

Chow test is used to find out if the fixed effect model is better than the common effect model that can be done by looking at the significance of the fixed effect model with the statistic test F. Here are the results of the Chow Test :

Table 5
Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.100436	(13,38)	0.3880
Cross-section Chi-square	17.893036	13	0.1616

H_0 : *Common effect model* yang sesuai
H_1 : *Fixed effect model* yang sesuai

Based on table 5 H0 is accepted if the prob value on the crossesction test chow < α (0.05). Prob value on crossesction chow test (0.3880) > α (0.05), then H0 is accepted, then it means that based on chow test model common effect model is the appropriate model.

2. Haussman Test

The Haussman test is used to find out if a fixed effect model is better than a random effect model. Here are the haussman test results :

Table 6
Haussman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	14.252349	4	0.0650

H_0 : *Random effect model* yang sesuai
H_1 : *Fixed effect model* yang sesuai

Based on table 6 H0 is accepted if the probability value on crossesction test Haussman > α (0.05). The probability value on the crossesction test Haussman (0.0650) > α (0.05), then H0 is rejected, it means

that based on the chow test the random effect model is the appropriate model.

3. Lagrange Multiplier Test

The Lagrange Multiplier test is used to find out if the random effect model is better than the common effect model. Here are the results of the Lagrange test.

Table 7
Lagrange Multiplier Test

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	7.467635	0.023171	7.490806
	(0.0063)	(0.8790)	(0.0062)
Honda	-2.732697	0.152222	-1.824672
	--	(0.4395)	--
King-Wu	-2.732697	0.152222	-1.046082
	--	(0.4395)	--
Standardized Honda	-2.245384	0.495725	-5.045547
	--	(0.3100)	
			--
Standardized King-Wu	-2.245384	0.495725	-3.624022
	--	(0.3100)	--
Gourierioux, et al.*	--	--	0.023171
			(>= 0.10)

Based on table 7 the value of Both Breusch-Pagan shows a value of 0.0062 < α (0.05), then the corresponding model is a random effect model.

4. Panel Data Regression Analysis

Based on the chow test table, haussman test and lagrange mulitiplier test obtained regression panel data as follows :

Table 8
Regression Data Panel

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-24.04733	39.49616	-0.608852	0.5453
ROE	-40.38987	6.487579	-6.225723	0.0000
CR	3.000669	0.394516	7.605941	0.0000
DER	14.95794	10.93995	1.367276	0.1775
LNSIZE	1.648953	4.558282	0.361749	0.7190

Based on table 8, regression analysis is obtained as follows:

DPR = -24.04733 + 40.38987ROE + 3.000669CR + 14.95794DER+ 1.648953FS

Based on the regression equation can be analyzed the influence of each independent variable on the dependent variable, namely :

1. The constant of 24.04733 means that if the value of ROE, CR, DER, SIZE is constant (0) then the dpr value is 24.04733.
2. The roe regression coefficient value of 40.3899 with a negative mathematical mark, indicates that ROE negatively affects the DPR. This means that every 1% increase in ROE, the DPR will decrease by 40.38987% assuming other variable values are considered fixed (ceteris paribus).
3. The cr regression coefficient value of 3.0007 with a positive mathematical mark, indicates that the CR has a positive effect on the DPR. This means that every increase of 1% CR, the DPR will experience an increase of 3.0007% assuming other variable values are considered fixed (ceteris paribus).
4. The regression coefficient value of DER of 14.9579 with a positive mathematical mark, indicates that the DER has a positive effect on the DPR. This means that every increase of 1% DER, the DPR will increase by 14.9579% assuming the value of other variables is considered fixed (ceteris paribus).
5. The size regression coefficient value of 1.6489 with a positive mathematical mark, indicates that SIZE has a positive effect on the DPR. This means that every increase of 1% SIZE, the DPR will experience an increase of 1.6489% assuming other variable values are considered fixed (ceteris paribus).

5. Significance Testing

1. Simultaneous Significant Test (Test F)

Significant tests are used to test whether all independent variables have an overall effect on dependent variables. The approach used is test F seen in table 9 below :

Table 9
Test Results F

		Weighted Statistics	
R-squared	0.531293	Mean dependent var	10.88518
Adjusted R-squared	0.494532	S.D. dependent var	69.86876
S.E. of regression	49.67410	Sum squared resid	125843.3
F-statistic	14.45249	Durbin-Watson stat	3.085206
Prob(F-statistic)	0.000000		

Based on table 9, on test F obtained a probability value of 0.0000 < α (0.05). Thus it is interpreted that together the variables ROE, CR, DER,

and SIZE affect the DPR variables. In addition, it can also be interpreted that the model or analytical tool used in this study is acceptable or suitable for use.

2. Coefficient of Determination (R2)

The coefficient of determination (R2) test measures how far the model is able to explain the variation of its dependent variables. If R2 gets closer to number 1 then the match will be better. The results of the coefficient of determination are seen in table 4.10 below :

Table 10
Results of coefficient of determination (R2)

Weighted Statistics			
R-squared	0.531293	Mean dependent var	10.88518
Adjusted R-squared	0.494532	S.D. dependent var	69.86876
S.E. of regression	49.67410	Sum squared resid	125843.3
F-statistic	14.45249	Durbin-Watson stat	3.085206
Prob (F-statistic)	0.000000		

Based on table 10 it is known that the adjusted value of R-squared of 0.4945 means that together the variables ROE, CR, DER, and FS are able to explain the variation in the DPR of 49.45%, while the remaining 50.55% is explained by factors not included in the study.

3. Partial Test (Test t)

The partial significance test is intended to determine the significance of the effect of partially independent variables on dependent variables. This test is conducted using the t Test approach as seen in table 11 below :

Table 11
Test Results t

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-24.04733	39.49616	-0.608852	0.5453
ROE	-40.38987	6.487579	-6.225723	0.0000
CR	3.000669	0.394516	7.605941	0.0000
DER	14.95794	10.93995	1.367276	0.1775
LNSIZE	1.648953	4.558282	0.361749	0.7190

Based on table 11, it is analyzed as follows :

1. The Effect of ROE on the House
   Obtained a probability value of ROE of 0.0000 < α (0.05), which means ROE has a significant effect on the Dpr
2. Cr's influence on the DPR
   Obtained a CR probability value of 0.0000 < α (0.05), which means the CR has a significant effect on the DPR
3. Der's influence on the DPR

Obtained der probability value of 0.1775 > α (0.05), which means der has no significant effect on the DPR

4. The Effect of SIZE on the DPR
   A SIZE probability value of 0.7190 > α (0.05), which means size has no significant effect on the House of Representatives.

B. Discussion

1. The Effect of ROE on the House

Based on table 4.8 it is known that ROE negatively affects the DPR. Faced with a hypothesis in chapter 2 that says that ROE negatively affects the House, the results of this analysis accept the hypothesis. Furthermore, based on table 4.11 it is known that ROE has a significant effect on the DPR. Thus the results of the analysis found that ROE had a significant negative effect on the DPR. This means that every 1% increase in ROE, the DPR will decrease by 40.38987% where the decrease is in a significant degree. This research is in line with the research of (Parsian & Shams Koloukhi, 2014) and (Ardestani et al., 2013), but not in line with (Hasana et al., 2018) and (Sari et al., 2015) and sudjarni research (2015).

The profit earned by the company can be used for the rate of return on equity (ROE) where the company is more happy when roe is at a large number, because it means that equity will return in a short time. The results of this study found that the increase in profits means the faster equity returns, but less profitable for shareholders because the dividends to be received will be smaller. This condition is possible because often creditors give negative covenants to companies as debtors not to pay dividends or pay relatively small dividends as long as the credit facility has not been paid off. The large profits earned by the company encourage the company to prioritize the fulfillment of obligations to creditors, so that shareholders only receive a small portion of the company's profits. The results of this study are in line with the theory of dividends, namely the residual theory of dividends. Thus the increase in profits which then raises the ROE numbers only early.

2. Cr's influence on the DPR

Based on table 4.8 it is known that CR negatively affects the DPR. Faced with a hypothesis in chapter 2 that says that CR has a positive effect on the DPR, the results of this analysis accept the hypothesis. Furthermore, based on table 4.11 it is known that CR has a significant effect on the DPR. This means that every increase of 1% CR, the DPR will experience an increase of 3.0007% where the kanaikan is in a significant level. The results of this study are in line with research conducted by (Sari et al., 2015) and Sudjarni (2015), and (Hasana et al., 2018), but not in line with the research of (Dewi, 2016), and (Nurhayati, 2013).

The more liquid the company, the DPR will rise as well, the increase in a significant level. The high CR value reflects the ability to use the company's current assets as well as the ability to liquidate optimal current liabilities. A high

CR value describes a good company performance because with a good level of liquidity will result in optimal profits earned by the company to be distributed in the form of dividends to shareholders. Companies that are able to maintain financial liquidity will have a greater opportunity to distribute dividends because the company is not burdened by its short-term obligations, thus providing a good indication for short-term investors / shareholders. In accordance with Signalling's theory that high liquidity becomes signall as a consideration to the policy of dividend distribution for shareholders. Thus a high liquidity position is a good signal for shareholders because the company.

3. Der's influence on the DPR

Based on table 4.8 it is known that DER has a positive effect on the DPR. Faced with a hypothesis in chapter 2 that says that DER negatively affects the DPR, the results of this analysis reject the hypothesis. Furthermore, based on table 4.11 it is known that der has no significant effect on the DPR. This means that every 1% increase in DER, the DPR will Increased by 14.9579% where the increase was in an insignificant degree. The results are in line with research conducted by (Parsian & Shams Koloukhi, 2014), but not in line with (Labhane & Das, 2015) and das research (2015).

High DER but positive influence on the DPR is possible because the debt formed by the company is used for things that are productive such as adding machinery or factories so that production capacity is greater. The amount of production capacity allows the company to be able to produce and sell products in large quantities, which in turn will enlarge revenue and ultimately increase profits earned. The amount of revenue is more likely when the company is able to perform cost efficiency. The increased profit gives the company the ability to raise dividend payments to shareholders. Thus companies and shareholders do not have to worry about rising debt if the debt is used to increase production. Thus the increase in debt followed by a rise in earnings becomes a positive signal for shareholders to get a larger dividend compared to the period of earnings.

4. The Effect of SIZE on the DPR

Based on table 4.8 it is known that FS has a positive effect on the DPR. Faced with a hypothesis in chapter 2 that says that DER has a positive effect on the DPR, the results of this analysis accept the hypothesis. Furthermore, based on table 4.11 it is known that SIZE has no significant effect on the Dpr. This means that every 1% increase in FS, the DPR will experience an increase of 1.6489% where this increase is in an insignificant level. The results of this study are in line with the research conducted by (Akbar & Fahmi, 2020), but not in line with the research of (Nerviana, 2016), and (Septiani et al., 2020).

The increase in the scale of the company described by the increase in the number of assets positively affects dividend payments because companies that have a large scale size will more easily enter the capital market to get a higher source of external funding so that with this opportunity the company will pay a

larger dividend to shareholders. The larger the size of the company shows that the larger the company's assets that can be used as collateral for the distribution of dividends to shareholders. This shows that the size of the company plays a role in explaining the ratio of the company's dividend payout. This becomes a profitable signall for shareholders because the increasing scale of the company results in an increase in dividends even though not to a significant degree.

Conclusion

Based On The Results Of Research And Data Processing Using The Panel Data Method In Chapter 4, It Can Be Concluded As Follows: 1) Roe Has A Significant Negative Effect On Dpr. The results of this study found that the increase in profits means the faster equity returns, but less profitable for shareholders because the dividends to be received will be smaller. 2) Cr Has A Significant Positive Effect On Dpr. The more liquid the company, the DPR will rise as well, the increase in a significant level. 3) Der Has A Positively Insignificant Effect On Dpr. High DER but positive influence on the DPR is possible because the debt formed by the company is used for things that are productive such as adding machinery or factories so that production capacity is greater. 4) Firm Size Has An Insignificant Positive Effect On The Dpr. The increase in the scale of the company described by the increase in the number of assets positively affects dividend payments because companies that have a large scale size will more easily enter the capital market to get a higher source of external funding so that with this opportunity the company will pay a larger dividend to shareholders.

BIBLIOGRAFI

Akbar, F., & Fahmi, I. (2020). Pengaruh ukuran perusahaan, profitabilitas dan likuiditas terhadap kebijakan dividen dan nilai perusahaan pada perusahaan manufaktur yang terdaftar di bursa efek Indonesia. *Jurnal Ilmiah Mahasiswa Ekonomi Manajemen*, *5*(1), 62–81. Google Scholar

Ardestani, H. S., Rasid, S. Z. A., & Mehri, R. B. M. (2013). Dividend payout policy, investment opportunity set and corporate financing in the industrial products sector of Malaysia. *Journal of Applied Finance and Banking*, *3*(1), 123. Google Scholar

Arifin, S., & Asyik, N. F. (2015). Pengaruh Profitabilitas, Likuiditas, Growth Potential, dan Kepemilikan Manajerial Terhadap Kebijakan Dividen. *Jurnal Ilmu Dan Riset Akuntansi (JIRA)*, *4*(2). Google Scholar

Bawamenewi, K., & Afriyeni, A. (2019). Pengaruh Profitabilitas, Leverage, Dan Likuiditas Terhadap Kebijakan Dividen Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Pundi*, *3*(1). Google Scholar

Damodar, G., & Porter, D. (2013). *Dasar-dasar Ekonometrika Buku 2*. Jakarta: Salemba Empat. Google Scholar

Dewi, D. M. (2016). Pengaruh likuiditas, leverage, ukuran perusahaan terhadap kebijakan dividen tunai dengan profitabilitas sebagai variabel intervening. *Jurnal Bisnis Dan Ekonomi*, *23*(1). Google Scholar

Hasana, R., Mardani, R. M., & Wahono, B. (2018). Pengaruh Free Cash Flow, Profitabilitas, Likuiditas Dan Leverage Terhadap Kebijakan Dividen Pada Perusahaan Food And Beverage Yang Terdaftar Di Bursa Efek Indonesia (Bei) Periode 2014-2016. *Jurnal Ilmiah Riset Manajemen*, *7*(12). Google Scholar

Herawati, A., & Fauzia, F. I. (2018). The Effect of Current Ratio, Debt to Equity Ratio and Return on Asset on Dividend Payout Ratio in Sub-sector Automotive and Component Listed in Indonesia Stock Exchange in Period 2012–2016. *KnE Social Sciences*. Google Scholar

Labhane, N. B., & Das, R. C. (2015). Determinants of dividend payout ratio: evidence from Indian companies. *Business and Economic Research*, *5*(2), 217–241. Google Scholar

Nerviana, R. (2016). The Effect of Financial ratios and Company size on Dividend policy. *The Indonesian Accounting Review*, *5*(1), 23–32. Google Scholar

Nurhayati, M. (2013). Profitabilitas, likuiditas dan ukuran perusahaan pengaruhnya terhadap kebijakan dividen dan nilai perusahaan sektor non jasa. *Jurnal Keuangan & Bisnis Program Studi Magister Manajemen Sekolah Tinggi Ilmu Ekonomi Harapan*, *5*(2), 144–153. Google Scholar

Parsian, D., & Shams Koloukhi, A. (2014). A study on the effect of free cash flow and profitability current ratio on dividend payout ratio: Evidence from Tehran Stock Exchange. *Management Science Letters*, *4*, 63–70. Google Scholar

Sari, N., Ayu, K., & Sudjarni, L. K. (2015). *Pengaruh likuiditas, leverage, pertumbuhan perusahaan, dan profitabilitas terhadap kebijakan dividen pada perusahaan manufaktur di BEI*. Udayana University. Google Scholar

Septiani, M., Ariyani, N., & Ispriyahadi, H. (2020). The effect of stock prices, return on assets, and firm size on dividend payout ratio: evidence from Indonesian financial service companies. *Diponegoro International Journal of Business*, *3*(1), 17–27. Google Scholar

Sugiyono, P. D. (2017). Metode Penelitian Kuantitatif Kualitatif dan R&D, Cet. *Ke-12. Bandung: Alfabeta*. Google Scholar

Yani, J. A. (2017). *Sugiyono. 2017. Metode Penelitian Kuantitatif, Kualitatif, Dan R&D. Bandung: Alfabeta. Ferrari, JR, Jhonson, JL, & McCown, WG (1995). Procrastination And Task Avoidance: Theory, Research & Treatment. New York: Plenum Press. Yudistira P, Chandra. Diktat Ku*. Google Scholar