

The Effect of Investment, Liquidity, Profitability, Company Growth, And Company Size on Dividend Payout Ratio (Empirical Study of Consumption Goods Sector Companies Listed On the Indonesia Stock Exchange, 2017-2020)

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Abstract

The dividend payout ratio is the ratio between the total dividends paid to shareholders and the company's net profit. This study aims to identify the factors that influence the Dividend Payout Ratio (DPR) in 17 companies listed on the Indonesia Stock Exchange. The data used in this study are annual financial reports from the period 2017 to 2020. Multiple linear regression analysis is used to analyze the data by testing the determinant coefficient, simultaneous test (f test), and partial test (t test). The variables studied include Investment, Liquidity, Profitability, Company Growth, Company Size, and Dividend Payout Ratio as the dependent variable. The results of the analysis show that the Profitability and Company Growth variables have a significant effect on the Dividend Payout Ratio, while the Investment, Liquidity, and Company Size variables have no significant effect on the Dividend Payout Ratio.

Keywords

Investment; liquidity; profitability; company growth; company size; dividend payout ratio



I. Introduction

Every company must try to achieve its main goal, namely to obtain profits or profits and increase the value of the company, including in terms of distributing dividends. Dividend distribution is one way to meet shareholder expectations and at the same time maintain the company's growth. Investors who invest in a company usually expect maximum income from dividends. Dividend distribution is considered safer by investors because it can minimize the uncertainty of capital gains.

Dividend payment is one of the factors that investors pay attention to in determining their investment decisions. This is because a consistent dividend policy can show good company performance, as well as provide certainty for investors regarding the return on their capital. Therefore, many studies have been conducted to reveal the factors that influence dividend policy. In this case, research on dividends has an important role in assisting investors and company management in making the right decisions.

Companies that want to maximize the value and growth of their company will make the right dividend policy, by taking advantage of the best possible opportunities. High dividend distribution will attract the attention of investors and increase the value of the company's shares. However, companies must also pay attention to sustainable development and improve the welfare of shareholders.

This study uses food and beverage sub-sector companies listed on the IDX in the 2017-2020 period as research objects. The selection of the research period is based on available data on the IDX and the optimal sample size, namely 17 companies. This study aims to determine the effect of investment, liquidity, profitability, company growth, and

company size on the dividend payout ratio in food and beverage companies listed on the IDX in 2017-2020. Thus, this research is expected to contribute to understanding the factors that influence the distribution of dividends in food and beverage companies in Indonesia.

Table 1. Phenomenon Data in 2017-2020

No	Kode	Tahun	Investasi	Likuiditas	Profitabilitas	Pertumbuhan Perusahaan	Ukuran Perusahaan	DPR
1.	CAMP	2017	0.19	15.82	0.03	0.17	27.82	1.33
		2018	0.74	10.83	0.06	0.17	27.64	0.29
		2019	0.83	1.17	0.07	0.05	27.69	0.33
		2020	0.61	1.72	0.04	0.02	27.71	0.93
2.	ROTI	2017	0.36	2.25	0.02	0.56	29.15	0.51
		2018	0.34	3.57	0.02	-0.03	29.11	0.28
		2019	0.45	1.69	0.05	0.65	29.17	0.02
		2020	0.38	3.83	0.03	0.04	29.12	0.06
3.	DLTA	2017	27.12	8.63	0.23	0.11	20.91	0.52
		2018	20.23	7.19	0.24	0.13	21.05	0.62
		2019	26.84	8.05	0.22	0.06	21.08	1.20
		2020	1.50	7.49	0.10	-0.14	20.93	2.53

Source: IDX Published Financial Report

From the data listed, it can be seen that each company has experienced an increase and decrease every year. This can be seen in PT.CAMP in 2018 Investment has increased from the previous year and Liquidity has decreased by 4.99. At PT ROTI in 2019 liquidity has decreased. If the current ratio or liquidity of a company is more than 1.0 times, then the company has a good ability to pay off its debts. Based on the background that has been described, the researcher takes the title "EFFECT OF INVESTMENT, LIQUIDITY, PROFITABILITY, COMPANY GROWTH, AND COMPANY SIZE ON DIVIDEND PAYOUT RATIO (Empirical Study of Consumer Goods Sector Companies Listed on the Indonesia Stock Exchange in 2017-2020)"

II. Review of Literature

2.1 Dividend Payout Ratio (Y)

DPR shows how much percentage of earnings per share will be paid to shareholders as dividends. The higher the DPR, the greater the amount of dividends that will be received by shareholders.

However, keep in mind that a DPR that is too high can reduce a company's ability to invest and grow in the future. Therefore, a DPR that is balanced and in accordance with company conditions is very important to ensure long-term business continuity. Dividend Payout Ratio is a ratio that shows the comparison between cash dividends per share and earnings per share. This ratio is used to describe the amount of profit from each share allocated in the form of dividends (Hery, 2018: 45).

2.2 Investment (X1)

An important consideration for investors when investing in a company is because the growth of fixed assets which is getting faster every year has an impact on the company's dividends to investors. Investments made by a company have a significant influence on the

company's dividend policy. The greater the investment made by the company, the greater the profit potential that can be generated by the company. This will have an impact on the amount of dividends that can be paid to shareholders.

2.3 Liquidity (X2)

Company liquidity is the company's ability to meet its financial obligations in the short term. In this case, financial obligations can be in the form of short-term debt payments, daily operational costs, and so on. The higher the company's liquidity, the greater the company's ability to meet its financial obligations in the short term. Companies that have good liquidity will find it easier to pay their debts, including debts that have matured. This is very important in ensuring the continuity of the company's business and the trust of the company's creditors. Based on research conducted by several researchers such as Idawat (2014), Dewi (2014), and Sari (2015), company liquidity or solvency has a positive and significant effect on dividend policy. This shows that before deciding the amount of dividends to be paid to shareholders, the company must pay attention to the liquidity factor or the company's ability to pay dividends. Dividend itself is a cash flow, so the stronger the company's cash position, the greater its ability to pay dividends.

2.4 Profitability (X3)

Because dividends are taken from the net profit generated by the company, this profit affects the size of the payout ratio. The greater the accumulation of profits, the greater the company's ability to pay dividends.

Therefore, long-term investors are very interested in this profit analysis, for example, shareholders see the real profit lies in dividends. The profitability factor also influences dividend policy because dividends are the net profit generated by the company, so dividends are paid when the company makes a profit. Profits that must be distributed to shareholders are profits after the company has completed its fixed obligations, ie. interest and taxes. This argument is supported by research by Setiawan (2013), Ali (2015), Jahanzeb (2016), Kangarlouei (2014), Yarram (2014) and Nixon (2012), which shows that profitability has a significant positive effect on rush on the dividend payout ratio.

2.5 Company Growth (X4)

The company's growth is an important factor affecting the company's dividend policy. Companies that have high growth will have a greater need to obtain external funding to finance investment and company growth. However, if the company has reached the well established stage, the company will tend to pay high dividends to shareholders because it already has sufficient resources to finance the company's growth. According to research conducted by Sari and Sudjarni (2015), company growth has a positive and significant effect on company dividend policy. The faster the growth rate of a company, the greater the need for funds to finance the company's growth.

2.6 Company Size (X5)

Company size is an important factor affecting the company's dividend policy. The larger the size of the company, the easier it is for the company to obtain funding sources that can be used to achieve company goals. This is because larger companies have easier access to capital markets and other types of external financing which indicates the company's ability to borrow. Company size is also a symbol of company size that relates to opportunities and the ability to enter the capital market and other types of external financing that shows the company's ability to borrow. This shows that the larger the size of

the company, the greater the dividends that will be distributed. Studies such as those conducted by Kangarlouei (2014), Jape (2016), and Yarram (2014) show that company size has a positive and significant effect on company dividend policy. The larger the size of the company, the greater the company's ability to pay larger dividends to shareholders.

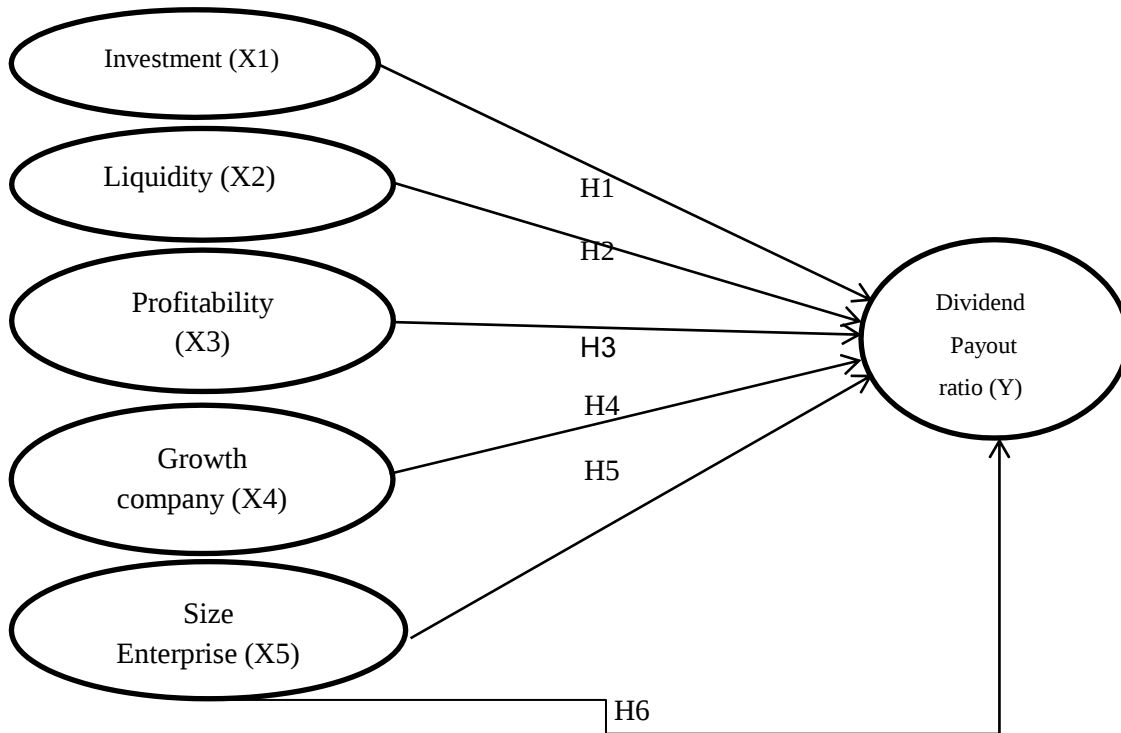


Figure 1. Conceptual Framework

Hypothesis

- H1 : Investment has a significant influence on the DPR
- H2 : Liquidity has a significant influence on the DPR
- H3 : Profitability has a significant influence on the DPR
- H4 : The company's growth has a significant influence on the DPR
- H5 : Size The company has significant influence over the DPR
- H6 : Investment, Liquidity, Profitability, Growth change, Company Size has a significant influence on the DPR

III. Research Method

3.1 Place and time of research

This research was conducted at manufacturing companies listed on the Indonesia Stock Exchange (IDX) in the registered Consumer Goods Industry Sector. This data can be accessed via the IDX's official website at www.idx.co.id for the period from 2017 to 2020.

3.2 Sampling technique

In this study, used a sampling method known as purposive sampling. This method was chosen with the aim of selecting a sample according to certain criteria required by the researcher. This method is described by Sugiyono (2014: 68) as a sampling technique that is carried out with special considerations to meet the data requirements needed in research.

Table 2. Sample Criteria

No	Population	72
	Criteria:	
1	Food and beverage sector companies listed on the IDX during the 2017-2020 research period	72
2	Companies in the food and beverage sector that are not listed on the IDX in detail during the 2017-2020 period	(25)
3	Companies that did not issue financial reports during the 2017-2020 period	(2)
4	Companies that do not distribute dividends on an ongoing basis during the 2017-2020 period	(23)
5	Companies that use foreign currency	(1)
	TOTAL	17
	Total sample N = 17 × 4	68

3.3 Variables and Operational Definitions

This study uses investment, liquidity, profitability, company growth, and company size as independent factors. Meanwhile, DPR is used as the dependent variable or a variable that depends on these factors.

Table 3. Operational Variables

Variable	Operational Definition	Measurement Indicator
Investment (X1)	Investment is defined as sacrificing a certain amount of money at this time in order to obtain returns in the future.	ROI = (investment return : initial investment value) x 100%
Liquidity (X2)	Liquidity is explained as a company's ability to convert assets into cash quickly to pay its short-term obligations.	CurrentRatio = AssetsLanca Current liabilities
Profitability (X3)	Profitability is the ability to generate profits (Prihadi, 2020: 166)	(ROA) = <u>Net profit</u> Total assets
Company Growth (X4)	The company's growth is explained as an increase in total assets which indicates future profitability performance.	Growth Ratio = ((Present – Past)/ Past) x 100.
Company Size (X5)	Company size is assumed to be a factor affecting company value because the larger the company size, the easier it is for the company to obtain the funding sources needed to achieve its goals.	Company Size n =LnTotal Assets
Dividend Payout ratio (Y)	Dividend Payout Ratio is a measure that indicates how much profit is provided by the company in the form of cash dividends.	DPR = DPS EPS

3.4 Descriptive Statistics

Descriptive statistics are used as a method of data analysis in this study. Ghozali (2018: 19) suggests that descriptive statistics provide an overview of data through values such as mean, standard deviation, variance, maximum, minimum, sum, range, kurtosis, and skewness.

3.5 Population and Research Sample

The population that is the focus of the research is the food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2017-2020 period, and the sample used is the shares of these companies.

3.6 Data Types and Sources

The data used in this study is secondary data from the website www.idx.co.id and the official website of the Indonesia Stock Exchange. The data contains information on manufacturing companies in the food and beverage sub-sector from 2017 to 2020

3.7 Method of collecting data

The analytical approach applied in this study is quantitative analysis, which is used to analyze quantitative data (data that can be measured, tested, and reported in the format of equations, panels, etc.). The data is then processed by testing the classical assumptions using the SPSS program.

3.8 Classic assumption test

Ghozali (2018: 159) explains that to evaluate model suitability, it is necessary to test several classical assumptions, namely:

- a. Multicollinearity test to evaluate the correlation between independent variables in the regression model. An appropriate regression model should not show a correlation between the independent variables.
- b. Autocorrelation test to examine the correlation in the linear regression model between the confounding errors in period t and the confounding errors in the $t-1$ (previous) period.
- c. Heteroscedasticity test to test the dissimilarity of the variance of the regression model from one observation to another (Ghozali, 2018: 120).

3.9 Multiple Linear Regression Analysis

In this study, multiple linear regression analysis was carried out to test the effect of the independent variables on the dependent variable. The independent variables used in this study are Investment, Liquidity, Profitability, Company Growth, and Company Size, while the dependent variable is the Dividend Payout Ratio. The multiple linear regression analysis model used is

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where :

Y : Payout ratio dividend rate

a : constant

β : regression coefficient

X1 : Investment

X2 : Liquidity

X3 : Profitability

X4 : Company Growth
X5 : Company Size
e : Residual variable

After testing the Classical Assumptions followed by Regression, the next step is Statistical Testing. Statistical testing can be done as follows:

a. Partial Test (t test)

According to Ghozali (2017: 56), the t statistical test can be used to find out how much influence one independent variable has on the dependent variable assuming that the other independent variables are constant. This test was carried out using a significance level of 0.05. With the partial test, independent variables can be identified that have a significant influence on the dependent variable individually, so that the contribution of each independent variable to the dependent variable can be identified specifically. This test is very important to determine which independent variables need to be considered in making decisions regarding dividend payout policies.

b. R² Test (Coefficient of Determination)

Sugiyono (2016) explains that the coefficient of determination test (R²) can be used to predict how much the contribution of variable (X) to variable (Y) is provided that the results of the F test in the regression analysis are significant. The value of the coefficient of determination (R²) only ranges from 0 to 1, with a value range of $0 < R^2 < 1$. The greater the value of R², the greater the contribution of the independent variables to the dependent variable as a whole. Therefore, testing R² is very important to determine how much influence the independent variables have on the dependent variable in making decisions regarding dividend payout policy.

IV. Result and Discussion

4.1 Descriptive Statistics Test

General statistical data from all research sample data in Food and Beverage Companies listed on the IDX for the 2017-2020 period, as follows:

Table 4. Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
Investment	68	-.96	27,12	3.1629	5.94319
Liquidity	68	,61	15,82	3.0274	2.70722
Profitability	68	-,06	,49	.0762	,07855
Company Growth	68	-29,19	2.61	-,3387	3.63530
Company Size	68	14.78	29,17	20.0228	4.85699
Dividend Payout Ratio	68	-2.32	2.70	,3925	,65417
Valid N (listwise)	68				

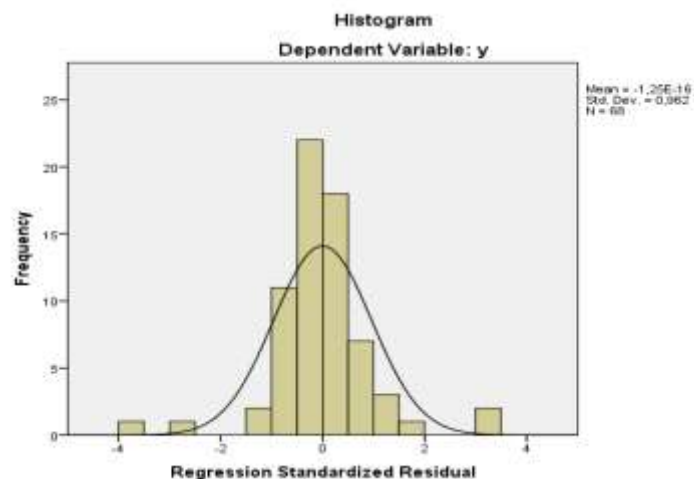
Source: From the SPSS20 Output Results

1. Of the 68 sample data Y=Dividend Payout Ratio studied, the minimum value was -2.32, the maximum was 2.70, the average was 0.3925 and std. Deviation is 0.65417
2. Of the 68 sample data X1=Investment studied, it obtained a minimum value of -0.96, a maximum of 27.12, an average of 3.1629 and std. Deviation is 5.94319
3. Of the 68 sample data X2=Liquidity studied, it obtained a minimum value of 0.61, a maximum of 15.82, an average of 3.0274 and std. Deviation is 2.70722
4. Of the 68 sample data X3=Profitability studied, it obtained a minimum value of -0.06, a maximum of 0.49, an average of 0.0762 and std. Deviation is 0.07855
5. Of the 68 data samples X4=Growth of the companies studied, it obtained a minimum value of -29.19, a maximum of 2.61, an average of -0.3387 and std. Deviation is 3.63530
6. Of the 68 sample data X5=Company Size studied, a minimum value of 14.78, a maximum of 29.17, an average of 20.0228 and std. Deviation is 4.85699

4.2 Classical Assumption Test Results

The classical assumption test used in this study consists of the normality test, multicollinearity test, heteroscedasticity test and autocorrelation test.

a. Graph Analysis

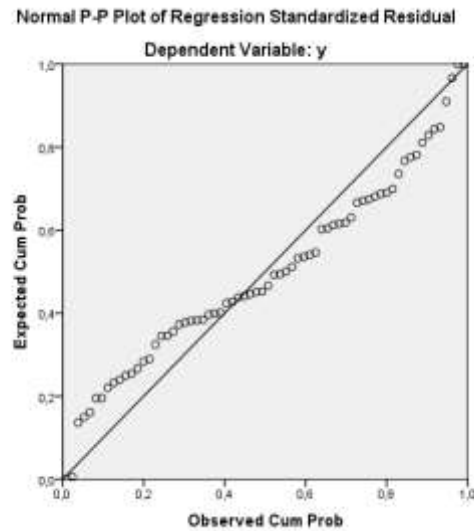


Source: SPSS 20 output results

Figure 2. Graph Analysis of Normality Test

The graph above shows that the curve line is shaped like a bell so that it can be concluded that the data is normally distributed with the applicable provisions.

b. P-Plot Graph Analysis



Source: 1 SPSS Output Results 20
Figure 2. P-Plot Data Graph

The graph above shows that the distribution of these points follows the direction of the diagonal line, thus it can be concluded that the graph shows normally distributed data with the applicable provisions.

Table 5. Obtaining Normality Test Using One-Sample Kolmogorov-Smirnov Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		68
Normal Parameters, b	Means	0E-7
	std.	,59895062
	Deviation	
Most Extreme Differences	absolute	,117
	Positive	,117
	Negative	-,112
Kolmogorov-Smirnov Z		,966
asympt. Sig. (2-tailed)		,308

a. Test distribution is Normal.

b. Calculated from data.

Source: 2SPSS Output Results 20

From the results of the data processed with the SPSS 20 output shown in the table above, the normality result is 0.308. Then it can be concluded Asymp. Sig.(2-tailed) is $0.308 > 0.05$ (5%), it is stated that the information has a normal distribution.

c. Autocorrelation Test

Table 6. Auto Correlation Test
Summary modelb

Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watson
1	,402a	,162	,094	,62263	1,809

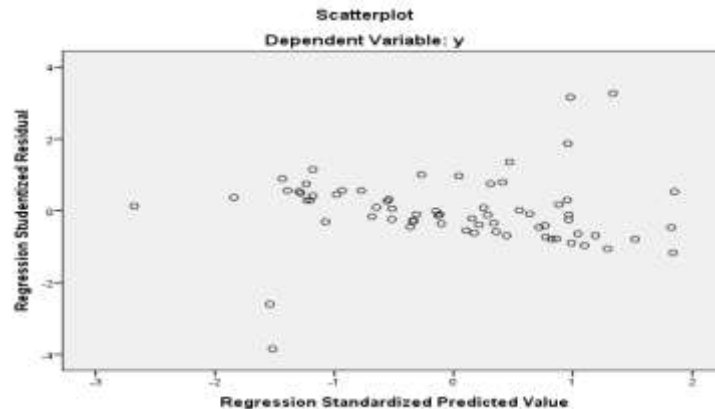
a. Predictors: (Constant), company size, investment, company growth, liquidity, profitability

b. Dependent Variable: dividend payout ratio

Source: SPSS 20 output results

It can be seen that the autocorrelation test with Durbin Watson points is 1.809 with the number of observations $n = 68$ and the number of independent variables is $k = 5$. By using the criteria $du < dw < 4 - du$, $dl = 1.4537$ $du = 1.7678$ $dw = 1.806$ and $4 - du = 2.2322$, namely $1.7678 < 1.809 < 2.2322$, thus it can be concluded that this test does not contain autocorrelation.

d. Heteroscedasticity Test



Source: SPSS Output Results 20

Figure 3. Scatterplot Graph

Judging from the explanation above that the data points are scattered and do not converge, it can be concluded that in this study there was no heteroscedasticity.

e. Glejser test

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	,233	,254		,916	,363
	Investment	-,014	,013	-,187	-1.095	,278
	Liquidity	-,018	,024	-,107	-,731	,467
	Profitability	1.204	1,241	,211	,971	,336
	Company Growth	,027	,022	,217	1.204	,233
	Company Size	,009	,012	,095	,740	,462

a. Dependent Variable: Abs_RES

Source: spss output 20

From the table it can be seen that the value of significance is > 0.05, it can be concluded that the data does not have heteroscedasticity.

4.3 Multicollinearity Test

Table 7. Multicollinearity test

Coefficients ^a		Collinearity Statistics	
Model		tolerance	VIF
	(Constant)		
	Investment	,526	1,899
	Liquidity	,725	1,380
	Profitability	,327	3,059
	Company Growth	,475	2.105
	Company Size	,928	1,078

Source: SPSS Output Results 20

Based on the table above, it states that the number of tolerance points for the investment variables (X1), liquidity (X2), profitability (X3), company growth (X4) and company size (X5) is >0.10 and VIF points <10.00. So it can be concluded that there is no multicollinearity. In this case the linear regression test can be continued.

4.4 Results of Data Analysis

a. Multiple Linear Regression Equations

Table 8. Multiple linear Regression Analysis

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
(Constant)	-.405	,347		-1.166	,248
Investment	-.020	,018	-,182	-1.137	,260
Liquidity	-.015	.033	-.063	-,460	,647
Profitability	5,160	1,694	,620	3,046	,003
Company Growth	.066	.030	,365	2,163	.034
Company Size	,027	,016	,199	1,646	,105

a. Dependent Variable: Dividend payout ratio

Source: SPSS Output Results 20

$$Y = (-0.405) + (-0.020 X_1) + (-0.015 X_2) + 5.160 X_3 + 0.066 X_4 + 0.027 X_5$$

Explanation of the multiple linear regression above:

1. There is a constant of -0.405 where the variable investment, liquidity, profitability, company growth, company size has 0 or a constant, so the value of the dividend payout ratio is -0.405
2. The investment variable coefficient value is -0.020 if the variable increases by 1 unit, then the investment decreases by -0.020.

3. The coefficient value of the Liquidity variable is -0.015 if the variable increases by 1 unit, then liquidity decreases by -0.015
4. The coefficient value of the profitability variable is 5.160 if the variable increases by 1 unit, then the profitability increases by 5.160.
5. The coefficient value of the company growth variable is 0.066, if the variable increases by 1 unit, then the company growth increases by 0.066.
6. The coefficient value of the variable Company Size is 0.027 if the variable increases by 1 unit, then the Company Size increases by 0.027.

a. Coefficient of Determination (R²)

Table 9. Obtain the Coefficient of Determination
Summary modelb

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	,402a	,162	,094	,62263

a. Predictors: (Constant), company size, profitability, company growth, investment, liquidity

b. Dependent Variable: Dividend payout ratio

Source: SPSS Output Results 20

Which means the value of R Square is 0.162 or expressed as 16.2%, this means that the dependent variable is X1 investment, X2 liquidity, X3 profitability, X4 company growth, X5 company size. The five variables where the acquisition of the coefficient test results in points of 16.2% affecting the dividend payout ratio.

c. Partial Test (T Test)

The T test is used to see whether there is or is not a significant (significant) effect between the independent variables in the partial dependent variable.

Table 10. T test

Coefficientsa					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
(Constant)	-.405	,347		-1.166	,248
Investment	-.020	,018	-,182	-1.137	,260
Liquidity	-.015	,033	-.063	-,460	,647
Profitability	5,160	1,694	,620	3,046	,003
Company Growth	,066	,030	,365	2,163	,034
Company Size	,027	,016	,199	1,646	,105

a. Dependent Variable: dividend payout ratio

Source: SPSS Output Results 20

- a. Investment(X1) $T_{count} < T_{table}$ is $-1.137 < 1.667$. And the sig value is $0.260 > 0.05$, which means the investment ratio has no effect and is not significant to the DPR (Y)
- b. Liquidity(X2) $T_{count} < T_{table}$ is $-0.460 < 1.667$. And the sig value is $0.647 > 0.05$ which means that the liquidity ratio has no effect and is not significant to the DPR (Y)
- c. Profitability (X3) $T_{count} > T_{table}$ of $3.046 > 1.667$. And the sig value is $0.003 < 0.05$, which means that the profitability ratio has a positive and significant effect on the DPR (Y)
- d. Company growth (X4) $T_{count} > T_{table}$ of $2.163 > 1.667$. And the sig value is $0.034 < 0.05$, which means the company's growth ratio has a positive and significant effect on the DPR (Y)
- e. Firm size (X5) $T_{count} < T_{table}$ of $1.646 < 1.667$. And the sig value is $0.105 > 0.05$, which means that the ratio of company size has no effect and is not significant on the DPR (Y)

d. Simultaneous Test (Test F)

**Table 11. Test F
ANOVAa**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4,637	5	,927	2,392	,048b
	residual	24,036	62	,388		
	Total	28,672	67			

a. Dependent Variable: dividend payout ratio

b. Predictors: (Constant), company size, investment, company growth, liquidity, profitability

Source: SPSS Output Results 20

Based on the data processed above at $F_{count} (2.392) > F_{table} (2.35)$ and the significance level is $0.048 < 0.05$. With this it can be seen that the independent variables namely investment, liquidity, profitability, company growth, company size simultaneously have a positive effect on the dividend payout ratio.

4.6 Discussion

a. Effect of Investment on Dividend Payout Ratio

Table 3.7 shows the investment variable coefficient of -0.020 and a significance point of 0.260 . The significance point is greater than 0.05 , so it can be explained that investment has no effect and is not significant on the dividend payout ratio, meaning that a low investment opportunity will not guarantee that the dividend rate to be paid to investors will also be high. This shows that there are other factors that play a greater role in influencing the dividend payout ratio. However, research from Ardestani et al (2013) and Amyas, Muhammad Arfan as well as Hasan Basri (1, February 2014) showed conflicting results, namely investment has a positive and significant effect on the dividend payout ratio.

b. The Effect of Liquidity on the Dividend Payout Ratio

Table 3.7 shows the coefficient value of the liquidity variable of -0.015 and a significance point of 0.647. From these results, it can be concluded that liquidity has no significant effect on the dividend payout ratio because the significance point is greater than 0.05. Even though the company has a high cash value, not all companies are able to increase dividend payments to investors from year to year.

This can be seen from the 17 companies that had a current ratio higher than the previous year, but the payout ratio actually decreased, or conversely, the current ratio was lower than the previous year, but the payout ratio increased. Therefore, it can be concluded that a high liquidity value encourages companies to fulfill their obligations, but does not directly affect the dividend payout policy.

c. The Effect of Profitability on the Dividend Payout Ratio

In a table mentioned in 3.7 the coefficient of the profitability variable has a value of 5.160 and a significance point of 0.003. From these results, it can be concluded that profitability has a positive and significant effect on the dividend payout ratio. This shows that the higher the company's ability to generate profits, the greater the dividend payments that will be made.

This finding is in line with the Bird in the Hand Theory which states that investors are more likely to choose dividends as a source of income, compared to capital gains, due to transaction costs when selling shares. Previous research has also shown the same results, such as Yudhanto and Aisjah (2013), Lopolusion (2013), Idawati (2014), and Silaban (2016). However, research from Islam & Saha (2014) and Sari (2015) shows conflicting results, namely profitability has a negative and insignificant effect on dividend policy.

d. Effect of Company Growth on Dividend Payout Ratio

Table 3.7 shows the coefficient of the company's growth variable of -0.066 and a significance point of 0.034. The significance point is less than 0.05, so it can be described that the company's growth has a positive and significant effect on the dividend payout ratio.

This indicates that if there is an increase in income due to high company growth, then the trend of dividend payments will also increase. In research conducted by Luisiana and Saputra in 2015, it was found that there is a positive relationship between company growth and dividend payout policy.

4.7 Effect of Company Size on Dividend Payout Ratio

From table 3.7, it can be seen that the variable coefficient of company size has a value of 0.027 and a significance point of 0.105. Because the significance point is greater than 0.05, it can be concluded that company size has no significant effect on the dividend payout ratio. Regardless of the size of the company that is getting bigger, the Dividend Payout Ratio (DPR) is actually getting lower.

This may be due to the fact that established companies do not necessarily have easy access to the capital market because the risk of large companies is quite high. In addition, the large number of assets owned by a large company is not necessarily a guarantee for paying dividends to investors. Therefore, it can be concluded that company size is not a dominant factor in determining dividend payout policy.

V. Conclusion

From the results of the data processing analysis above on the independent variables namely Investment, Liquidity, Profitability, Company Growth and Company Size to the dependent variable namely Dividend Payout Ratio (DPR), the researchers concluded:

1. Investment (X1) has no effect and is not significant on the dividend payout ratio. This result is expressed by the value of $T_{count} < T_{table}$ and the significance value is $0.260 > 0.05$.
2. Liquidity (X2) has no effect and is not significant on the dividend payout ratio. This result is expressed by the value of $T_{count} < T_{table}$ and the significance value is $0.647 > 0.05$.
3. Profitability (X3) has a positive and significant effect on the dividend payout ratio. This result is expressed by the value of $T_{count} > T_{table}$ and the significance value is $0.003 < 0.05$.
4. Company growth (X4) has a positive and significant effect on the dividend payout ratio. This result is expressed by the value of $T_{count} > T_{table}$ and the significance value is $0.034 < 0.05$.
5. Company size (X5) has no effect and is not significant on the dividend payout ratio. This result is expressed by the value of $T_{count} < T_{table}$ and the significance value is $0.105 > 0.05$.

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