Determinant of Dividend Payout Ratio in Consumer Goods Company

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Abstract: The purpose of this study was conducted to determine the effect of return on equity,cash ratios and managerial ownership on dividend payout ratios in consumer goods company listed on the Indonesian stock exchange (IDX) in the period 2017-2020. This study uses 15 companies sample from 53 company data were selected using purposive sampling method. The results of the study partially show that return on equity and managerial ownership have a significant and positive effect on the dividend payout ratio, while the cash ratio show positive but not significant results on dividend payout ratio in consumer goods company listed on the Indonesian stock exchange (IDX) in the period 2017 -2020 . Simultaneously, return on equity, cash ratio and manajerial ownership have a significant effect on dividend payout ratio in consumer goods company listed on the Indonesian stock exchange (IDX) in the period 2017-2020 .

Keywords: return on equity, cash ratio, manajerial ownership and dividend payout ratio.

Abstrak: Penelitian ini dilakukan untuk mengetahui pengaruh rasio pengembalian ekuitas, rasio kas dan kepemilikan manajerial terhadap rasio pembayaran dividen pada perusahaan consumer goods yang terdaftar di bursa efek indonesia periode tahun 2017-2020. Sampel yang digunakan dalam penelitian ini ada 15 perusahaan dari 53 data perusahaan yang diseleksi dengan menggunakan teknik purposive sampling. Hasil penelitian secara parsial menunjukkan bahwa rasio pengembalian ekuitas dan kepemilikan manajerial berpengaruh secara positif dan signifikan terhadap rasio pembayaran dividen, sedangkan rasio kas menunjukkan hasil yang positif namun tidak signifikan terhadap rasio pembayaran dividen pada perusahaan consumer goods yang terdaftar di bursa efek indonesia periode 2017-2020. Secara simultan rasio pengembalian ekuitas, rasio kas dan kepemilikan manajerial berpengaruh signifikan terhadap rasio pembayaran dividen pada perusahaan consumer goods yang terdaftar di bursa efek indonesia periode 2017-2020.

Kata kunci: rasio pengembalian ekuitas, rasio kas, kepemilikan manajerial dan rasio pembayaran dividen.

INTRODUCTION

In this pandemic situation, the most popular of investment is a stock investment. According to KBBI, investment is an investment of money or capital in a company or project with the purpose of making a profit. According to (www.idx.co.id), stock are a sign of individual/entity participation in a company that able to receive the company's income, company assets and entitled to attend the general meeting of shareholders (GMS). According to Karjono (2019) Stock is form of ownership to a company and have the right to earn the profit based in the proportion of the ownership.

The purpose of investing in stocks is to get a return in the future. In stock investment, the return obtained can be in the two form, which is capital gains and dividend/yield. Capital gain is the profit from the difference between the selling price and the purchase price of a stock in a certain period. Capital gains are formed because of the stock trading activities in the secondary market that causes difference price due to demand and supply Siti, (2021). Meanwhile, dividend/yield is a profits that distributed by the company to shareholders from the company activities.

One of the goals on the company is to get maximum profit/gain (Warren et al 2017). Profit is one of the indicators in assessing to a company based on the performance by the company. The maximum profit can reflect the performance of a company that will have an impact on the company ability to pay the dividend to shareholders. There are two form of dividend to be distributed which is cash dividend and stock dividend . Cash dividend is a dividend that paid in a cash, and stock dividend is a dividend that paid as additional share to shareholder (Siti,2021). But in this study will be focus on cash dividend. The amount of the dividend is usually determined at the general meeting of shareholders (RUPS).

The dividend payment procedure consists of cum date, the date on which an investor is entitled to receive dividends. Ex date, the date on which investors are no longer entitled to receive dividends. Rec date, the date of recording of investors who are entitled to receive dividends. Payment date, the date on which dividends are paid to investors who are entitled to receive dividend. There are two reason for a company do not paid the dividends to their shareholders : the first the company doesn’t make a profit or actually get loss during that periode or the company earns profit but retained their earnings with consideration of expansion their business.

The company ability to earn profit can be related to the company's ability to distribute dividends to investors. The impact giving large of dividends can increase the welfare of investors, so it will attract new investors to invest their money in the company. On the other hand, the distribution of smalle of dividends will provide a perspective that the profits owned by the company are in decline. This will have an impact on negative assumptions in the eyes of the public, which assumes that the company is lack of funds.

Basically, investors want a relatively stable or even increasing dividend distributions, this is because the stability of dividend distribution can indicate that the funds that have been invested are appropriate and well managed by the company. Each company in terms of dividend distribution to investors is different, depending on the dividend policy. The dividend policy of each company is based on several factors that have been considered by the company's management and the information contained in the company's financial statements. The company needs to make a policy regarding the amount of profit that will be distributed to shareholders. The amount of profit that will be distributed in the form of dividend payments is called the dividend payout ratio. With the making of a dividend policy, it’s hoped that it can be a meeting point between shareholders and company management and be able to maintain the viability of the company and the value of the company's shares optimal.

Consumer goods is a part of manufacturing sector that the most defensive sector that can survive in a recession/crisis condition and is able to generate large enough profits to attract investors' attention to invest in consumer goods companies. For the example: Based on *Bloomberg*, PT Siantar Top Tbk. (STTP) throughout Q1/2020 experienced an increase of 44.44 percent, there were also ITIC (40.38%), INAF (24.14%) and KAEF (4.80%). With the COVID-19 pandemic, everyone is working from home (WFH), causing consumption of goods in the community to increase which supports the performance of the consumer goods sector into positive sentiment.

Many studies have been conducted on the factors that affect the dividend payout ratio, but there are still limitations and inconsistencies. Based on the results of research by Affandi, Sunarko and Yunanto (2018), it show that the cash ratio has no significant effect on the dividend payout ratios (DPR) and return on equity (ROE) has a positive and significant effect on the dividend payout ratios (DPR). Based on the research results of Indrayati, Hadjaat and Nadir (2017) indicate that management ownership has a significant negative on the dividend payout ratio (DPR).

Based on the results of Tjoa (2020) shows that the cash ratio has a positive and significant effect on the dividend payout ratios (DPR). Based on research of Dewasir, et al (2018) shows that return on equity (ROE) has no significant effect on the dividend payout ratios (DPR). And the result of the study of Wibowo and Isyniwardhana (2021) shows that managerial ownership has no effect on dividend payout ratios (DPR).

Due to inconsistent research results in previous studies, this study aims to examine the effect of return on equity, cash ratio and managerial ownership in consumer goods companies listed on the Indonesian stock exchange in the 2017-2020 period.

THEORITICAL REVIEW

Signalling theory. According to (Brigham and Hauston, 2014) signalling theory is an action taken by management or company in providing instructions/signals to investors regard to the company performance, conditions and prospects in the future. The signal can be a positive signal or a negative signal. Signaling theory is a theory that show the changes in dividend distribution are indicate of the income generated by the company that will be distributed to shareholders. Signaling theory also discusses related to asymmetry information between insiders (managers) and outside parties (shareholders). The insider have more information about companies that are not published and owned by investors. (According to Hardi and Adestiana, 2018) Signaling theory explains that information about cash dividends distributed to investors can be a positive signal about the company's prospects in the future. Meanwhile, companies that experience a decline in cash dividend distribution can be a negative signal about the company's prospects in the future (Affandi, Sunarko, Yunanto, 2018). This signaling theory explains that information about cash dividend payments can be used as a guide to investors regarding the company prospect in the future due to the asymmetry informasi between management and investors.

Agency theory. According to (Jensen and Meckling, 1976) agency theory is a relationship between one or more shareholders (owners) to delegate decision-making authority to agents. The problems in agency relations occure when there is a conflict of interest between managers and their investors. Conflicts of interest between the owner and the agent can occur because of the actions/behavior of the agent that are not in accordance with the principal, thus triggering agency costs (Affandi, Sunarko, Yunanto, 2018). This conflict can be overcome by balancing the interests between managers and investors (Amalia and Hermanto, 2018). The existence of agency theory is expected to be able to minimize costs due to the asymmetry information between managers and shareholders. Asymmetry information is a situation where one "side" knows more information than the other. The agency costs are in the form of monitoring costs, bonding costs and residual loss according to Jensen dan Meckling (1976). Monitoring cost is a cost that incurred and borne by the principal to measure, observe, and control the behavior of the agent. Bonding costs is a cost borne by the agent to establish and comply with a mechanism that ensures the agent will act in the interests of the principal. Residual loss is a sacrifice in the form of reduced principal prosperity as a result of differences in agent decisions and principal decisions. According to (R.A Supriyono,2018:63) agency theory is a relationship where the agent is authorized by the principal regarding decision making for the principal by maximizing company profits, so it can minimize the tax burden by avoiding taxation.

Dividend Payout Ratio (DPR). Not all of the earning after tax received by the company will distributed to investors, but only part will distributed to investors as a dividends, some of which are not distributed will be withheld or known as retained earnings. The comparison between amount of the net earning after tax which is distributed as a dividend and amount of profit is called the dividend payout ratios. Dividend payout ratios (DPR) is a ratio that shows the percentage of profit earned by the company to pay obligations to shareholders in the form of cash dividends (Siti, 2021). According to Mustafa (2017:143) the dividend payout ratio (DPR) is a comparison between the dividends paid and net income. The importance of knowing the dividend payout ratio (DPR) is to be able to provide information to investors regarding the actual percentage of profit earned by the company which is allocated for the increase / expansion of operational activities and to be returned / distributed to shareholders.

The greater the percentage of dividend payout ratio (DPR) that is set by a company, then from the investor's perspective, it is more profitable because they get a larger dividend distribution. Meanwhile, from the company's perspective, there are fewer sources of internal funding. This can have an influence on the development of the company. The optimal dividend policy is a policy that has a balance between current dividends and future growth that maximizes the company's stock price.The bigger of the dividend payout ratios of a company, the greater of profit that will paid to the investors in the form of dividend. On the other hand, a small dividend payout ratio can indicate that the profits earned are reinvested for business expansion, so the dividends distributed will be smaller as well.

Return on Equity (ROE). The ratio of equity payments /return on equity (ROE) is a ratio that shows the company's ability to use the sources of funds to earn profits after-tax (Simbolon and Sampurno, 2017). The profit in question is profit for shareholders (earnings for stockholders equity) or profit after tax (earnings after tax). The company ability to earn profit can show the company ability to pay dividends. If companies are able to pay dividends to their shareholders it can give the perception that company is profitable. When return on equity increases, the dividend payout ratio is also increase. Based on signaling theory, increased profits in a company it can provide a positive signal for investors regarding the company prospects in the future through increase in the dividend payout ratio.ROE is a ratio to measure of profitability from the side of shareholders and it's a tool that usually used in making a decisions. According to (Affandi, Sunarko, Yunanto, 2018) ROE show how much earnings in the company generates from invested fund shareholder. Return on equity also help shareholders to assess the feasibility of a stock when the overall market conditions are not in good condition. The bigger of the return on equity in a company it can indicate that the company is efficient in using its own capital to generate company profits. On the other hand, a small of the return on equity it can indicate that the company is less efficient in managing its capital to earn the profit so it have an impact on dividend payments to their shareholders. Based on the description above, the hypothesis can be formed as follow:

Ha1: Return On Equity (ROE) has a positive and significant effect on the Dividend Payout Ratio (DPR).

Cash Ratio (CaR). The cash ratio (CaR) is a ratio that shows the company's ability based on current assets that have a high level of liquidity owned by the company in a short-term obligations (Karjono, 2019). Cash ratio is a conservative liquidity ratio to show the company's ability to cover debt in the short term compared to other ratios. There are two important factors that must be considered in calculating the cash ratio, there are the current assets and current liabilities. The influence of the Cash Ratio on the Dividend Payout Ratios (DPR) is based on the signaling theory. Where investors assume that companies have a high level of liquidity show a good signal in terms of dividend payments. The increase in the Cash Ratio, it will provide an opportunity for investors to obtain the expected cash dividend. In other words, increasing the Cash Ratio will also increase dividend payments. The greater cash ratio of a company, it can indicate that the company is managed well so it is able to balance cash with the short-term liabilities. On the other hand, a small cash ratio can cause companies to have difficulties in paying obligations so it have an impact on paying dividends to their shareholders. Based on the description above, the hypothesis can be formed as follow:

Ha2: Cash Ratio (CaR) has a positive and significant effect on the Dividend Payout Ratio (DPR).

Manajerial Ownership (MoW). Managerial ownership (MoW) is the percentage of ownership by directors, commissioners, and managers who are actively and directly involved in decision making so that it can cause a conflict of interest within the company (Wibowo, Isynuwardhana, 2021). Managerial Ownership is a condition in which a person can be both owner and agent in a company. With this position, there is opportunity to be directly involved in decision making and easy to access the information within the company so it can cause a conflict of interest. In agency theory, it states that a conflict of interest causes a difference in interest between the agent/management and the owner in achieving their goals. The management is given the opportunity to participate and own company shares with the aim of prospering the shareholders (Amalia, 2018). The greater the percentage of managerial ownership in a company can make managers prefer to hold their earnings for investment purposes. On the other hand, a small percentage of managerial ownership can encourage managers to increase the dividend payout ratios so that they can show good performance to the investors. Based on the description above, the hypothesis can be formed as follow:

Ha3: Managerial Ownership (MoW) has a positive and significant effect on the Dividend Payout Ratio (DPR).

Based on the relationship among variables and the relevant research, the independent variable used in this research are return on equity, cash ratio and managerial ownership that affect to dependent variable which is dividend payout ratio. So the research framework can be described as follows:

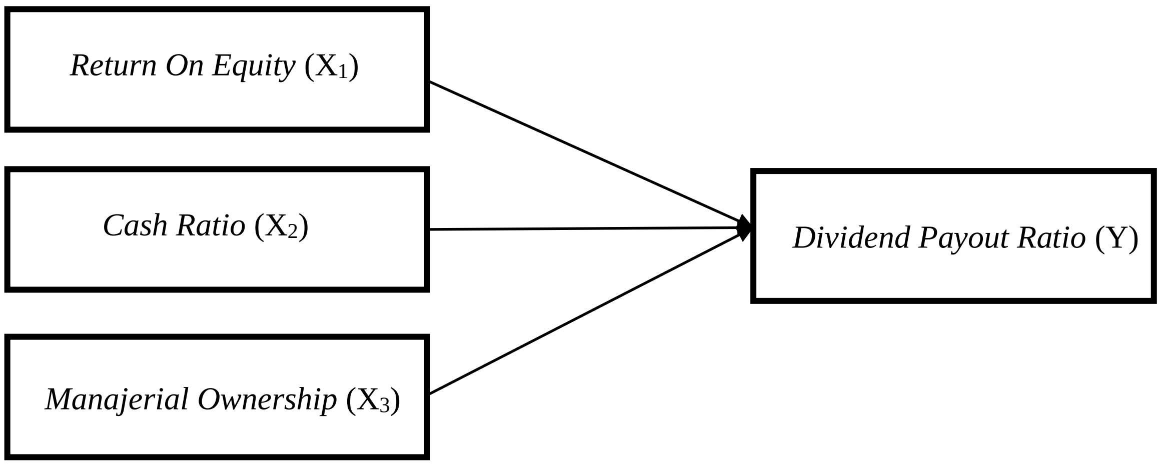


Figure 1. Research Framework

METHODS

The design in this study uses an associative quantitative approach. The associative quantitative approach is a type of research with random sampling that can explain the relationship of the independent variable to the dependent variable (I Putu, 2017). The subjects in this study using secondary data from the Indonesia Stock Exchange (IDX), the Indonesian Central Securities Depository (KSEI) and internet sites that accordance with the objectives of research on consumer goods companies listed on the IDX in 2017-2020. The data in the sample inputted and calculated using the Microsoft Excel program and processed using SPSS version 24.

The population in this research are from consumer goods company listed on the Indonesia Stock Exchange. The technique of sampling was purposive sampling. Purposive sampling is technique used to classify a sample based on predetermined criteria. The criteria used in this study are consumer goods companies listed on the Indonesia Stock Exchange during 2017-2020, consumer goods companies that distributed cash dividends consecutively during 2017-2020, consumer goods companies that did not record losses during 2017-2020, consumer goods companies that do not provide the required information from the research of variable during 2017-2020.

Table 1. Result Criteria of Sample

No	Criteria of Sample	Total
1	Consumer goods companies listed on the Indonesia Stock Exchange during 2017-2020	63
2	Consumer goods companies that distributed cash dividends consecutively during 2017-2020,	(42)
3	Consumer goods companies that record losses during 2017-2020	(1)
4	Consumer goods companies that do not provide the required information from the research of variable during 2017-2020	(5)
5	Total companies researched	15
6	Research Years (2017-2020)	4
7	Total Samples	60
8	Outlier Data	(7)
9	**Total Sample in this research**	**53**

Source : Data Process By Author

Tabel 2. Company Name

No	Company Code	Company Name
1	CEKA	PT Wilmar Cahaya Indonesia Tbk
2	CINT	PT Chitose Internasional Tbk
3	HOKI	PT Buyung Poetra Sembada Tbk
4	HRTA	PT Hartadinata Abadi Tbk
5	ICBP	PT Indofood CBP Sukses Makmur Tbk
6	INDF	PT Indofood Sukses Makmur Tbk
7	KAEF	PT Kimia Farma Tbk
8	KINO	PT Kino Indonesia Tbk
9	KLBF	PT Kalbe Farma Tbk
10	MYOR	PT Mayora Indah Tbk
11	SIDO	PT Industri Jamu Dan Farmasi Sido Muncul Tbk
12	SKLT	PT Sekar Laut Tbk
13	TSPC	PT Tempo Scan Pacific Tbk
14	ULTJ	PT Ultra Jaya Milk Industry Tbk
15	UNVR	PT Unilever Indonesia Tbk

Source : Data Process By Author

The independent variable used in this research are return on equity (ROE), Cash Ratio (CaR), Managerial Ownership (MoW) and dependent variable used in this study is Dividend Payout Ratio (DPR).

Return on Equity (ROE) is the company's ability to generate earnings after tax by using its equity. Return on equity symbolized by ROE in the form of a ratio using the formula :

$$ROE = \frac{Net\ Income}{Total\ Equity}$$

Cash Ratio is one of the liquidity ratios that measures the company's ability to pay short-term obligations through current assets by the company. Cash Ratio symbolized by CaR in the form of a ratio using the formula :

$$CaR = \frac{Cash + Cash\ Equivalent}{Current\ Liabilities}$$

Managerial ownership is the distribution of the proportion of share ownership between internal parties and external parties in a company (Novianto, Asandimitra 2017). Manajerial Ownership is symbolized by MoW in the form of a ratio using the formula :

$$MoW = \frac{Number\ of\ Share\ of\ Manajerial}{Number\ of\ Share\ Outstanding}$$

Dividend payout ratio is a ratio that shows the ratio of dividends paid to net income received. Dividend Payout Ratio symbolized by DPR in the form of a ratio using the formula :

$$DPR = \frac{Dividend\ Per\ Share}{Earning\ Per\ Share}$$

Table 3. Operational Variables

Variable	Formula	Scale	Source
Dividend Payout Ratio (DPR)	DPR= $\frac{Dividend\ Per\ Share}{Earning\ Per\ Share}$	Ratio	Affandi, Sunarko, Yunanto (2018)
Return On Equity (ROE)	ROE= $\frac{Net\ Income}{Total\ Equity}$	Ratio	Affandi, Sunarko, Yunanto (2018)
Cash Ratio	Cash Ratio= $\frac{Cash+Cash\ Equivalent}{Current\ Liabilities}$	Ratio	Affandi, Sunarko, Yunanto (2018)
Manajerial Ownership	MOW= $\frac{Number\ Of\ Share\ of\ Manajerial}{Number\ Of\ Share\ Outstanding}$	Ratio	Affandi, Sunarko, Yunanto

(2018)

In this variable are using Multiple Regression Analysis. Multiple regression analysis test is a statistical tool used to analyze the effect and determine the relationship between one dependent variable and several independent variables. In multiple regression analysis using more than one independent variable that can affect the dependent variable from the research.

$$LogDPR = \alpha + \beta 1ROE + \beta 2CaR + \beta 3MoW + e \quad (1)$$

Which :

LogDPR	= Dividend payout ratio
α	= Constant
$\beta 1$-$\beta 3$	= Regression coefficients
ROE	= Return on equity
CaR	= Cash ratio
Mow	= Manajerial ownership
E	= Error

In this study to test the sample data using descriptive statistic test. Furthermore, the classical assumption test consists of Normality Test, Multicollinearity Test, Autocorrelation Test and Heteroscedasticity Test. Then proceed with multiple regression analysis and the last is hypothesis testing which consists of T test, F test and Coefficient of Determination Test (R^2).

RESULT

Descriptive Statistic. Descriptive statistic analysis is a technique used to record, group and summarize information from data to explain the variables as a number. In this research, the number is a ratio that shows company that regularly pay dividend and company that do not regularly pay dividend to their shareholders (Karjono, 2019). Descriptive statistical analysis provides an overview of the data that has been processed such as the average value (mean), standard deviation, variance, maximum, minimum, sum, range, kurtosis and distribution gap using a frequency table (Lidia & Ekadjaja, 2019). The result of the descriptive statistic show in Tabel 4.

Table 4. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
ROE	53	,001800	,289900	,13250377	,065325401	,004
Cash Ratio	53	,006400	2,583900	,79727547	,721566283	,521
Mow	53	,000100	,816300	,13263962	,233769241	,055
DPR	53	,120000	5,237800	,52557547	,752619067	,566
Valid N	53					

(listwise)

Source : Output SPSS 24

Based on tabel 4, the data used as a sample in 2017-2020 are 53. The results of descriptive statistics for the period 2017-2020 have a minimum value of dividend payout ratio (DPR) is 0.120000 and maximum value of dividend payout ratio (DPR) is 5.237800. Mean value of dividend payout ratio (DPR) is 0.525575 and a standard deviation of dividend payout ratio (DPR) is 0.752619.

The first of variable independen is return on equity. The results of descriptive statistics for the period 2017-2020 have a minimum value of ROE is 0.001800 and maximum value of ROE is 0.289900. Mean value of ROE is 0.132503 and a standard deviation of ROE is 0.065325.

The second independent variable is cash ratio. The results of descriptive statistics for the period 2017-2020 have a minimum value of cash ratio is 0.006400 and maximum value of cash ratio is 2.583900. Mean value of cash ratio is 0.797275 and a standard deviation of cash ratio is 0.721566.

The third independent variable is manajerial ownership. The results of descriptive statistics for the period 2017-2020 have a minimum value of manajerial ownership is 0.000100 and maximum value of manajerial ownership is 0.816300 Mean value of manajerial ownership is 0.132639 and a standard deviation of manajerial ownership is 0.233769.

Classical Assumption Test is a tool used to determine whether the data has problems with normality, multicollinearity, autocorrelation and heteroscedasticity. The Classical assumption test is done before hypothesis testing. The purpose of doing classical assumption test to determine the regression model applied in the study is feasible to use or not

Normality Test. The normality test in this study using the Kolmogorov-Smirnov test. The Kolmogorov-Smirnov test is conducted with two hyphothesis. Ho: Residual data is normal distribution, Ha: Residual data is not normal distribution. If the value of Asym. Sig < 0,05 indicate that residual data distribution is not normally distributed. On the other hand If the value of Asym. Sig > 0,05 indicate that residual data distribution is normally distributued. The result of the normality test show in tabel 5.1 and tabel 5.2

Table 5. One-Sample Kolmogorov-Smirnov Test (Before Data Transformation)

		DPR
N		53
Normal Parameters[a,b]	Mean	,52557547
	Std. Deviation	,752619067
Most Extreme Differences	Absolute	,309
	Positive	,309
	Negative	-,295
Test Statistic		,309

Asymp. Sig. (2-tailed)	,000[c]
a. Test distribution is Normal.	
b. Calculated from data.	
c. Lilliefors Significance Correction.	

Source : Output SPSS 24

Table 5.1 the result of the study show that Asym value. Sig. is 0.0000 < 0.05 so it mean the data is not normally distributed. If the data has been tested but show abnormal results, it can be overcome by doing data transformation. (According to Ghozali, 2017 :134) error normality can be overcome by performing data transformations. The data transformation can be adjusted to the graph of histogram by looking at the slope of the data. In this study, the graph of histogram graph shows that the histogram is in the form of substantial positive skewness. so the data transformation is carried out in the form of LOG 10.

Table 6. One-Sample Kolmogorov-Smirnov Test (After Data Transformation)

		Unstandardized Residual
N		53
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,29790719
Most Extreme Differences	Absolute	,079
	Positive	,079
	Negative	-,067
Test Statistic		,079
Asymp. Sig. (2-tailed)		,200[c,d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source : Output SPSS

Table 5.2 the result of the normality test after the data transformation shows that the Asym value. Sig. is 0.2000 > 0.05. Which means the data is normally distributed. Regression model can be accepted.

Multicollinearity Test. Multicollinearity test to see whether the regression model that has been made has a relationship between the independent variables. To see if there is a multicollinearity problem, it can be seen from the tolerance value and variance inflation factor (VIF). If the tolerance value is > 0.10 and VIF < 10, there is no multicollinearity. A good regression model should not have multicollinearity problems. The result of the multicollinearity test show in Tabel 6

Table 7. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-,264	,103		-2,569	,013		
	ROE	-2,301	,880	-,461	-2,614	,012	,548	1,825
	Cash Ratio	,055	,071	,121	,775	,442	,697	1,435
	Mow	,619	,233	,444	2,658	,011	,611	1,637

a. Dependent Variable: Logdpr

Source : Output SPSS 24

Table 6 , the variabel of ROE show the tolerance value is 0,548 > 0,10 and VIF is 1,825 < 10 it means there is no multicollinearity problem. The variabel of cash ratio show the tolerance value is 0,697 > 0,10 and VIF is 1,435 < 10 it means there is no multicollinearity problem. And the variabel of manajerial ownership show the tolerance value is 0,611 > 0,10 and VIF is 1,637 < 10 it means there is no multicollinearity problem. The conclution of the results, showed that all variables had tolerance values > 0.10 and VIF < 10, so there is no multicollinearity problem, and regression model can be accepted.

Autocorrelation Test. Autocorrelation test is the test to see the presence or absence of autocorrelation using the Durbin Watson test. If the results of the Durbin-Watson are between -2 < D-W < 2, it indicates that there is no autocorrelation problem. A good regression model should not have autocorrelation problems. The result of the multicollinearity test show in Tabel 7.

Table 8. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,406[a]	,165	,114	,30689	1,521

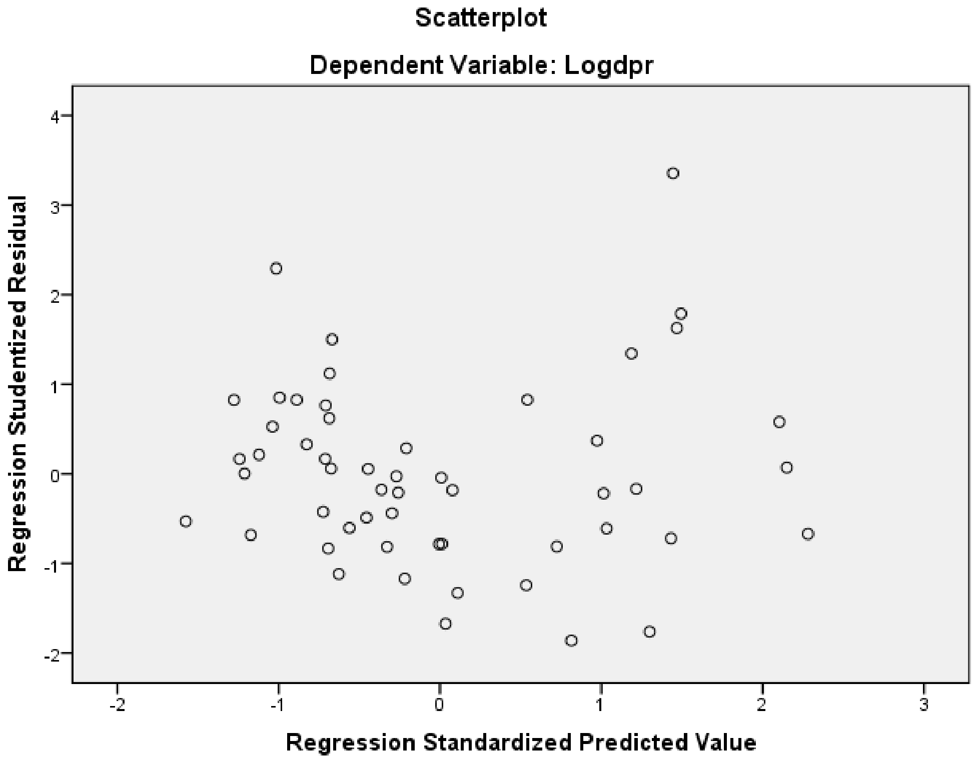
a. Predictors: (Constant), Mow, Cash Ratio, ROE

b. Dependent Variable: Logdpr

Source : Output SPSS 24

Table 7, the results of the research indicate the Durbin Watson value is 1.521, which is the value still above -2 and below 2. It can be concluded that there is no autocorrelation problem. Regression model can be accepted.

Heteroscedasticity Test. The heteroscedasticity test is to test the model in the regression has a dissimilarity of residual variance from one observation to another. Heteroscedasticity can be tested by comparing the dependent variable, namely SPRESID with the residual value, namely ZPRED. To find out there is heteroscedasticity, based the results output of SPSS through a scatterplot graph. If the scatterplot graph shows the existence of a certain pattern such as dots that form a regular pattern or points that collect on one side, it means that there is heteroscedasticity problem. A good regression model should not have heteroscedasticity problem. The result of the heteroscedasticity test show in picture 1.



Source : Output SPSS 24

Graph 1, The result of the study show that the dots of the scatterplot graph do not form a regular pattern and spread freely. Its mean there is no heteroscedasticity problem. Regression model can be accepted.

After doing the classical assumption test, the regression model is feasible to be applied. Multiple regression models used in this study is:

Log DPR = -0.264 – 2.301 (ROE) + 0.055 (CASH RATIO) + 0.619 (MOW) + e

From the above equation, the value of a constant is -0.264. If the value of ROE, Cash ratio and MoW are 0, the Dividend Payout Ratios (DPR) has a value of -0.264. The ROE regression coefficient value is -2.301 with the assumption that if the independent variables Cash ratio and Mow are equal to 0, then each increase in ROE of 1 unit will decrease the dividend payout ratio value by 2.301.

The coefficient regression of the Cash Ratio is 0.055 with the assumption that if the independent variables such as ROE and Mow are equal to 0, then every increase in the Cash Ratio of 1 unit will increase the value of the dividend payout ratio by 0.055.

The regression coefficient of Managerial Ownership (Mow) is 0.619 with the assumption that if the independent variables ROE and Cash Ratio are equal to 0, then every increase of 1 unit of MoW will increase the value of the dividend payout ratio by 0.619.

T test (Partial). Partial test (T test) is a test to determine the effect of each independent variable on the dependent variable with a significance level of 5% or 0.05. If the probability value is <0.05, then Ho is rejected and Ha is accepted, which means the independent variable partially has a significant effect on the dependent variable in this study, which is the dividend payout ratio. On the other hand, if the probability value is > 0.05, then Ho is accepted and Ha is rejected, which mean the independent variables partially does not have a significant effect on the dependent variable. The result of the T test show in Tabel 8.

Table 9. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-,264	,103		-2,569	,013		
	ROE	-2,301	,880	-,461	-2,614	,012	,548	1,825
	Cash Ratio	,055	,071	,121	,775	,442	,697	1,435
	Mow	,619	,233	,444	2,658	,011	,611	1,637

a. Dependent Variable: Logdpr

Source : Output SPSS 24

Table 8, it show that the probability value of ROE is 0.012, where the number is < 0.05. So it can be concluded that the ROE individually has a positive and significant effect on the dividend payout ratios. The probability value of the Cash ratio is 0.442, where the number is > 0.05. So it can be concluded that the ROE individually has no effect on the dividend payout ratio. The probability value of Managerial Ownership is 0.011, where the number is <0.05. So it can be conclude that managerial ownership individually has a positive and significant effect on the dividend payout ratios.

F test (Stimulant). Stimulant test (F test) is a test to determine if the independent variables as a whole has an effect on the dependent variable with a significance level of 5% or 0.05. If the probability value < 0.05, it means that the independent variables as a whole has a significant effect on the dependent variable. On the other hand, if the probability value is > 0.05, it means that the independent variables as a whole has no effect on the dependent variable. The result of the F test show in Tabel 9.

Table 10. Anova

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,910	3	,303	3,219	,031[b]
	Residual	4,615	49	,094		
	Total	5,525	52			

a. Dependent Variable: Logdpr

b. Predictors: (Constant), Mow, Cash Ratio, ROE

Source : Output SPSS 24

Table 9, The results shows that the probability value is 0.031. Where 0.031 < 0.05 so it can be conclude that return on equity, cash ratio and managerial ownership have a significant effect on the dividend payout ratios with a significance level of 5% or 0.05.

Coefficient of Determinant (R^2). The coefficient of determination test (R^2) is a test to determine the ability of all independent variables in the study to explain the variance of the research dependent variable. And the value of R used to determine the dependent variable and the independent variable have a strong or weak relationship. If R is greater than 0.5 then the independent variable has a strong relationship to the dependent variable. On the other hand, if R is less than 0.5, the independent variable has a weak relationship with the dependent variable. The result of the coefficient of determination test show in Tabel 10.

Table 11. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,406[a]	,165	,114	,30689	1,521

a. Predictors: (Constant), Mow, Cash Ratio, ROE

b. Dependent Variable: Logdpr

Source : Output SPSS 24

Table 10 , the R value is 0.406, so it can be conclude that the independent variables has a weak relationship with the dependent variable. And the coefficient of determination shown in the adjusted R Square column is 0.165 or 16.5%. Which means that the dependent variable in this study in the form of dividend payout ratio can be explained by the independent variable consisting of return on equity, cash ratio and managerial ownership of 16.5%, while 83.5% is explained by other independent variables.

DISCUSSION

The results of statistical testing with the T-test show that return on equity (ROE) has a positive and significant effect on the dividend payout ratios (DPR) in consumer goods sector listed on the Indonesia Stock Exchange in 2017-2020.It means H1 accepted. Implication in this research, if the percentage of return on equity is high so the percentage of dividend payout ratio also high. Return on equity formulated as net income to total equity. The bigger of the return on equity in a company it can indicate that the company is efficient in using its own capital to generate company profits that have an impact on dividend payments to their shareholders. This is in accordance with research by Simbolon, Sampurno 2017 indicate that return on equity (ROE) have a positive and significant effect on the dividend payout ratios (DPR). And supported the research by Victoria, Viriany 2019 which states that Return on equity (ROE) has a positive and significant effect on the dividend payout ratios.

The results of statistical testing with the T-test show that the cash ratio (CaR) has no significant on the dividend payout ratios (DPR) in consumer goods company listed on the Indonesia Stock Exchange in 2017-2020. It means H2 rejected. Implication in this research, if the percentage of cash ratio is high so the percentage of dividend payout ratio also high. Cash ratio formulated as cash and cash equivalent to current liabilities. The greater cash ratio of a company, it can indicate that the company is managed well that have an impact on paying dividends to their shareholders. This is in accordance with research by Karjono,2019 that show cash ratio (CaR) has no significant on the dividend payout ratio (DPR). And supported the study by Affandi, Sunarko, Yunanto, 2018 that show cash ratio (CaR) has no significant on the dividend payout ratio (DPR).

The results of statistical testing with the T-test show that managerial ownership (MoW) has a significant effect on the dividend payout ratios (DPR) in consumer goods company listed on the Indonesia Stock Exchange in 2017-2020. It means H3 accepted. Implication in this research, if the percentage of manajerial ownership is high so the percentage of dividend payout ratio also high. Manajerial ownership formulated as number of share of manajerial to number of share outstanding. The greater the percentage of managerial ownership in a company can make managers prefer to hold their earnings for investment purposes that have an impact on dividend payments to their shareholders. This is in accordance with research by Indrayati,dkk 2017 that show Managerial Ownership (MoW) has a significant on the dividend payout ratio. But it contradicts to the research by Wibowo, Isyniwardhana 2021 show that Managerial Ownership (MoW) has no significant effect on the dividend payout ratio.

CONCLUTION

The purpose of this study was conducted to determine the effect of return on equity,cash ratios and managerial ownership on dividend payout ratios in consumer goods company listed on the Indonesian stock exchange (IDX) in the period 2017-2020. The population used in this study are from consumer goods company.The results of the study show that return on equity have a significant effect on the dividend payout ratio in consumer goods during 2017-2020. Managerial ownership also have a significant effect on the dividend payout ratio in consumer goods during 2017-2020. But the result of cash ratio show not significant effect on dividend payout ratio in consumer goods during 2017 - 2020 .

The limitation in this study is the time period that using in the research, which only consists of four years, which is relatively to short so it can affect the results of the tests. In addition, the sample used in the study were only taken from consumer goods companies which resulted in the companies that selected as a sample amount to 15 companies. So the number of samples studied for four years total became 53 data . And also the independent variables used are only three variable, which are Return On Equity, Cash Ratio and Managerial Ownership.

There is limitations that have been mentioned, so there are some suggestions that can be given to the future researchers, so the result of the research will be better. Suggestions that can be given are : the time periode used to the research can be longer so it can minimize sample shortages due to data outliers and the results obtained will be more accurate. In addition , the samples used are not only from the consumer goods sector , but also from other sectors on the Indonesian stock exchange . And the independent variables were not only using three variable and expected to consider other variables that could affect the dividend payout ratio.

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