AFFECTING FACTORS RATIO PAYOUT DEVIDENT (For Manufacturing Companies in the Consumer Goods Industry Listed on the Indonesia Stock Exchange in 2017 - 2019) "

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ABSTRACT

This study aims to determine the factors that affect the dividend payout ratio in the consumer goods sector manufacturing companies listed on the Indonesia Stock Exchange in 2017-2019.

Data taken from reports of consumer goods sector manufacturing companies listed on the Indonesia Stock Exchange 2017-2019. The results prove that: 1) Return on assets has a positive effect on the dividend payout ratio. The more profit generated, the higher the company will pay dividends to shareholders. 2) Current Ratio has a positive effect on Dividend Payout Ratio. The bigger the company meets its short-term needs with current assets, the stronger the cash position so that the company's ability to pay dividends is greater 3) Debt to Equity Ratio has a positive effect on the Dividend Payout Ratio. The company can manage debt into profit so that the company has the ability to pay Dividend 4) Sales Growth has a positive effect on the Dividend Payout Ratio.

Keywords: *Return On Assest, Current Ratio, Debt to Equity Ratio, Sales Growth, and Dividend Payout Ratio*

1. PRELIMINARY

The capital market is an important investment place for investors. In investing, of course, investors will choose companies that have the potential to fulfill their objectives. The main objective of investors in investing their funds into the company is to seek income or return on investment, both in the form of dividend income and income from the difference in the selling price of shares to the purchase price (Harjito, 2017: 20). Investors want to get profit from the investment they invest in the company. Of course, investors will see whether the company they have chosen is profitable or not. Investors will also assess whether the company's performance is good or not.

Dividend is a distribution of profit earned by the company to shareholders in proportion to the number of shares it owns. Dividends can be in the form of cash or shares. Dividends distributed to shareholders can be expressed as a percentage of the value of the shares or an amount of money per share owned. Dividend policy is a policy that determines how much of the profit will be distributed as dividends, and how much of the profit will be retained as retained earnings (Husnan , 2018: 319). Dividend policy has an important meaning both for the company and for shareholders. The dividend policy of a company is reflected in its Dividend Payout Ratio.

Liquidity can be calculated by the current ratio. This ratio shows the comparison between current assets and current liabilities, which is to determine the company's ability to pay the company's current debt. A high current ratio provides a good indication of guarantee for short-term creditors in the sense that every time the company has the ability to pay off its short-term financial obligations, shareholders will receive high dividends.

Debt to Equity Ratio (DER) is a ratio that measures how far the company is financed by debt, where the higher this ratio represents a symptom that is not good for the company (Sartono, 2017). Therefore, the lower the DER, the higher the company's ability to pay all of its obligations. The use of debt that is too high will endanger the company because the company will fall into the extreme leverage category, where the company is trapped in a high level of debt and it is difficult to release the debt burden. If the Debt To Equity Ratio (DER) decreases, the resulting profit will increase and the dividends to be paid will be higher.

Every company must have a sales target every month and every year. The company will target high sales in order to get high profits. The increase in sales each year will be a consideration for shareholders whether or not to invest in the company. Companies that have high sales growth will have the opportunity to get high profits. Companies that have high profits will pay dividends to high investors as well. Research on the Dividend Payout Ratio (DPR) has been widely carried out in Indonesia, but the authors still see inconsistencies in the results of previous research (Gap Research) such as research conducted by Wahyuni (2018), Zuhafni (2016), Kartika (2015) found that Return on Assets (ROA) has a significant positive effect on the Dividend Payout Ratio (DPR). Meanwhile, Agung (2018) found that Return on Assets (ROA) had no effect on the Dividend Payout Ratio (DPR).

In addition, Firdaus (2019) in his research stated that the Current Ratio has a significant positive effect on the dividend payout ratio. Meanwhile Wahyuni (2018), Hafiz (2018), and Muhammadinah (2015), stated that the Current Ratio has no influence on dividend policy in Indonesia.

Research conducted by Hafifz (2018) and Muhammadinah (2015) found that the Debt to Equity Ratio (DER) has a positive effect on the dividend payout ratio, whereas Nugroho (2017) and Supriyati (2014) found that the Debt Equity Ratio has no effect on dividend payout. Ratio (DPR).

The past research conducted by Nugroho (2017) shows that Sales Growth has a positive effect on the Dividend Payout Ratio, while researchers Ni Putu (2019) and Kartika (2015) have found that Sales Growth has a negative effect on the Dividend Payout Ratio (DPR).

The description above shows the results of previous research that are not consistent (gap research), so the researcher wants to prove this phenomenon by conducting a research entitled "FACTORS AFFECTING THE DEVIDEND OF PAYOUT RATIO (In Manufacturing Companies in the Consumer Goods Sector Listed on the Indonesia Stock Exchange in 2017 - 2019)".

Based on the background of the problems that have been stated above, the problem formulations in this study are as follows:

1) Does Return on Assets (ROA) affect the Dividend Payout Ratio (DPR)?
2) Does Current Ratio (CR) affect the Dividend Payout Ratio (DPR)?
3) Does Debt to Equity Ratio (DER) affect Dividend Payout Ratio (DPR)?
4) Does Sales Growth affect the Dividend Payout Ratio (DPR)?

2. BASIS OF THEORY AND HYPOTHESIS DEVELOPMENT

2.1. Theoretical basis

2.1.1. Theory Agency

Jensen and Meckling (1976) explain agency relationship as “agency relationship as a contract under which one or more person (the principals) engage another person (the agent) to perform some service on their behalf which involves delegating some decision making authority to the agent ".

An agency relationship is a contract in which one or more people (principal) order another person (agent) to perform a service on behalf of the principal and authorize the agent to make the best decisions for the principal. If both parties have the same goal of maximizing company value, it is believed that the agent will act in a manner consistent with the principal's interests.

2.1.2. Dividend Payout Ratio

Dividend Payout Ratio (DPR) is the percentage of income to be paid to shareholders which will be paid out as cash dividends. Percentage of income to be paid to shareholders with the ratio between Dividend Per Share (DPS) and Earning Per Share (EPS). According to Hery (2018: 45) Dividend Payout Ratio (DPR) is a ratio that shows the results of the comparison between cash dividends per share and earnings per share. This ratio describes the amount of profit from each share which is allocated in the form of dividends”.

The size of the Dividend Payout Ratio depends on the type of dividend policy adopted by the company. Types of dividend policies that can be adopted include:

1) Dividend per share is stable
2) Stable DPO (dividend payout)
3) Combination
4) Residual dividends

2.1.3. Return On Assets (ROA)

Return on Asset is a form of profitability ratio to measure the company's ability to generate profits by using total existing assets and after the costs of capital (costs used to finance assets) are removed from the analysis. Meanwhile, according to Kasmir (2017: 211) that Return on Assets (ROA) is a ratio that shows the results (return) on the total assets used in the company or a measure of management activity. A positive return on assets shows that the total assets used for company operations are able to provide profits for the company. Conversely, if the Return on Assets is negative, it shows that the total assets used do not provide a gain / loss.

According to Sartono (2017: 123) that: "Return on assets is a ratio that shows the company's ability to generate profits from assets used". Return on Asset is used to measure the effectiveness of the company in generating profits by utilizing its assets. The greater the Returns on Assets, the better the company's performance, because the rate of return is greater.

2.1.4. Current Ratio (CR)

According to Jumingan (2014.123) Current Ratio (CR) is a current ratio that provides a rough measure of the level of a company's liquidity. Current Ratio is obtained by dividing current assets. According to Hery (2018: 142) Current Ratio (CR) is a ratio to measure a company's ability to meet its short-term obligations that are due soon by using available current assets.

2.1.5. Debt to Equity Ratio (DER)

Debt to Equity Ratio (DER) is a debt ratio that describes the extent to which owner's capital can cover debts to outsiders and is a ratio that measures the extent to which the company is financed from debt. And capital shows the company's ability to fulfill its obligations by using existing capital.

According to Hery (2018: 161) the factors that affect the solvency ratio are:

1. *Ease of obtaining funds.*
2. *The amount of funds required.*
3. *Refund period.*
4. *The company's ability to pay loan expenses.*
5. *Tax considerations.*
6. *Company control issues.*
7. *The effect on earnings per share.*

2.1.6. Sales Growth (SG)

Growth is the ratio of growth (growth ratio) is a ratio that describes the ability of a company to maintain its economic position amidst economic growth and its business sector. Cashmere (2017). Sales growth is the sales growth of the company where the funds obtained from sales are assets used for the company's operational activities. The greater the sales, it is expected that the greater the operational results produced by a company will be.

2.2. Relationship between Research Variables

2.2.1. Effect of Return on Assets (ROA) on Dividend Payout Ratio (DPR)

In every company operation, we can be sure that every company expects a profit or profit. Because with this profit the company can continue its operational activities, the company uses funds from the company or from outside the company or what is often called debt. Companies that have a high level of profit tend to have small debt. Return on assets (ROA) is also the rate of return on investment on the company's investment in fixed assets used for operations. Return on assets (ROA), which is getting bigger, shows that the financial performance is getting better, because the rate of return on investment is getting bigger, so it can be said that the Return on Assets (ROA) has a positive influence on the Dividend Payout Ratio. According to Hery (2018: 193) The higher the return on assets means the higher the amount of net profit generated by each rupiah of funds that is embedded in total assets. Conversely, the lower the return on assets means the lower the amount of net profit generated from each rupiah of funds which is embedded in total assets.

According to Sudana (2017: 22) the greater the ROA, it means that the more efficient use of company assets, or in other words, with the same number of assets, a greater profit can be generated, and vice versa.

From the theory and research results above, the hypothesis is:

H1 = Return on Assets (ROA) has a positive effect on the Dividend Payout Ratio (DPR)

2.2.2. Effect of Current Ratio on Dividend Payout Ratio (DPR).

According to cashmere (20127: 134) this ratio measures the company's ability to pay short-term obligations or debts that are due immediately when they are collected as a whole. This ratio is used to find out how many current assets are available to cover short-term liabilities that are due soon. According to Sartono (2017: 116), the higher the current ratio, the greater the company's ability to meet short-term financial obligations. Current assets include cash, receivables, marketable securities and inventories. Of these assets, inventories represent current assets which are less liquid than others.

Based on previous theory and research, the hypothesis is:

H2 = Current Ratio has a positive effect on the Dividend Payout Ratio

2.2.3. Effect of Debt to Equity Ratio (DER) on Dividend Payout Ratio

The company certainly expects to be able to pay its obligations in every operation of its company. Debt to Equity Ratio (DER) is used to measure the company's ability to meet all debts. The greater the Debt to Equity Ratio (DER), the higher the liabilities and the lower the Debt to Equity Ratio (DER), the higher the company is in meeting its debts. The greater the debt of a company will affect the level of income available to shareholders, that is, the higher the company's liabilities will reduce the ability to pay dividends.

Based on the theory and previous research above, the hypothesis is:

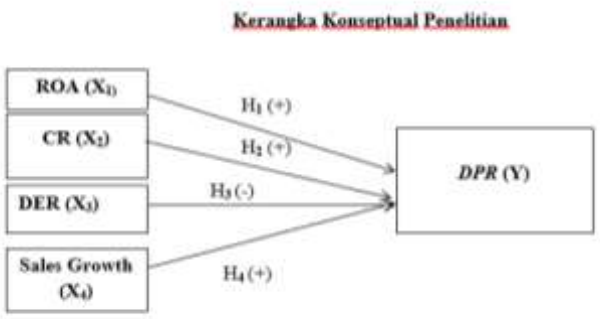
H3 = Debt to Equity Ratio (DER) has a negative effect on the Dividend Payout Ratio (DPR)

2.2.4 The Effect of Sales Growt on Dividend Payout Ratio (DPR)

Sales Growth widely used to measure how much growth in a company. In dividend distribution decisions, it is also necessary to consider the company's sales problem. A company that is in an industry that has a high growth rate, must provide sufficient capital to finance the company. Companies that grow rapidly tend to be able to pay higher dividends.

2.3. Research Conceptual Framework

Based on the theoretical basis described above, a theoretical framework is drawn up which is depicted in the diagram



3. RESEARCH METHODS

3.1. Research Strategy

The strategy in this study uses associative research. Associative research is research that aims to determine the effect or relationship between two or more variables (Sugiyono, 2017: 11). The independent variables used in this study are Return on Assets (ROA), Current Ratio (CR), Debt to Equity Ratio (DER) and Sales Growth (SG). While the dependent variable is the Dividend Payout Ratio (DPR). This study uses quantitative methods, namely research methods based on the philosophy of positivism, used to examine certain populations or samples, sampling techniques are generally carried out randomly, data analysis is quantitative / statistical in order to test the predetermined hypothesis (Sugiyono, 2017: 8).

3.2. Population and Sample

The population of this study is all manufacturing companies in the consumer goods industry listed on the Indonesian Stock Exchange from 2017 to 2019, totaling 50 companies. The sample that was determined based on the purposive sampling method was 30 banks so that the total observation was 90.

3.3. Data and Research Data Methods

The data collection technique used in this research is documentation technique by collecting secondary data in the form of financial reports of public companies on the Indonesia Stock Exchange. The financial statements that will be used are the financial statements of manufacturing companies in the consumer goods sector which are listed on the Indonesia Stock Exchange for a period of 3 years, namely 2017 to 2019 and have been audited. Financial reports for research are obtained from the IDX official website, namelywww.idx.co.id For other data used, such as stock return data, the researcher will take the data from www.sahamok.com and www.yahoofinance.com

3.4. Operationalization of Variables

1) ROA is a ratio used to measure the effectiveness of the company in generating profits by utilizing its assets
2) *Current Ratio* is the ratio used to measure the ratio between current assets and current debt
3) *Debt to Equity Ratio* is the ratio used to measure the ratio between total debt and total equity
4) *Sales Growth* is the ratio of growth (growth ratio) is a ratio that describes the ability of a company to maintain its economic position amid economic growth and its business sector.
5) *Dividend Payout Ratio* (DPR) is the percentage of income to be paid to shareholders to be paid as cash dividends.

Variable	Indicator	Scale
Return on Asset (ROA)	$ROA = \frac{\text{Laba Bersih}}{\text{Total Aset}}\ x\ 100\%$	Ratio
Current Ratio (CR)	$CR = \frac{\text{Aset Lancar}}{\text{Hutang Lancar}}\ x\ 100\%$	Ratio
Debt to Equity Ratio (DER)	$DER = \frac{\text{Total Utang}}{\text{Total Ekuitas}}\ x\ 100\%$	Ratio
Sales Growht (SG)	$Sales\ Growth\ = \frac{\text{Penjualan Tahun ini} - \text{Penjualan Tahun Lalu}}{\text{Penjualan Tahun Lalu}}\ x\ 100\%$	Ratio
Dividend Payout Ratio (DPR)	$DPR = \frac{\text{DPS}}{\text{EPS}}\ x\ 100\%$	Ratio

3.5. Data analysis method

This research method uses descriptive statistical methods, namely methods to describe variables and to provide an overview or characteristics of the data used in the study. The analytical tools used include the average (mean) value of the frequency distribution, the minimum value and the maximum value.

4. RESULTS

4.1. Description of Research Objects

The object of this research is manufacturing companies in the consumer goods industry which are listed on the Indonesia Stock Exchange for the period 2017-2019. There are 50 manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange. This study uses a purposive sampling method with the following criteria: 1) Manufacturing companies in the consumer goods industry listed on the Indonesia Stock Exchange in 2017-2019, 2) Manufacturing companies in the consumer goods industry sector that do not publish audited annual financial reports for 2017-2019, 3) Manufacturing companies in the consumer goods industry sector that suffered losses in 2017-2019 and 4) Manufacturing companies in the consumer goods industry sector that did not distribute dividends.

4.2. Data analysis

4.2.1. Descriptive Statistical Analysis

Descriptive statistical analysis is intended to provide a general description or explanation of the data from a variable under study which includes independent variables, namely Returns on Assets, Current Ratio, Debt to Equity Ratio and Sales Growth and the dependent variable, namely Dividend Payout Ratio. Descriptive statistics used in this study include the minimum, maximum, mean and standard deviation values. Minimum value is the lowest value among all members in a data group. While the maximum value is the highest value among all members in a data group. Then the mean is the average value of a group of data. The standard deviation is the square root of the variance. From the results of descriptive statistical testing of the six variables with a research sample of 90,

	DPR	ROA	CR	DER	SALES_GROWTH
Mean	70.0121	11,57521	316,199	71.8547	13.47504
Maximum	637.72	52,6704	1582.23	333.89	377.2945
Minimum	0.85	0.0866	62.03	9,51	0.0921
Std. Dev.	102.7917	10.46834	258,4986	63,5543	39.83624
Observations	90	90	90	90	90

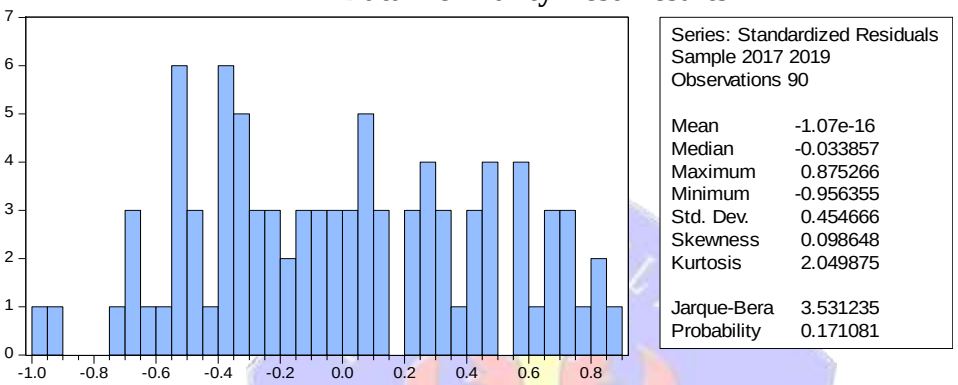
4.2.2. Classic assumption test

1.2.2.1. Normality test

The normality test is used to find out in the model the variables are normally distributed or not. A good regression model has a normal data distribution. In this test using the histogram graph method and the Jarque-Bera statistical test (JB test) as follows:

1. If the probability value is> 0.05 (greater than 5%), then the data can be said to be normally distributed.
2. If the probability value is <0.05 (less than 5%), it can be said that the data is not normally distributed.

Graph Figure 4.1
Data Normality Test Results



Looking at the histogram graph and the Jarque Bera statistical test (JB-Test) based on graph 4.1 the normality test can be seen that the probability value is 0.171081 where the probability value is greater than 0.05, namely 0.171081> 0.05, it can be concluded that the data is normally distributed.

1.2.2.2. Multicollinearity Test Results

The multicollinearity test aims to test the regression model where there is a correlation between the independent variables, if the correlation value is greater than 0.80, it is identified that there is a multicollinearity problem. Multicollinearity is a situation that describes a strong relationship between two or more independent variables in a regression model. A good regression model should not have a correlation in each variable. The multicollinearity test can be seen in the table below.

Table 4.3
Multicollinearity Test

	ROA	CR	DER	SALES_GROWTH
ROA	1	-0.071435282	0.269693283	-0.159492792
CR	-0.071435282	1	-0.539575392	-0.096419993
DER	0.269693283	-0.539575392	1	0.00993952
SALES_GROWTH	-0.159492792	-0.096419993	0.00993952	1

Based on table 4.3, it can be seen that the independent variables consisting of ROA, CR, DER, and Sales Growt are free from the multicollinearity test because they have a correlation value below 0.80.

4.2.2.3. Heteroscedasticity Test

The heteroscedasticity test aims to test in the regression model there is an inequality of variants from the residuals of one observation to another. A good regression equation is if there is no heteroscedasticity. The Harvey Test method can detect the presence or absence of heteroscedasticity because the regression coefficient value of the independent variable is not significant for the dependent variable can be seen in the following table:

Table 4.4
Heteroscedasticity Test

Heteroskedasticity Test: Glejser

F-statistic	1.956213	Prob. F (4.85)	0.1086
Obs * R-squared	7.586725	Prob. Chi-Square (4)	**0.1079**
Scaled explained SS	13.67898	Prob. Chi-Square (4)	0.0084

(Source: Eviews 10 Panel Data Regression Output Results)

Based on table 4.4, it can be seen from the probability value that chi square has a value of 0.1079, namely the p-value ≥ 0.05, it can be concluded that there are no symptoms of heteroscedasticity.

4.2.2.4. Autocorrelation Test

The autocorrelation test aims to test whether in the liner regression model there is a correlation between confounding error in period t and confounding error in period t-1 (previous). A good regression model requires no autocorrelation problems. This test uses the Durbin Watson (DW) test to identify the presence of autocorrelation and compare it in the Durbin Watson (DW) table.

Table 4.5
Autocorrelation Test

Dependent Variable: DPR
Method: Least Squares Panel
Date: 07/09/20 Time: 12:10
Sample: 2017 2019
Periods included: 3
Cross-sections included: 30
Total panel (balanced) observations: 90

R-squared	0.984932	Mean dependent var	3,524785
Adjusted R-squared	0.976052	SD dependent var	5.929905
SE of regression	0.573184	Sum squared resid	18.39820
F-statistic	110.9227	Durbin-Watson stat	2.107480
Prob (F-statistic)	0.000000		

Source: Output Results Panel Data Regression Eviews 10)

The test results using Durbin Watson show that the DW value that lies between dU <dw <4-dU identifies the absence of autocorrelation. Based on the Watson durbin table with α = 5%, the number of observations (n) in this study was 120 and the number of independent variables (k) was 4, the value of dL = 1.5656 and dU = 1.7508, the DW value obtained was 2.107480 which is between 1.7508 <2.107480 <2.2492 means that in this regression model there is no positive or negative autocorrelation.

1.2.3. Panel Data Regression Model Selection

The step in determining the best model among the three equation models, namely *Common Effect Model (CEM)*, Fixed Effect Model (FEM) and Random Effect Model (REM) need to be tested the panel data regression estimation model using the following test:

4.2.3.1. Lagrange Multiplier Test (Common Effect Model vs Random Effect Model)

Lagrange multiplier test is a test to determine whether the random effect model is better than the common effect method which is more appropriate to use, there is also the following criteria:

1. If the Breusch-food cross section value> 0.05 (significant value) then H0 is accepted, so the most appropriate model to use is the Common Effect Model (CEM).
2. If the Breusch-food cross section value is ≤ 0.05 (significant value) then H0 is rejected, so the appropriate model to use is the Random Effect Model (REM).

The results of the lagrange multiplier test can be seen in table 4.6 as follows:

Table 4.6

Lagrange Multiplier test

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Hypothesis Test		
	Cross-section	Time	Both
Breusch-Pagan	4.378314 **(0.0364)**	0.109542 (0.7407)	4.487856 (0.0341)

Source: Output Results Panel Data Regression Eviews 10)

Based on table 4.6 on the results of the Lagrange Multiplier test, the random effect vs common effect above is obtained *Breusch-food cross section* ≤ 0.05, namely 0.0364 <0.05, the hypothesis H0 is rejected and H1 is accepted, which means that the Random Effect Model (REM) is more appropriate to use.

4.2.3.2. Chow Test (Common Effect Model vs Fixed Effect Model)

The chow test is used to select a better approach between the common effect model and the fixed effect model with the following criteria:

1) If the probability value (P-value) for the cross section F> 0.05 (significant value) then H0 is accepted, so the most appropriate model to use is the Common Effect Model (CEM).
2) If the probability value (P-value) for cross section F <0.05 (significant value) then H0 is rejected, so the most appropriate model to use is the Fixed Effect Model (FEM).

Table 4.7
Chow test

Redundant Fixed Effects Tests
Equation: Untitled
Fixed effects cross-section test

Effects Test	Statistics	df	Prob.
Cross-section F	3.319958	(29.56)	**0.0001**
Chi-square cross-section	90.032508	29	0.0000

Based on table 4.7 on the results of the chow test, the common effect vs fixed effect above is obtained The probability value (P-value) of cross section F is 0.0001 ≤ 0.05, then the hypothesis H0 is rejected and H1 is accepted, which means that the Fixed Effect Model (FEM) model is more appropriate.

4.2.3.3. Hausman Test (Random Effect Model vs Fixed Effect Model)

The Hausman test aims to compare the random effect model method with the fixed effect model. The results of this test are to find out which method should be selected with the following criteria:

1. If the probability value (P-value) for random cross section> 0.05 (significant value) then H0 is accepted, so the most appropriate model to use is the Random Effect Model (REM).
2. If the probability value (P-value) for random cross section <0.05 (significant value) then H0 is rejected, so the correct model to use is the Fixed Effect Model (FEM)

Table 4.8
Hausman Test

Correlated Random Effects - Hausman Test
Equation: Untitled
Cross-section random effects test

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross-section	50.052080	4	**0.0000**

Source: Output Results Panel Data Regression Eviews 10)

Based on table 4.8 on the results of the Hausman test, the random effect vs fixed effect above is obtained The probability value (P-value) of random cross section is 0.0000 ≤ 0.05, then the hypothesis H0 is rejected and H1 is accepted, which means that the Fixed Effect Model (FEM) model is more appropriate.

1.2.4. Hypothesis test

1.2.4.1. T test

This t statistical test aims to determine the effect of each independent variable on the dependent variable. To determine whether the hypothesis is accepted or rejected by comparing t count with t table and the significance value with the significance level in this study, namely α = 5% = 0.05. If tcount> ttable, the independent variable has an influence on the dependent variable, conversely, if tcount <ttable, the independent variable has no influence on the dependent variable. The number of observations is (n = 90), the number of independent variables is (k = 4), then the degree of freedom (df) = nk-1 is 90-4-1 = 85 with a significance level of 0.05, so the t table is 1.988268.

1.2.4.2. Determination Coefficient Test

Table 4.14
Determination Coefficient Table

	Weighted Statistics		
R-squared	0.984932	Mean dependent var	3,524785
Adjusted R-squared	0.976052	SD dependent var	5.929905
SE of regression	0.573184	Sum squared resid	18.39820
F-statistic	110.9227	Durbin-Watson stat	2.107480
Prob (F-statistic)	0.000000		

The coefficient of determination in this study is indicated by the Adjusted R-Square value. The Adjusted R-Square value of the regression model is used to determine how much the ability of the independent variable to explain the dependent variable. Based on table 4.13, the coefficient of determination seen from adjusted R2 is 0.976052 or 97.60%, which means that all independent variables are able to explain the variation of the dependent variable by 97.60% while the remaining 2.40% (100% - 97.60%) is explained by the variables. other independent who were not included in this research model.

4.3.1. The Effect of Return On Assets on the Dividend Payout Ratio

The first hypothesis which says that Return On Assets has a positive effect on the Dividend Payout Ratio is accepted. If the Return On Asset (ROA) value increases, the Dividend Payout Ratio (DPR) value will also increase. This is because Return On Asset (ROA) is a measure of the company's effectiveness in generating profits by utilizing fixed assets used for operations. The greater the Return On Assets (ROA), the higher the profit. The company's ability to generate profits will affect the rate of dividend payments. The more profit generated by the company, the higher the possibility that the company will be able to fulfill its obligations to pay dividends to shareholders. This research is in line with research conducted by Aqel (2016) Wahyuni (2018),

4.3.2. The Effect of Current Ratio on Dividend Payout Ratio

The second hypothesis which says that the Current Ratio has a positive effect on the Dividend Payout Ratio is accepted. If the Current Ratio value is high, the Dividend Payout Ratio will also be high; this is because the Current Ratio is a ratio used to measure the company's ability to pay short-term obligations or debts that are due immediately when they are collected as a whole.

4.3.3. The Effect of Debt to Equity Ratio on the Dividend Payout Ratio

The third hypothesis which says that the Debt to Equity Ratio has a negative effect on the Dividend Payout Ratio is rejected. The results of the study are contrary to the hypothesis The results showed that the Debt to Equity Ratio had a positive effect on the Dividend Payout Ratio. This happens because when the value of Debt to Equity Ratio is high, it means that the company has a high debt value. Even though the company has a high debt value, the company can maximize the management of this debt and facilitate the company's cash flow so that it can get a profit. By obtaining these benefits, the company has the ability to profit from paying dividends. Then the higher the Debt to Equity Ratio value, the Dividend Payout Ratio value will also increase.

4.3.4. The Effect of Sales Growth on the Dividend Payout Ratio

The fourth hypothesis which says that Sales Growth has a positive effect on the Dividend Payout Ratio is accepted. Sales Growth has a positive effect on the Dividend Payout Ratio, meaning that if the Sales Growth value increases, the Dividend Payout Ratio value will also increase, this happens because the increasing value of Sales Growth will guarantee the company's future. Sales growth that continues to increase reflects the level of company profitability.

5. CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS

5.1 Conclusion

Based on the interpretation of the results of the research that has been done, the following conclusions can be drawn:

1) Return On Asset has a positive effect on the Dividend Payout Ratio. The Return On Asset coefficient is positive, indicating that when the Return On Assets increases, it will cause the Dividend Payout Ratio to also increase. The results of this study are in line with research conducted by Aqel (2016) Wahyuni (2018), Firdaus (2019) and Zuhafni (2016) which states that ROA has a positive effect on the Dividend Payout Ratio.

2) Current Ratio has a positive effect on the Dividend Payout Ratio. The coefficient of Current Ratio is positive, indicating that when the Current Ratio has increased it will cause the Dividend Payout Ratio to also increase. This research is in line with research conducted by Firdaus (2019) which states that the Current Ratio (CR) has a positive effect on the Dividend Payout Ratio.

3) Debt to Equity Ratio has a positive effect on the Dividend Payout Ratio. The coefficient of Debt to Equity Ratio is positive, indicating that when the Debt to Equity Ratio increases, it will cause the dividend payout ratio to increase. This research is in line with research conducted by Zuhafni (2016) and Nugroho (2018) which states that the Debt to Equity Ratio has a positive effect on the Dividend Payout Ratio.

4) Sales Growth has a positive effect on the Dividend Payout Ratio. The sales growth coefficient is positive, indicating that the Sales Growth Ratio has increased, it will cause the Dividend Payout Ratio to also increase. This research is in line with research conducted by I Gusti (2018) and Ojeme (2016) which states that Sales Growth has a positive effect on the Dividend Payout Ratio.

5.2. Suggestion

Based on the above conclusions, suggestions that can be taken regarding the research results are as follows:

1) The company is expected to increase the value of Sales Growth every years, this is intended to increase the company's profitability.

2) The company is able to maximize its existing debt management so that even though the company has debt, the company can manage the debt to get high profits.

5.3. Limitations

This study has several limitations, including;

1) This research is limited due to the current pandemic so that researchers can only obtain data from IDX (BEI) which is registered in Indonesia.

2) The observation period in the study is only 3 years, namely 2017-2019, so the data that meets the statistical test is still limited.

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