THE EFFECT OF CASH POSITION, DER, ITO, AND ROA ON THE DIVIDEND PAYOUT RATIO ON SEKTOR OF CONSUMPTION GOODS INDUSTRY ON IDX 2014-2018

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Abstract - *This study aims to determine and analyze the effect of cash position, debt to equity ratio, inventory turnover, and return on assets on the dividend payout ratio in consumer goods industry sector companies listed on the Stock Exchange 2014-2018.*

The strategy used is causal associative with a quantitative method. The population in this study are all companies in the consumer goods industry listed on the Indonesia Stock Exchange, amounting to 38 companies during the 2014-2018 period, while the sample taken by the researcher is 11 companies listed in the consumer goods industry sector. on the IDX. This research was conducted using statistical methods assisted by the Software Eviews program.

Based on the results and discussion, it shows that cash position has no significant effect on the dividend payout ratio of consumer goods industry companies listed on the IDX for the 2014-2018 period, the Debt to equity ratio has a significant effect on the dividend payout ratio in consumer goods industry companies listed on the IDX for the 2014 period. -2018, Inventory turnover has no significant effect on the dividend payout ratio in consumer goods industry companies listed on the IDX for the 2014-2018 period, Return on assets has a significant effect on the dividend payout ratio in consumer goods industry companies listed on the IDX for the 2014-2018 period

Keywords: Cash Position, Debt To Equity Ratio, Inventory Turnover, Return On Assets, Dividend Payout Ratio

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The strategy used is causal associative with a quantitative method. The population in this study are 38 companies listed in the Indonesian Stock Exchange in the consumer goods industry sector during the 2014-2018 period, while the sample taken by the researcher was 11 companies listed in the consumer goods industry sector. on the IDX. This research was conducted using statistical methods assisted by the Software Eviews program.

Based on the results and discussion shows that *Cash position* does not have a significant effect on the dividend payout ratio in consumer goods industry companies listed on the IDX for the 2014-2018 period, *Debt to equity ratio* has a significant effect on the dividend payout ratio in consumer goods industry companies listed on the IDX for the 2014-2018 period, Inventory turnover has no significant effect on the dividend payout ratio in consumer goods industrial companies listed on the IDX for the 2014-2018 period, Return on assets has a significant effect on dividends payout

ratio for consumer goods industry companies listed on the IDX for the 2014-2018 period

***Key words: Cash Position*, Debt To Equity Ratio, Inventory Turnover, *Return On Assets,* Dividend Payout Ratio**

I. PRELIMINARY

Economic problems in the world can be characterized by the large inflows of capital into and out of certain markets, providing opportunities for investors and entrepreneurs to increase profits and reduce the risk of their investments. This opportunity is a diversified portfolio of assets with a combination of several securities that are traded between countries. Investors are better off doing a varied portfolio into several assets that have a low correlation with each other, so that the lower the correlation between assets, the higher the benefits that will be obtained from year to year which directly affect the capital market of a country including Indonesia(Amizuar, Ratnawati, and Andati, 2017). This is what makes the Indonesian government seek investment for both foreign and domestic countries, because investment is an important part of improving the country's economy.

Investors also need various types of information to be able to assess the performance of a company that is needed in making investment decisions in the capital market. In general, the information needed by investors consists of fundamental and technical information. The fundamental approach focuses on analyzes to determine the fundamental condition of the company which in turn is influenced by economic conditions in general(Hauwtan, 2010). The existence of dividends that can provide information or signals to the market including investors regarding the company's future performance. A dividend cut can signal that the company maintains free cash flow for future expansion. This signaling theory argues that managers cannot cut or increase the dividend rate arbitrarily because eliminating dividends will send a negative signal to the market.(Bushra and Mirza, 2015).

This research focuses on the consumer goods sector (food and beverage sub-sector, cigarette sub-sector, pharmaceutical sub-sector, cosmetics and household goods sub-sector) which are listed on the Indonesia Stock Exchange and are actively distributing dividends during the period of 2012. Until 2017, the industrial sector is generally considered stable for investment. The reason for this stability is that the consumer goods sector is considered an immune sector to decline, because it observes basic human needs. According toChristianti (2018) the consumer goods sector has a more stable risk and is important to consider in the stock portfolio because of its defense.

Ber based on the background above, further research is needed, hereby the researcher takes the title in this study, namely: THE EFFECT OF CASH POSITION, DER, ITO, AND ROA ON DIVIDEND PAYOUT RATIOON SEKTOR OF CONSUMPTION GOODS INDUSTRY IN IDX 2014-2018.

1.1. Formulation of the problem

Based on the description on the background of the problem above, the problems in this study are:

1. Is there an effect of cash position on the dividend payout ratio in the consumer goods industry sector on the IDX?
2. Is there an effect of the debt to equity ratio on the dividend payout ratio in the consumer goods industry sector on the IDX?
3. Is there an effect of inventory turnover on the dividend payout ratio in the consumer goods industry sector on the IDX?
4. Is there an effect of return on assets on the dividend payout ratio in the consumer goods industry sector on the IDX?

1.2. Research purposes

The purpose of this study is to determine:

1. The effect of cash position on the dividend payout ratio in the consumer goods industry sector on the IDX.
2. The effect of the debt to equity ratio on the dividend payout ratio in the consumer goods industry sector on the IDX
3. The effect of Inventory turnover on the dividend payout ratio in the consumer goods industry sector on the IDX
4. The effect of return on assets on the dividend payout ratio in the consumer goods industry sector on the IDX

II. LITERATURE REVIEW

2.1. Agency Theory

Managers and shareholders have different interests. Shareholders entrust everything to the manager in order to get a large return from the investment of their shares. However, from the manager's side, they want large compensation and incentives to replace their performance. In the end, problems will arise between managers and shareholders. Therefore, the agency theory is expected to be a barrier between stakeholders (investors / shareholders) and company controllers (agents / managers). As according to Scott (2015: 357) that agency theory is part of Game Theory where in theory there is an explanation of the role of humans in a social interaction

2.2. *Cash Position*

Cash position is closely related to the company's liquidity conditions. Suharli (2014) explains that liquidity is defined as the company's ability to pay off all its short-term obligations and fund business operations. This factor is important to consider in making decisions regarding the company's dividend policy. The cash position shows the condition of the company's liquidity regarding how much internal funds in the form of cash are available in the company. Cash position is calculated by comparing cash with total assets owned by the company (Almilia and Kristijadi, 2013).

2.3. *Debt To Equity Ratio*

Riyanto (2012: 82) The solvency of a company shows the company's ability to fulfill all its financial obligations if the company is currently liquidated. Solvency is defined as the company's ability to pay all its debts (both short and long term). Munawir (2012: 60) solvency is the ability of a company to meet its financial obligations if the company is liquidated, both short and long term. The definition of solvency is meant as the company's ability to pay all its debts, both short and long term.

2.4. *Inventory Turnover*

Wild (2012: 77), to maintain the level of sales required inventory. Low inventory turnover indicates a build-up of inventory, old and obsolete inventory, oversold sales estimates, delayed purchases from customers. Conversely, inventory turnover that is too high indicates an investment in inventory that is too low and a threat to future sales. Wild (2012: 200) states that the inventory turnover ratio measures the average speed of inventory moving out of the company. The inventory turnover ratio is calculated by dividing the cost of goods sold (COGS) by the average inventory. The inventory turnover

ratio provides a measure of the quality / liquidity of the inventory components and measures a company's ability to use or release inventory.

2.5. *Return On Assets*

Seevery company that is profit-oriented will certainly try to use every asset it has to generate optimal profits. The company will also measure its profitability. Measurement of profitability will make it possible for the company, in this case management to evaluate the level of earnings in relation to sales volume, the number of assets and certain investments from the survival of a company, must be in a profitable or profitable state. Without profit, it will be difficult for companies to attract outside capital.

Seeach company in carrying out its business activities will try to generate optimal profit or profit. According to Gitman (2012: 629), states that: "Profitability is the relationship between revenue and cost generated by using the firm's assets both current and fixed in productive activities." This means that the relationship between income and costs generated by the use of company assets is smooth and remains in productive activities. According to Sartono (2010: 122) states: "Profitability is the determination of the company to earn profits in relation to sales, total assets and own capital."

2.6. *Dividend Payout Ratio*

Stice and Skousen (2011: 138) define dividends as distribution to shareholders of a company in proportion to the number of shares held by each owner. According to Gitman (2012: 590) dividends are: A source of cash flow to stockholders and provide information about the firms current and future performance. Meaning: A source of cash flow for shareholders and provides information about the company's current and future performance

2.7. Relationship between Research Variables

2.7.1. The effect of cash position on the dividend payout ratio

Company liquidity is a consideration in determining dividend policy, because dividends for the company are cash out, so the greater the cash position and liquidity of the company as a whole, the greater the company's ability to pay dividends (Sartono, 2012).

Cash position(CP) reflects the availability of cash from a company. The availability of cash is an important factor in determining the amount of dividends to be paid to investors. Cash dividend is the cash outflow for the company. Therefore, if a company takes a policy of paying cash dividends to its investors, there must be sufficient cash to make payments(Puspitaningtyas, 2017). According to Kurniasih, (2017), said that the company's liquidity is one of the main considerations in dividend policy because dividends for the company are cash outflows, the greater the cash position and liquidity of the company as a whole, the greater the company's ability to pay dividends.

There are several studies or studies that show a positive relationship between cash position and dividend distribution. Several previous studies have predicted that the cash position will affect dividend policy. This prediction refers to the results of previous research byMuhlhofer and Ukhov (2012); Kurniasih (2017); Putra and Mahfud (2017); andPuspitaningtyas (2017) which has proven that the position or cash flow has a significant and positive influence on dividend policy.

2.7.2. The effect of the debt to equity ratio on the dividend payout ratio

According to Kasmir (2014: 157), states that: Debt to equity ratio is the ratio used to assess debt to equity. This ratio is found by comparing all debt, including current debt, to total equity. This ratio is used to determine the amount of funds provided by the

borrower (creditors) and the company owner. In other words, this ratio serves to determine each rupiah of own capital that is used as collateral for debt.

*Debt to equity ratio*can be interpreted as a comparison between total debt and total equity. In other words, how much of the company's capital is financed by debt. The higher the DER value of the company, the greater the company's capital is financed by debt. Vice versa, companies with a low DER value indicate that the company's capital is slightly financed by debt(Ross, Westerfield, and Jordan, 2010). The higher this ratio, it means that the capital is less than the debt. This shows that the high debt to equity ratio of a company will reduce the cost of dividend distribution to shareholders(Kurniasih, 2017). According toPutra and Mahfud (2017), increasing the level of debt a company has, it will affect the amount of net income to be received by shareholders, including dividends.

Anvari and Askari (2015) states that the relationship between the leverage ratio (debt to equity ratio) and dividends is reviewed and it is stated that companies that have high debt ratios tend to have lower dividend rates. According to previous research conducted byHutagalung, Yahya, Kamarudin and Osman (2013); Manneh and Naser (2015); Putra and Mahfud (2017); Kurniasih (2017), stated that the debt to equity ratio has a negative and significant effect on the dividend payout ratio. So asKuzucu (2015) who found a negative and significant relationship between leverage and dividend policy.

2.7.3. The effect of inventory turnover on the dividend payout ratio

*Inventory turnover*will provide information to investors about how well the company is managing assets in the form of inventory. This inventory turnover ratio has a positive relationship with the sales growth ratio(Farooq, 2018). *Inventory turnover*a higher one indicates greater efficiency, but if this ratio is too high, inventory may be very low relative to sales costs. Inventory turnover is useful in evaluating the liquidity of a company's inventory. Companies can identify unsold inventory. The lower the sales, the lower the returns to investors and vice versa(Purwanto and Elen, 2017).

Inventory turnover has a significant influence on the dividend payout ratio, where this ratio has a positive signal for investors in analyzing or planning their investment strategy (Purwanto and Elen, 2017). According toYuniningsih, Lestari, Nurmawati, & Wajdi (2018)said that the higher the inventory turnover ratio, the more rotating inventory will be and can increase the company's profit which will later enter the company's cash. This means that the profit generated from this ratio will increase or increase dividend payments. In previous research conducted byKrishnamoorthi (2016), stated that inventory turnover has a significant and positive effect on the dividend payout ratio.

2.7.4. The effect of return on assets on the dividend payout ratio

Profitability is the first factor that the directors consider in paying dividends. The profitability factor affects dividend policy because dividends are a portion of the net income that the company receives and will be distributed to shareholders as dividends. According to Brigham and Houston (2010: 148) said that ROA is "the ratio of net income to total assets measuring the return on total assets". Return on Assets (ROA) shows the ability of capital invested in total assets to generate company profits. A bigger ROA indicates a better company performance, because the return on investment is getting bigger. So that increasing ROA will also increase dividend income. The company's ability to earn profits is the main indicator in the company's ability to pay dividends, so that profitability is the most important determinant of dividends. Profits obtained by a company will affect the size of the dividends to be distributed. The greater the profit the company gets, the greater the company's ability to pay dividends (Sutoyo et al, 2011). Then the higher the return on assets (ROA), the higher the probability of dividend distribution. the greater the company's ability to pay dividends (Sutoyo et al, 2011). Then

the higher the return on assets (ROA), the higher the probability of dividend distribution. the greater the company's ability to pay dividends (Sutoyo et al, 2011). Then the higher the return on assets (ROA), the higher the probability of dividend distribution.

Profitability is measured using a proxy *Return on assets*(ROA) which is an indicator of a company's assets in profit relative to its assets. ROA can also help investors to get an idea of the efficiency of the company that how efficient management uses its assets to generate profits(Ishaq, Amin, and Khan, 2018). According to Jumono, Sugiyanto and Mala (2019) said that profitability is used to evaluate the company's internal performance, which helps to determine success in achieving its main goals. The company's dividend payout ratio depends to some extent on the predictability of the company's earnings over time. Companies with stable earnings trends will usually pay a large part of their income in the form of dividends. A higher return on assets can be used by companies whether to pay dividends or maintain company earnings. It depends on the company's decision, because profitability has a positive effect on earnings management(Purwanto and Elen, 2017).

This profitability variable was chosen to explain that profitability is the goal of every business and previous studies also used this determinant and found it to be an important variable affecting dividend payouts. (Ishaq et al., 2018). In previous research conducted byRehman and Takumi (2012); Hutagalung et al. (2013); Hossain, Sheikh, and Akterujjaman (2016); Odawo (2015); Manneh and Naser (2015); Khalid and Rehman (2015); Krishnamoorthi (2016); Purwanto and Elen (2017), Kurniasih (2017); andIshaq et al. (2018) states that return on assets has a positive and significant effect on the dividend payout ratio.

2.8. Research Hypothesis Development

The hypothesis is a temporary answer whose truth is still to be tested, or a summary of theoretical conclusions obtained from a literature review (Martono, 2011: 171). Based on the theoretical basis and previous studies, the following hypotheses can be derived:

H1: *Cash position* has a significant positive effect on the dividend payout ratio
H2: *Debt to equity ratio* has a significant negative effect on the dividend payout ratio
H3: *Inventory turnover* has a significant positive effect on the dividend payout ratio
H4: *Return on assets* has a significant positive effect on the dividend payout ratio.

2.9. Research Conceptual Framework

Cash dividends are a problem that is often a topic of discussion among shareholders and also the management of the issuing company.Sometimes this actually creates controversy between shareholders and listed companies (Hanafi, 2010). Therefore, companies must consider several factors in determining the optimal cash dividend policy. Optimal dividend policy needs to be considered because it can create a balance between current dividends and future growth that maximizes stock prices (Weston and Brigham, 2012).

A framework of the author's thought describes definitively the concept of this influence which is defined as a relationship between the independent variable and the dependent variable. And how the independent variable affects the dependent variable.

1. The first independent variable (X1) is CP
2. The second independent variable (X2) is DER
3. The third independent variable (X3) is ITO
4. The fourth independent variable (X4) is ROA
5. The dependent variable (Y) is the dividend payout ratio.

These four variables can be described in a simple paradigm with four independent variables and one dependent variable, as follows:

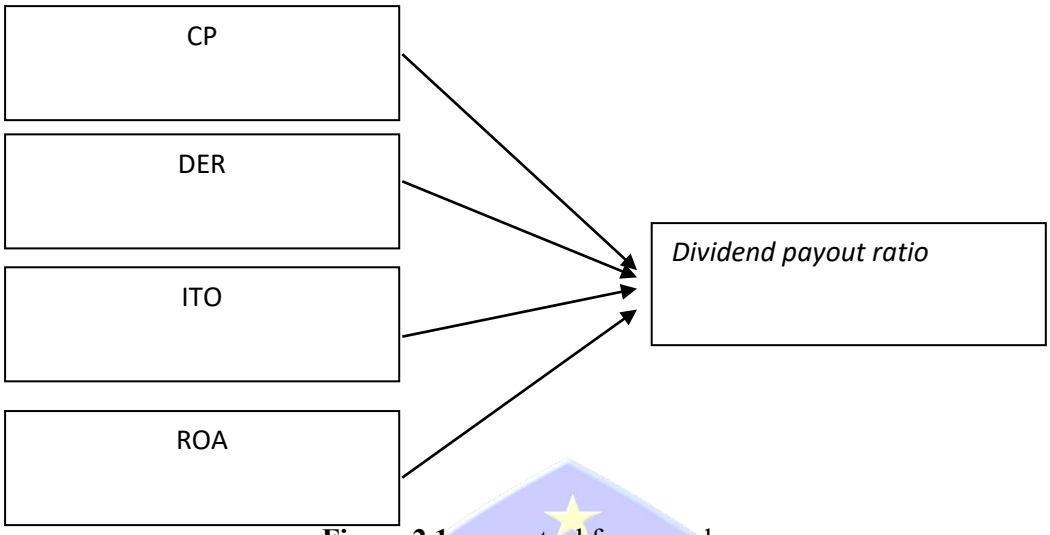


Figure 2.1 conceptual framework

In Figure 2.1, it can be seen that this study shows the relationship between the independent variables (cash position, debt to equity ratio, inventory turnover, and return on assets) with the dependent variable Dividend payout ratio.

III. RESEARCH METHOD

3.1. Research Strategy

The research method is a method used by researchers in collecting research data. According to Sugiyono (2018: 2) the research method is basically a scientific way to get data with specific purposes and uses. The scientific method means that research activities are based on scientific characteristics, namely rational, empirical, and systematic. Using the research method, it will be known that the significant influence of the variables studied will produce conclusions that will study the description of the object under study. This research method uses associative causal (Causal Relationship). The associative approach is a research problem formulation that asks about the relationship between two or more variables Sugiyono (2018: 92). Causal relationship is a relationship that is causal in nature. So here there are independent variables (variables that affect) and dependent (influenced) Sugiyono (2018: 93). The purpose of this study is to test the hypothesis which examines the explanation of the cause-and-effect relationship between two or more variables, where there are independent variables (variables that influence), namely cash position, debt to equity ratio, inventory turnover, and return on assets. The related variable (the affected variable) is the dividend payout ratio.

3.2. Population

Population is a generalization area consisting of objects / subjects that have certain qualities and characteristics that are determined by researchers to study and then draw conclusions from Sugiyono (2018: 130). In this study, the population is all companies in the consumer goods industry listed on the Indonesia Stock Exchange, totaling 38 companies during the 2014-2018 period.

3.3. Research sample

The sample in this study used a purposive sampling method. According to Sugiyono (2018: 138) purposive sampling is a sampling technique with certain considerations. The sampling method used is the Probability / Random method*Sampling*. Where the first requirement that must be done to take samples at random is to obtain or create a sample frame known as "sampling frame". What is meant by a sampling frame is a list that contains every element of the population that can be taken as a sample. Therefore, the sample was taken with the following assessment criteria:

Table 3.1. Research Sample Details

NO	CRITERIA	TOTAL
1	Total consumer goods industry companies on the IDX for the period 2014-2018	38
2	Less inconsistent consumer goods industry companies listed on the IDX for the 2014-2018 period	(1)
3	It is less that companies in the consumer goods industry sector on the IDX are inconsistent in publishing Annual Report for the 2014-2018 period	(2)
4	There are fewer companies in the consumer goods industry sector on the IDX that publish Annual Report in foreign currencies for the period 2014-2018	(2)
5	Less companies in the consumer goods industry sector on the IDX that suffered losses for the 2014-2018 period	(3)
6	Less companies in the consumer goods industry on the IDX that did not provide dividends for the 2014-2018 period	(19)
	Jumlah Research Sample	11

Source: Data processed (2020)

The sample taken by the researcher is a consumer goods industry sector company listed on the IDX which consists of:

Table 3.2. Research Sample Companies

No.	**Company name**	**Issuer Code**	**Sub-Sector**
1	PT. Delta Djakarta, Tbk.	DLTA	Food and Drink
2	PT. Indofood CBP Sukses Makmur, Tbk.	ICBP	Food and Drink
3	PT. Indofood Sukses Makmur, Tbk.	INDF	Food and Drink
4	PT. Gudang Garam, Tbk.	GGRM	Cigarettes
5	PT. HM Sampoerna, Tbk.	HMSP	Cigarettes
6	PT. Darya-Varia Laboratoria, Tbk.	DVLA	Pharmacy
7	PT. Kalbe Farma, Tbk.	KLBF	Pharmacy
8	PT. Kimia Farma, Tbk.	KAEF	Pharmacy
9	PT. Tempo Scan Pacific, Tbk.	TSPC	Pharmacy
10	PT. Unilever Indonesia, Tbk.	UNVR	Cosmetics
11	PT. Mandom Indonesia, Tbk.	TCID	Cosmetics

Source: Data processed (2020)

3.4. Data Analysis Methods

According to Sugiyono (2018: 147), data analysis techniques are activities after data from all respondents or other data sources are collected. Activities in data analysis are grouping data based on variables and types of respondents, tabulating data based on variables from all respondents, presenting data for each variable studied, performing calculations to answer problem formulations, and performing calculations to test the proposed hypothesis. The role of statistical data processing plays a very important role in

research because from the results of data processing we will get research conclusions. The data processing technique includes the calculation of the research model data analysis. Before making conclusions in a study, an analysis of data must be carried out so that the research results are accurate.

3.4.1. Descriptive data analysis

Descriptive statistics is an analysis that provides a description of the data but not to test the research hypothesis formulated. Descriptive analysis aims to analyze data and calculate various characteristics of the data under study. Descriptive statistics show the sample size, minimum value, maximum value, average value, and standard deviation (Ghozali, 2011). The minimum value used to judge the smallest value of data. The maximum value is used to determine the largest value of the data. The average value is the value to find out the average of the data under study. Meanwhile, the standard deviation is to determine the variation of the data under study.

3.4.2. Inductive analysis

3.4.2.1. Panel data regression model

According to Basuki and Prawoto (2017: 275) Panel data is a combination of time series data with cross section data. Time series data is data consisting of one or more variables that will be observed in one observation unit within a certain period of time. While cross section data is observational data from several observations in one point.

The selection of panel data is because in this study it uses a span of several years and also many companies. First, the use of time series data is intended because in this study it uses a time span of five years. Then the use of the cross section itself because this researcher took data from many companies (pooled) consisting of ten Islamic banking companies that were used as the research sample.

According to Widarjono (2017), the advantages of using panel data provide several advantages including the following:

1. Panel data, which is a combination of two time series and cross section data, is able to provide more data so that it will produce a greater degree of freedom
2. Combining information from time series and cross section data can solve problems that arise when there are omitted-variable problems.

The advantages of panel data regression according to Wibisono (2015) include:

1. Data panels are able to account for the heterogeneity of individuals explicitly by allowing individual-specific variables
2. This ability to control heterogeneity in turn makes panel data usable to test and build more complex behavioral models.
3. Panel data is based on repeated cross-section observations (time series), so the panel data method is suitable for use as a study of dynamic adjustment.
4. The high number of observations has implications for data that are more informative, more varied, and the collinierity (multi-risk) between the data is decreasing, and the degree of freedom (df) is higher so that more efficient estimation results can be obtained.
5. Panel data can be used to study complex behavioral models.
6. Panel data can be used to minimize bias that individual data aggregations may cause.

With these advantages, in implication there is no need to test classical assumptions in the panel data model. Given that panel data is a combination of cross section data and time series data.

3.4.2.2. Panel regression model estimation method

According to Ghozali (2013: 251) The estimation method using panel data regression techniques can be done with three alternative approaches to processing

methods, namely the Common Effect Model or Pooled Least Square (CEM), Fixed Effect Model (FEM) and Random Effect Model (REM) as following:

1. ***Common Effect Model*** **(CEM)**
   *Common Effect Model*is the simplest model for estimating the parameters of the panel data model, by combining time series and cross section data as a single unit without seeing the difference between time and individuals (entities). The approach used is the Ordinary Least Square (OLS) method as an estimation technique. The Common Effect Model ignores the differences in individual dimensions and time or in other words the behavior of data between individuals is the same in various time periods (Ghozali, 2013: 251)
2. ***Fixed Effect Model*** **(FEM)**
   *Fixed Effect Model*is a model that shows that although the intercept may be different for each individual (entity), the individual does not vary with time (constant). So, the Fixed Effect Model assumes that the slope coefficient does not vary with individuals or time (constant). The approach used is the Ordinary Least Square (OLS) method as an estimation technique. The advantage of this method is that it can distinguish individual effects and time effects and this method does not need to use the assumption that the error component is not correlated with the independent variable (Ghozali, 2013: 261).
3. ***Random Effect Model*** **(BRAKE)**
   *Random Effect Model*is a method that will estimate panel data in which the disturbance (residual) variables may be interrelated over time and between individuals (entities). This model assumes that the error term will always exist and may be correlated across time series and cross sections. The approach used is the Genneralized Least Square (GLS) method as an estimation technique. This method is better used for panel data if the number of individuals is greater than the number of time periods (Gujarati and Porter, 2012: 602).

3.4.2.3. Panel data model selection test

Of the three panel data method approaches, the next step is to sort and select the best model for panel data analysis. Tests conducted are using the Chow Test, Hausman Test and Lagrange Multiplier Test

1. ***Chow test*** **or Likely hood test**
   The Chow test is used to compare between the Common Effect Model and the Foxed Effect Model, how to calculate it using the Fixed Effect Model regression results. The hypothesis in this test is:

   H0: Common Effect Model
   Ha: Fixed Effect Model

   The basis for the rejection of H0 is to use Chi-Square statistical considerations, if the probability of the Chow-test result is greater than 0.05 then H0 is accepted and Ha is rejected so that the test is complete until the Chow Test only. However, if the probability of the l Chow-test result is smaller than 0.05 then H0 is rejected and Ha is accepted so that the test continues on the Hausman test.
2. ***Hausman test***
   The Hausman test can be performed if the Chow Test shows the Chi-square Probability Cross-section value is less than 0.05. The Hausman test compares the Fixed Effect Model and the Random Effect Model, the Hypothesis method in this test is:

   H0: Random Effect Model
   Ha: Fixed Effect Model

   The basis for the rejection of H0 is to use Chi-Square statistical considerations, if the probability of the Hausman-test result is greater than 0.05 then H0 is accepted and Ha

is rejected. However, if the probability of the 2 Hausmant-test results is smaller than 0.05 then H0 is rejected and Ha is accepted so that the test continues on the Lagrange Multiplier Test.

3. ***Lagrange Multiplier test***

\ Lagrange Multiplier test can be performed if the Hausman Test the Chi-square Cross-section Probability value is less than 0.05. The Lagrange Multiplier test compares the Random Effect and the Common Effect Model, the hypotheses in this study are:

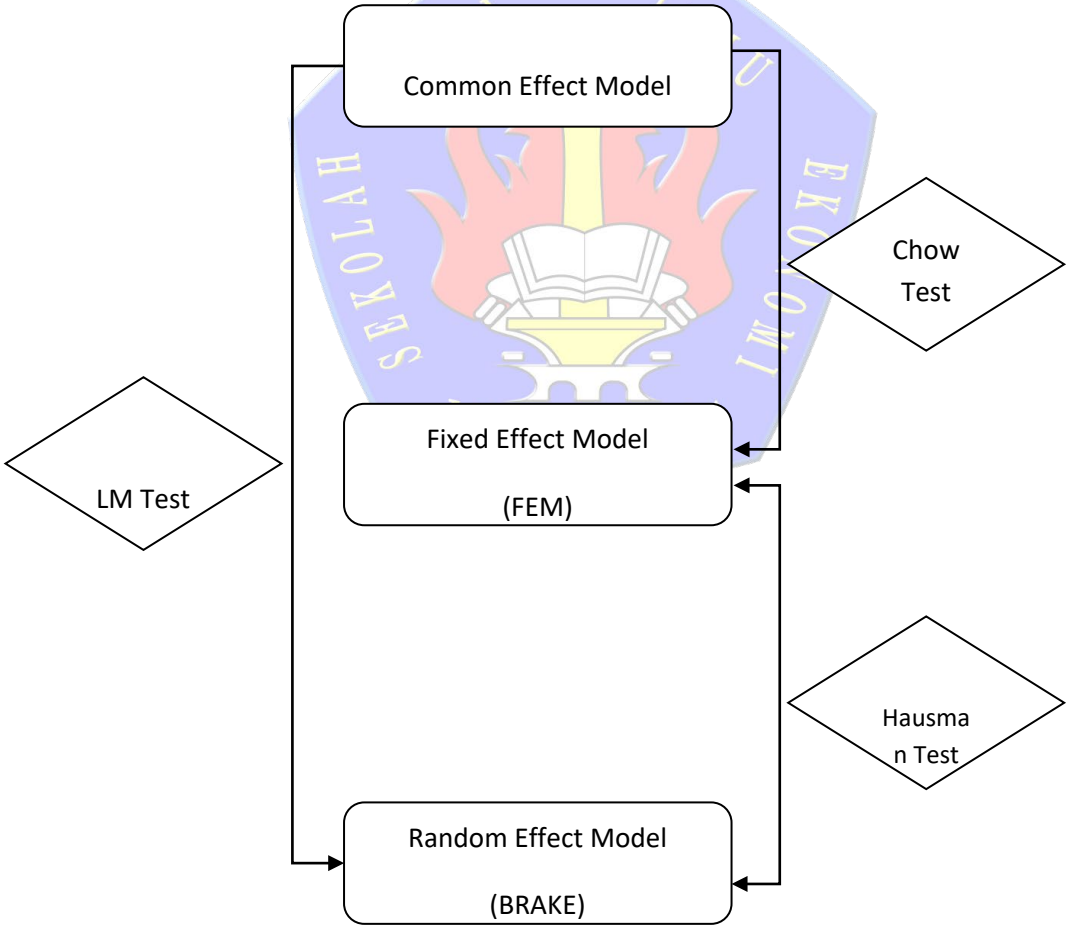
H0: Common Effect

H_a: Random Efect

The basis for the rejection of H0 by using Chi-Square statistical considerations, if the probability of the lagrange multiplier test results is greater than 0.05 then H0 is accepted and Ha is rejected. However, if the probability of the Lagrange Multiplier test is smaller than 0.05, then H0 is rejected and Ha is accepted.

Modeling using panel data regression techniques can be done using three alternative approaches to processing methods. These approaches are the Common Effect (pooled least square) method, the Fixed Effect (FE) method, and the Random Effect (RE) method as follows:

Figure 3.1. Model Suitability Testing



3.1.1. Classical Assumption Test Analysis

Before conducting regression testing, the classical assumption is first tested. Ghozali stated that multiple linear regression analysis needs to avoid deviating classical assumptions so that problems do not arise using the analysis.

1. Data Normality Test
   Data Normality Test is to test whether the regression model of the independent variables and the dependent variable has a normal distribution or not. According to Ghozali (2013: 168), the normality test aims to test whether in the regression model, confounding or residual variables have a normal distribution. A good regression model is to have normal or near normal data distribution.
   There are two ways to detect whether the residuals have a normal distribution or not, namely by graph analysis and statistical tests. In this study, the data normality test used was the Jarque-Bera (JB) test. The hypothesis in this test is (Ghozali, 2013: 166):
   H0: residuals are normally distributed
   Ha: residuals are not normally distributed
   If the probability value <significance value (α = 0.05) then H0 is rejected or the data is not normally distributed. Meanwhile, if the probability value> significance value (α = 0.05) then H0 is accepted or the data is normally distributed.
2. Multicollinearity Test
   Multicollinearity test aims to test whether the regression model found a correlation between the independent variables. A good regression model should not have a correlation between the independent variables.
   The multicollinearity test aims to test whether in the regression model there is a high or perfect correlation between independent variables (Ghozali, 2013: 77). The method used to determine the presence or absence of multicollinearity in this study is to use the correlation matrix. If the correlation value is above 0.90, it is suspected that there is multicollinearity in the model. Meanwhile, if the coefficient is below 0.90 then it is assumed that the model does not occur multicollinearity.
3. Heterosodasticity Test
   The heteroscedasticity test is used to test whether in the regression there is an inequality of the variance of the residual value from one observation to another. If the variance in the regression model is the same, it is called homoscedasticity. How to detect heteroscedasticity in this study is to use the white test. The white test hypothesis is (Ghozali, 2013: 106):
   H0: no heteroscedasticity
   Ha: there is heteroscedasticity
   If the probability value Obs * R2> significance value (α = 0.05) then H0 is accepted or it can be concluded that there is no heteroscedasticity. Meanwhile, if the probability value Obs * R2 <significance value (α = 0.05) then H0 is rejected or it can be concluded that there is heteroscedasticity in the model.
4. Autocorrelation Test
   The autocorrelation test aims to test whether in a linear regression model there is a correlation between the confounding error in period t and the error in period t-1 (previous). Autocorrelation arises because consecutive observations over time are related to one another (Ghozali, 2013: 137). This problem arises because the residual (confounding error) is not independent from one observation to another. This is often found in time series data because of interference with the same individual / group in the next period.
   To test the presence or absence of autocorrelation in this study using the Lagrange Multiplier Test (LM Test) with the following hypotheses (Ghozali, 2013: 144):
   H0: no autocorrelation

Ha: there is autocorrelation

If the probability value Obs * R-squared <significance value (α = 0.05) then H0 is rejected or it can be concluded that the model has autocorrelation. If the probability value Obs * R-squared> the significance value (α = 0.05) then H0 is accepted or it can be concluded that there is no autocorrelation in the model.

3.1.2. Linear regression analysis

Multiple linear regression analysis is an analysis of the relationship between one dependent variable and two or more independent variables. The data that has been collected will be processed using Eviews 10 software. To determine the effect of the independent variables on the dependent variable, multiple linear regression models are used with the following equation:

DPRi, t = β0 + β1CPi, t + β2DERi, t + β3ITOi, t + β4ROAi, t + ε

Information :

β0 = Constant
DPRi, t = *Dividend payout ratio*
β1CPi, t = Company cash position in year t
β2DERi, t = Debt to equity ratio of company i in year t
β3ITOi, t = *Inventory turnover* company i in year t
β4ROAi, t = Return on assets of company i in year t
β1-β4 = Dependent Variable Regression Coefficient
ε = *Error*

3.1.3. Hypothesis testing

Hypothesis testing is carried out in three stages, namely the F statistical test, t statistical test, and the coefficient of determination (R2) test.

1. T test

   Tests are carried out using the t distribution as a statistical test (Hasan, 2018: 145). The t test is conducted to test whether separately the independent variable is able to explain the dependent variable well. This test was carried out at a level of α = 5%. The criteria for testing the hypothesis with the t test are:

   a. Prob <0.05, the independent variable has a significant effect on the dependent variable.
   b. Prob> 0.05 means that the independent variable does not have a significant effect on the dependent variable.

2. F test

   The F test is carried out to test whether the regression model used can be used to predict the effect of the independent variable on the dependent variable together. Hypothesis testing using the F distribution.

   With α = 5%, the testing criteria with the F test are:

   a. If the probability value ≤ 0.05 = it means that the independent variable influences the dependent variable simultaneously, then the model can be used.
   b. If the probability value is ≥ 0.05 = it means that there is no effect there is no effect simultaneously on the independent variable on the dependent variable.

3.1.4. Adjusted R2 Coefficient of Determination

The coefficient of determination measures how much the independent variable contributes to the dependent variable. This study uses adjusted R2 because the dependent variable used in the research model is more than one. The coefficient of determination is zero and one. The coefficient of determination is between zero and one. The small value

of R2 means that the ability of the independent variable to explain the dependent variable is very limited. A value close to one means that the independent variables provide almost all the information needed to predict variations in the dependent variable.

IV. RESULTS AND DISCUSSION

4.1. Description of Research Object

The variables used in this study consist of independent variables which include cash position, debt to equity ratio, inventory turnover and return on assets, and the dependent variable, namely dividend payout ratio. Data for each variable is obtained from publication statistics on the Indonesia Stock Exchange (IDX) and annual reports for the period 2014 to 2018 on the official websites of each company. The calculation of the dependent variable (Y), namely the dividend payout ratio, usesthe dividend percentage per share divided by the net earnings per share. Dividend itself is the value of the company's net profit after tax minus retained earnings as a company reserve. In general, the current dividend amount is based on the last year's dividend amount.

The sample in this study were 11 consumer goods industry companies listed on the IDX for the 2014-2018 period. The focus of this research is to analyze the effect of cash position, debt to equity ratio, inventory turnover and return on assets on the dividend payout ratio. In this study is information about the company's financial statements. Samples were taken based on their completeness and compliance with the criteria set in this study.

4.2. Data Description

This analysis is used to provide an overview or description all variables in this study which include minimum, maximum and mean (average). The minimum value describes the smallest value obtained from the results of data processing and analysis that has been carried out on the sample bank. The maximum value describes the greatest value obtained from the results of processing and data analysis that have been carried out. Meanwhile, the mean (average) shows the average value of each variableof each variable studied, both the independent variable and the dependent variable, namely: cash position is the first variable (X1), debt to equity ratio is the second variable (X2), inventory turnover is the third variable (X3), return on assets is the fourth variable (X4), and the dividend payout ratio is the fifth variable (Y). The descriptive statistics of each of the variables studied are as follows:

Table 4.1. Descriptive Data Results

	Y *Dividend payout ratio*	X1 *Cash Position*	X2 *Debt to equity ratio*	X3 *Inventory Turnover*	X4 *Return On Assets*
Mean	51.46673	1.809666	0.666727	4.084517	15.61673
Median	48.75000	1,842305	0.460000	3.683361	11.01000
Maximum	110,1000	4.878228	2,500000	8.686058	46.66000
Minimum	2.970000	0.006393	0.100000	0.199853	3.450000
Std. Dev.	28,75780	1.267658	0.574724	2.165967	10,95849
Sum	2830,670	99.53163	36.67000	224,6485	858,9200
Observations	55	55	55	55	55

Source: Eviews processed data. 10 (2020)

The dependent variable used is the dividend payout ratio has a mean value of 51.46673 means di the average company has a dividend payout ratio of 51.46%, meaning that the company's cash dividend is 51.46% of the current year's profit and the remaining 48.54% is retained earnings.. The lowest value of the dividend payout ratio is at 2.97, the

highest is at 110.1. While standard deviation of 28.7578 nThis value is smaller than the average value owned.

The first independent variable is cash position. Cash position hasthe mean value 1.809666 means averageThe standard cash position value of a company or industry is 1 or 100%, then the company's ability to pay off its short-term obligations that will be due soon using cash or cash equivalents available, the ratio is 180.9%. Lowest score*cash position* is at 0.006393, the highest is 4.878228. While standard deviation of 1.267658 nThis value is smaller than the average value owned..

The second independent variable is the debt to equity ratio. Debt to equity ratio hasmean value 0.666727 meansevery Rp. 1 company debt, then the company has a debt of 0.66 times the total capital (0.66: 1) which can be guaranteed by Rp. 6.61 capital. Lowest score*debt to equity ratio* is at 0.1, the highest is 2.5. While standard deviation of 0.574724 nThis value is smaller than the average value owned.

Inventory Turnover have score mean value 4.084517 meansthe value of inventory turnover is 4.08 times, meaning that the inventory is sold and the results are used to buy back the inventory 4.08 times a year, or an average of 4 days of inventory back into cash. Lowest score*inventory turnover* is at 0.199853, the highest is at 8.866058. While standard deviation of 2.165967 nThis value is smaller than the average value owned.

The fourth independent variable is return on assets. The mean return on assets is 15.61673every Rp. 1 (100%) of the company's total assets, then the value ratio contributes to creating Rp. 15.61 (15.61%) net income. The lowest value of return on assets is at 3.45, the highest is at 46.66. While standard deviation of 10,95849 nThis value is smaller than the average value owned.

4.3. Statistic analysis

4.3.1. Analysis of the panel data model estimation method test

Analysis with panel data is used to calculate how much influence cash position, debt to equity ratio, inventory turnover and return on assets have on the dividend payout ratio from calculations or analysis of panel data using Eviews 10. Find out the most efficient method of the three equation models, namely Panel Least Square or Common effect Model (CEM), Fixed effect Model (FEM) and Random effect Model (REM) each need to be tested using the panel data model test method, with the following results:

Testing the estimated regression equation, the following tests can be used:

1) Chow test

Chow test is a test to determine the fixed effect or common effect model that is most appropriate to use in estimating panel data. The hypothesis in the Chow Test is:

H0 : Common effect Model

H1 : *Fixed effect model*

Table 4.2. Chow test

Redundant Fixed Effects Tests
Pool: POOL01
Fixed effects cross-section test

Effects Test	Statistics	df	Prob.
Cross-section F	7,422585	(10.40)	0.0000
Chi-square cross-section	57.711401	10	0.0000

Source: Eviews processed data. 10 (2020)

The results of the Chow Test in the table above can be concluded that H0 is rejected. H1 is accepted because the results of the F Cross-section Probability are smaller than alpha (0.0000 <0.05), so the model used in this study is the Fixed Effect Model.

2) Hausman Test

After doing the Chow Test and finding the right model is the Common effect, then we will then test which model is the most appropriate Fixed effect or Random effect, this test is called the Hausman Test. Hypothesis in the Hausman Test:

H0 : *Random effect* Model

H1 : *Fixed effect model*

Table 4.3. Hausman Test

Correlated Random Effects - Hausman Test

Pool: POOL01

Cross-section random effects test

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross-section	27.315230	4	0.0000

Source: Eviews processed data. 10 (2020)

Based on the Hausman test, it can be concluded that H0 is rejected, H1 is accepted because the result of the Random Cross-section Probability is smaller than alpha (0.0000 <0.05), so the model used in this study is the Fixed Effect Model.

***3)* Lagrange Multiplier test**

Lagrange Multiplier(LM) is a test to determine whether the Random Effect model or the Common Effect model is most appropriate to use. The LM significance test was developed by Breusch Pagan. The Breusch Pagan method for the Random Effect significance test is based on the residual value of the CEM method.

Due to the Fixed effect Model selected, the test is not used. Based on the Chow-test model test, it shows that the Fixed Effect Model is selected. On the other hand, the results of the Hausman model test show that the Fixed effect model is chosen.

***4)* Summary of Panel Data Regression Model Testing**

Table 4.4. Summary of Panel Data Regression Model Testing

Effect Test	**Best Model**	
	Determination Test	**Information**
Pool Least Square (PLS)	Chow test (PLS vs FE)	Fixed Effect
Random Effect (RE)	Hausman Test (FE vs RE)	Fixed Effect
Fixed Effect (FE)	LM Test (RE vs PLS)	-

Source: Eviews processed data. 10 (2020)

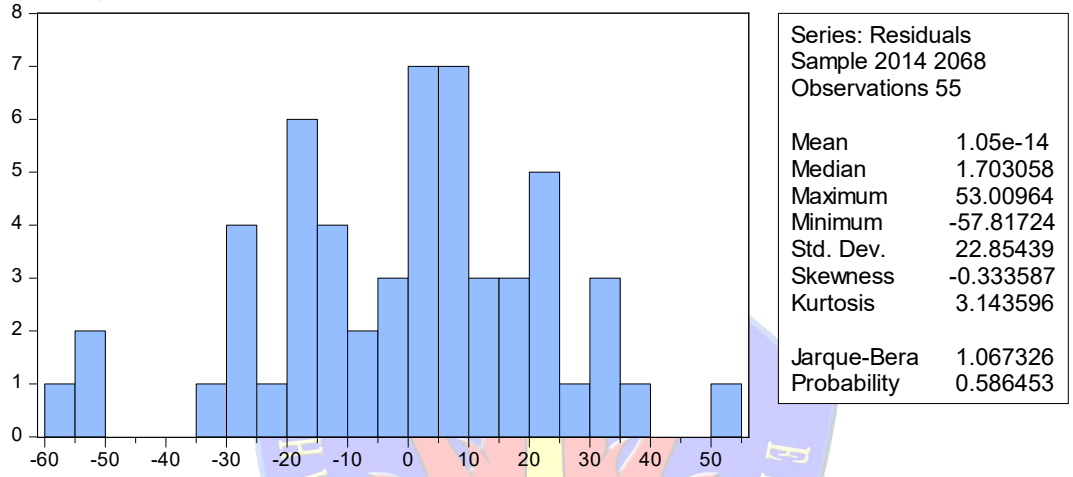
Based on the Chow-test model test, it shows that the Fixed Effect Model is selected. On the other hand, the results of the Hausman model test show that the Fixed effect model is chosen.

4.3.2. Classic assumption test

The classic assumption test is a prerequisite test if you use linear regression analysis. These tests include the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. If these assumptions are violated, for example the regression model is not normal, multicollinearity occurs, heteroscedasticity occurs or autocorrelation occurs. The following will discuss each classical regression assumption test as follows:

1) Normality test

This test is done to find out whether the data used is present or has a normal distribution or in other words it can represent a population whose distribution is normal. This test uses the histogram graph method and the Jarque-Bera statistical test (JB test) as follows:



Source: Eviews processed data. 10 (2020)

Figure 4.1. Data Normality Test

The histogram above the probability value is 0.586453 looking at the number of independent variables that we use, in this case 4 independent variables and the significant value we use in this case is 0.05 or 5%.

If p-value <α, then H0 is rejected

If p-value> α, then H0 is accepted

The conclusion is that with a confidence level of 95%, it can be said that the error terms are normally distributed. The results of the normality test above indicate that the data is normally distributed because the probability value is 0.586453> 0.05 so that it does not need to be transformed so that the data is normally distributed.

2) Multicollinearity Test

This multicollinearity test aims to test and find out whether the regression model that was processed found a correlation or relationship between independent variables. Testing multicollinearity problems can be seen from the correlation matrix values and can be seen in the table below:

Table 4.5. Multicollinearity Test

	Y	X1	X2	X3	X4
Y	1	-0.3819332224411653	0.0002485273549949446	-0.080710352764518	0.5421994199618729
X1	-0.3819332224	1	-0.1949027560	-0.0764466618	-0.6542784579

	411653		199134	9122084	982865
X2	-0.000248527354994944 6	-0.194902756019913 4	1	0.575091487776381 4	0.368343674937478 3
X3	-0.080710352764518	-0.076446661891220 84	0.575091487776381 4	1	0.301164323599364 7
X4	-0.542199419961872 9	-0.654278457998286 5	0.368343674937478 3	0.301164323599364 7	1

Source: Eviews processed data. 10 (2020)

The table above can be seen that the value of the correlation coefficient between the independent variables is less than 0.90, thus the data in this study can be identified that there is no multicollinearity problem between the independent variables and it can be said that this model can be used to estimate the effect of cash position, debt to equity ratio, inventory turnover and return on assets to the dividend payout ratio in consumer goods industry companies listed on the IDX for the 2014-2018 period.

Table 4.6. Test *Variance Inflation Factors*

Variance Inflation Factors
Date: 07/22/20 Time: 13:02
Sample: 2014 2068
Included observations: 55

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
X1	11.70163	5.536351	1,800038
X2	50.44423	3.781291	1.595001
X3	3,458145	7.178049	1.553023
X4	0.176372	6.221327	2.027506
C	144.1080	14.05038	NA

Source: Eviews processed data. 10 (2020)

Based on the results of the multicollinearity test output shown in the table above, it can be seen in the Coefficients table (Tolerance and VIF values) that of the four independent variables it can be seen that the Centered VIF value is less than 10 and the Tolerance value is greater than 0.1. it can be concluded that the regression model does not have multicollinearity problems.

3) Heteroscedasticity Test

Heteroscedasticity test aims to test whether in the regression model that is formed there is an inequality of variants of the regression model residuals. Good data is homoscedasticity data. The Glesjer test can identify heteroscedasticity problems from the calculation results that identify no heteroscedasticity because the regression coefficient value of the independent variable is not significant to the Dependent Variable RESABS. The hypothesis used is:

H0 : No problem *heteroscedasticity*
H1 : There is a problem *heteroscedasticity*

Table 4.7. Heteroscedasticity Test
Heteroskedasticity Test: Glejser

F-statistic	3.850080Prob. F (4,50)	0.1084
Obs * R-squared	12.95128Prob. Chi-Square (4)	0.1115
Scaled explained SS	12.31876Prob. Chi-Square (4)	0.1151

Source: Eviews processed data. 10 (2020)

The results of the heteroscedasticity test can be concluded that H0 is accepted because the probability result of each independent variable is 0.1115 is greater than alpha (0.05), or in other words, the regression coefficient value of the independent variables, so that the data in this regression model can be said that there is no heteroscedasticity problem.

4) Autocorrelation Test

The autocorrelation test aims to test whether in a linear regression model there is a correlation between the confounding error in period t and the error in period t-1 (previous). Autocorrelation occurs because successive observations over time are related to one another. This problem arises because the residual (confounding error) is not independent from one observation to another. This is often found in time series data because of interference with the same individual / group in the next period.The hypothesis used is:

If the probability value Obs * R-squared <significance value (α = 0.05) then H0 is rejected or it can be concluded that the model has autocorrelation. If the probability value Obs * R-squared> the significance value (α = 0.05) then H0 is accepted or it can be concluded that there is no autocorrelation in the model.

Table 4.8. Autocorrelation Test
Breusch-Godfrey Serial Correlation LM Test:

F-statistic	3,390869Prob. F (2.48)	0.1419
Obs * R-squared	6.808759Prob. Chi-Square (2)	0.1332

Source: Eviews processed data. 10 (2020)

The results of the autocorrelation test can be concluded that H0 is accepted because the probability result of each independent variable is 0.1332 is greater than alpha (0.05), or in other words, the regression coefficient value of the independent variables, so that the data in this regression model can be said to have no autocorrelation problem.

4.3.3. Multiple linear regression equation analysis

Multiple linear regression analysis is intended to test whether there is an effect of the independent variable on the dependent variable. The independent variables in this study are cash position, debt to equity ratio, inventory turnover and return on assets, while the dependent variable is the dividend payout ratio using the Fixed Effect Model.

Table 4.9. Multiple Linear Regression Equation

Dependent Variable: DPR
Method: Pooled Least Squares
Date: 07/22/20 Time: 12:57
Sample: 2014 2018
Included observations: 5
Cross-sections included: 11
Total pool (balanced) observations: 55

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	70.68306	28,94634	2.441865	0.0191
CP	-3.234711	4.554867	-0.710166	0.4817
DER	14.17055	11.44102	1.238574	0.2227
ITO	3.137768	4,590788	0.683492	0.4982
ROA	-2.281320	0.848044	-2.690098	0.0104

Effects Specification			
Cross-section fixed (dummy variables)			
R-squared	0.778831	Mean dependent var	51.46673
Adjusted R-squared	0.701422	SD dependent var	28,75780
SE of regression	15.71391	Akaike info criterion	8.573970
Sum squared resid	9877,077	Schwarz criterion	9.121425
Log likelihood	-220.7842	Hannan-Quinn criter.	8.785675
F-statistic	10.06125	Durbin-Watson stat	1.743112
Prob (F-statistic)	0.000000		

Source: Eviews processed data. 10 (2020)

Based on the results above, the multiple linear regression equation can be as follows:

DPRi, t = β0 + β1CPi, t + β2DERi, t + β3ITOi, t + β4ROAi, t + ε

DPRi, t = 70.68306 - 3.234711 CPi, t + 14.17055 DERi, t + 3.137768ITOi, t - 2.281320ROAi, t + ε

Information :

β0 = Constant

DPRi, t = *Dividend payout ratio*

β1CPi, t = Company cash position in year t

β2DERi, t = Debt to equity ratio of company i in year t

β3ITOi, t = *Inventory turnover* company i in year t

β4ROAi, t = Return on assets of company i in year t

β1-β4 = Dependent Variable Regression Coefficient

ε = *Error*

Based on the multiple linear regression equation, it can be analyzed the effect of each independent variable on the dependent variable, namely:

1. Constant Value α amounting to 70.68306 states that if the value of cash position (X1), debt to equity ratio (X2), inventory turnover (X3) and the ratio of return on assets (X4) is constant (0) then the dividend payout ratio is 70.68306.
2. The regression coefficient value X1 has a negative effect-3.234711 for cash position, it means that every 1 change in cash position value, the dividend payout ratio will decrease by 3.234711.
3. The regression coefficient value X2 has a positive effect 14.17055 For the debt to equity ratio, it means that every 1 change in the value of the debt to equity ratio, the dividend payout ratio will increase by 14.17055.
4. The regression coefficient value X3 has a positive effect 3.137768 For inventory turnover, it means that every 1 change in the value of inventory turnover, the dividend payout ratio will increase by 3.137768.
5. The regression coefficient value X4 has a negative effect of -2.281320 For the return on assets ratio, it means that every 1 change in the value of the return on assets ratio, the dividend payout ratio will decrease 2.281320.

4.3.4. Hypothesis testing

Hypothesis testing, the researcher will present table 4.9 of the results of the regression analysis of the Fixed effect model which has stated that the model is more appropriate for this study. These results prove that the selected panel model is the Fixed Effects Model.

1. **Partial Testing (t test)**
   a. First Hypothesis (H1). The results can be seen from table 4.9 that the probability significance value of 0.4817> 0.05 means that the result states that H1 is rejected, so partially cash position (X1) has no positive effect on the dividend payout ratio (Y), thus the H1 hypothesis is not proven.
   b. Second Hypothesis (H2). The results can be seen from table 4.9 that the probability significance value of 0.2227> 0.05 means that the result states that H2 is rejected, then the debt to equity ratio (X2) partially does not have a negative effect on the dividend payout ratio (Y). not proven.
   c. Third Hypothesis (H3). The results can be seen from table 4.9 that the probability significance value of 0.4982> 0.05 means that the result states that H3 is rejected, so inventory turnover (X3) partially has no effect on the dividend payout ratio (Y), thus the hypothesis H3 is not proven.
   d. Fourth Hypothesis (H4). The t test can be seen from the results of the partial regression significance test. The results can be seen from table 4.9 that the probability significance value of 0.0104 <0.05 means that the result states that H4 is accepted, then the return on assets ratio (X4) partially affects the dividend payout ratio (Y), thus the H4 hypothesis is proven.
2. **Simultaneous Testing (Test F)**

   To find out whether the regression model in research is suitable for use, it is necessary to carry out a model feasibility test or a F statistical test. This test is conducted to identify whether the independent variables affect the dependent variable together (simultaneously). The F statistical test basically shows whether all the independent variables included in the model have a simultaneous influence on all dependent variables.

   The F test can be seen from the results of simultaneous regression significance testing. The results can be seen in table 4.9 that the F-statistic Probability value is equal to0.000000 <0.05. Based on these results, the hypothesis states that cash position, debt to equity ratio, inventory turnover and return on assets simultaneous influence on the dividend payout ratio is accepted, thus the hypothesis is proven to be influential, seuntil it can be said that the regression model is feasible

4.3.5. Analysis of the coefficient of determination (Adjusted R^2)

The coefficient of determination or R-Squared (R2) measures how far the model's ability to explain the variation in the dependent variable. The value of the coefficient of determination is between 0 and 1. A small value means that the ability of the independent variable to explain the dependent variable is very limited. A value close to 1 means that the independent variable provides almost all the information needed to predict the variation in the dependent variable. Adjusted R-Squared is used when the independent variable is more than one.

Based on table 4.9 it states that the Adjusted R-square value is 0.701422 This means that the major contribution is the influence of cash position, debt to equity ratio, inventory turnover and return on assets Simultaneously to the dividend payout ratio of 0.701422 or 70.14% while the rest is 29.86% influenced by other independent variables not examined in this study, explained by other factors not present in the study, such as inflation and the country's economic instability. Because the amount of Adjusted R-squared is still not close enough to 1 (one), which indicates that the ability of the

independent variables to explain the variation in the dependent variable is still limited.

4.4. Research Findings

Based on the above research, the writer can interpret the independent variables on the dependent variable, especially those that have a significant effect on the dependent variable.

Table 4.10. Summary of Discussion Results

No.	Hypothesis	Hypothesis Description	Result
1.	Hypothesis 1	*Cash position* has no positive effect on the dividend payout ratio	Rejected
2.	Hypothesis 2	*Debt to equity ratio* has no negative effect on the dividend payout ratio	Rejected
3.	Hypothesis 3	*Inventory turnover* has no positive effect on the dividend payout ratio	Rejected
4.	Hypothesis 4	*Return on assets* affect the dividend payout ratio	Received in a negative direction

4.4.1. The effect of cash position on the dividend payout ratio

The results of the analysis state that the probability significance value of cash position (X1) is 0.4817> 0.05, which means that the cash position variable has no effect on the dividend payout ratio.. The test results show that partially cash position has no significant effect on the dividend payout ratio of consumer goods industry companies listed on the IDX. Cash position has a negative direction but not significant to the dividend payout ratio. The empirical results differ from the results of research conducted byMuhlhofer and Ukhov (2012); Kurniasih (2017); Putra and Mahfud (2017) and Puspitaningtyas (2017)which has proven that the cash position has a positive and significant effect on the dividend payout ratio. From the hypothesis statement in previous research that companies with a stronger (liquid) and positive cash position, the greater their ability to pay dividends.(Setiawan, Zamzani, and Amelia, 2018). Likewise according toDemirgüneş (2015)said that companies that are relatively liquid with cash will tend to be stable in terms of higher dividend payments compared to companies with unstable cash flow. However, the results of this study are the same as the research conducted byKusuma et al. (2018)which has proven that cash position has no significant effect on the dividend payout ratio. It can be concluded that the company understands the type of investor who expects capital gains other than dividends.

4.4.2. The effect of the debt to equity ratio on the dividend payout ratio

The results of the analysis state that the probability significance value of the debt to equity ratio (X2) is 0.2227> 0.05, which means that the debt to equity ratio has no effect on the dividend payout ratio.. Thus this study rejects the second hypothesis (H2) which states that*debt to equity ratio* partially significant effect on the dividend payout ratio in consumer goods industry companies listed on the IDX. These empirical results are not the same as the results of research conducted byHutagalung et al. (2013); Asad and Yousaf (2014); Manneh and Naser (2015); Putra and Mahfud (2017); Kuzucu (2015); andKurniasih (2017), which has proven that the debt to equity ratio has a negative and significant effect on the dividend payout ratio. According toManneh and Naser (2015), said that the strength and direction of the relationship between dividend payments and leverage is inconsistent.

4.4.3. The effect of inventory turnover on the dividend payout ratio

The result of the analysis states that the probability significance value of inventory turnover (X3) is 0.4982> 0.05, which means that inventory turnover has no effect on the dividend payout ratio.. Thus this study rejects the third hypothesis (H3) which states that inventory turnover partially has a significant effect on the dividend payout ratio of consumer goods industrial companies listed on the IDX. The results of this study are not the same as the results of research conducted byKrishnamoorthi (2016)stated that inventory turnover has a positive and significant effect on the dividend payout ratio. Inventory turnover has a significant effect on the dividend payout ratio, where this ratio has a positive signal for investors in analyzing or planning their investment strategy.

4.4.4. The effect of return on assets on the dividend payout ratio

The results of the analysis state that the probability significance value of the return on assets (X4) ratio is 0.0104 <0.05, which means that return on assets has an effect on the dividend payout ratio.. Thus this study accepts the fourth hypothesis (H4) which states that partially return on assets has a significant effect on the dividend payout ratio in consumer goods industry companies listed on the IDX. Return on Assets has a significant effect on the dividend payout ratio. The empirical results are the same as the results of research conducted byRehman and Takumi (2012); Hutagalung et al. (2013); *Hossain et al*. (2016);Odawo (2015); Manneh and Naser (2015); Khalid and Rehman (2015); Krishnamoorthi (2016); Purwanto and Elen (2017); Kurniasih (2017) and Ishaq et al. (2018)states that return on assets has a significant effect on the dividend payout ratio. According toManneh and Naser (2015) said that the relationship between dividend payments and profitability has a relationship between the two variables. *Return on assets*the higher one can be used by the company whether to pay dividends or maintain company earnings. This depends on the company's decision (Purwanto and Elen, 2017).

V. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusion

Based on the results of research and discussion, it can be concluded as follows:

1. *Cash position* does not have a significant effect on the dividend payout ratio in consumer goods industry companies listed on the IDX for the period 2014-2018, meaning that high or low cash position does not have an effect on the dividend payout ratio.
2. *Debt to equity ratio* does not have a significant effect on the dividend payout ratio in consumer goods industry companies listed on the IDX for the 2014-2018 period, meaning high or low *debt to equity ratio* has no effect on the dividend payout ratio
3. *Inventory turnover* does not have a significant effect on the dividend payout ratio in consumer goods industry companies listed on the IDX for the 2014-2018 period, meaning that the high and low inventory turnover does not affect the dividend payout ratio.
4. *Return on assets* This has a significant effect on the dividend payout ratio in consumer goods industry companies listed on the IDX for the 2014-2018 period, meaning that the level of return on assets has an effect on the dividend payout ratio.

5.1. Suggestion

Based on the research that has been done, the suggestions that can be submitted by researchers include:

1. The consumer goods industry companies listed on the IDX are expected to be able to increase their cash position, return on assets and inventory turnover as well as reduce the debt to equity ratio from year to year, so as to attract investors to invest their

funds. Thus, consumer goods industry companies listed on the IDX can make a greater contribution to increasing the growth of the Indonesian economy.
2. Investors and potential investors who are oriented towards earning dividends (not capital gains) can consider liquidity conditions, profitability, sales inventory and company leverage conditions in helping make investment decisions in a company.
3. For companies to increase profits each year, it can be done by carrying out operational cost efficiency, effective use of company assets and proper utilization of debt to finance company assets.

5.2. Limitations and Further Research Development

Another limitation in this study is that only two hypotheses are stated to be proven from the four hypotheses in this study, so that this study is not able to provide a more precise picture of the factors that affect the dividend payout ratio in consumer goods industry companies listed on the IDX.

There are several important implications that can be drawn from this research. The results of this study will provide several potential contributions. Future research is expected to examine other factors that affect the dividend payout ratio (dividend payout ratio) of Islamic banking. Considering that this research only uses four explanatory variables and is more dominant in internal banking factors. In addition, further research can also extend the observation period, so that the results that will be obtained have high accuracy. Apart from this research, only selecting samples that fit the research criteria with purposive sampling, so that the number of samples obtained is less and it is expected for further research to use other sampling techniques.

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