

DIVIDEND PAYOUT RATIO AND FACTORS AFFECTING FOOD AND BEVERAGE COMPANIES ON THE IDX

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Abstract

Effect of Debt to Equity Ratio on Dividend Payout Ratio Sourced in table 2, the t-statistic has a value of -2,641372 which is smaller than t-table 2 009, so that the t-statistic located in the Ha area is accepted. Not only that, it is supported by a probability value (p-value) of 0.0114 which is smaller than an alpha of 0.05. Thus, it can be concluded that the Debt to Equity Ratio (DER) affects the Dividend Payout Ratio (DPR) in the dining zone. and beverages listed on the IDX for the 2017-2020 period. This result is in line with Rindasari's previous research (2018). However, this result does not match the research conducted by Samrotun (2015) which states that the Debt to Equity Ratio has a positive effect on the dividend payout ratio. But it is different from the research conducted by Yurinawati and Andayani (2017) which shows that the Current Ratio does not affect the Dividend Payout Ratio.

Based on the results of the analysis and review, with illustrations of 10 food and beverage industries listed on the Indonesia Impact Exchange (IDX) in 2017-2020, as follows: Return on Assets, Current Ratio does not affect, but Debt to Equity Ratio, Firm Dimensions affect the dividend payout ratio.

Keywords: Dividend Payout Ratio (DPR), Return on Asset (ROA), Current Ratio (CR), Debt to Equity Ratio (DER), Firm Size

INTRODUCTION

(Sundjaja and Barlian 2013, 479). The hope in investing is to make a profit in the future. An investor's primary purpose is to obtain income or level of return on investment and profits from the difference between the selling value of the shares and the purchase value (capital gain). Investors who are not willing to take risks want more dividends than capital gains.

The Dividend Payout Ratio is an indicator of a industry's dividend policy that can show the percentage of the industry's profit paid to ordinary shareholders of the industry in the form of cash dividends. This dividend payout ratio measures how much of the share of net profit after tax is paid as dividends to shareholders; the more significant this ratio, the less the share of profit held to caress the investment made by the industry (Sudana

2015.26). The object used in this study was a food and beverage sub-sector industry. The first reason for the research was to consider Earning Per Share (EPS) in IDX in 2016-2019, where the Consumer Goods sector owns the largest EPS. A further consideration is why researchers researched the food and beverage sub-sector by looking at the growth rate of the non-oil and gas processing industry from 2017-2020 has a large percentage and has never experienced a minus among other non-oil and gas industries. The third consideration is why researchers chose the object of the sub-sector of the food and beverage industry. By looking at the largest investment of PMDN 2012-2017 among other sectors, data taken by the Ministry of Trade (KEMENDAG). The selection of the research period 2017-2020 because the data in IDX supports researching the number of samples obtained by researchers as many as 56 companies, which is the optimum number of samples. This research is a replication of Yurinawati and Andayani's previous research (2017).

The formulation of the problem based on this background is: Is there any influence of Return on Assets, Current Ratio, Debt to equity ratio, Firm Size on Dividend Payout Ratio in the food and beverage industry listed on the Indonesia Impact Exchange for the period 2017-2020. The research objective based on the formulation of the problem is to identify the effect of Return on Assets, Current Ratio, Debt to equity ratio, Firm Size on Dividend Payout Ratio in the food and beverage industry listed on the IDX in 2017-2020.

SIGNALLING THEORY

Signaling theory relates to signals given to investors about the industry's management policies and actual fundamental factors of the industry (Brigham, Michael C. 2002). Signals are cues about: First, the industry's management policy deals with risk and return. Second, the upcoming plan becomes the industry's goal. Based on the concept, it can be said that: first, a industry that has enormous profitability will signal to investors that the industry is well managed and can earn significant profits, a good signal for investors will increasing the value of the industry (Van Horne., and Wachchowicz., 2001). Second, size can send signals to investors; huge firms will be better able to capitalize on opportunities from the business environment, making them more appealing to investors. Third, the capital structure will influence the value of the industry. A industry with a capital structure with large debts will signal to investors that the industry has a high

financial risk, so it will become less attractive for investors to make investments. Fourth, sales growth. An industry with a large sales growth gives an impact to investors if the industry has a good picture of the future, increasing investor interest to invest in the industry. Fifth, companies with a high current ratio signal can meet obligations that must be fulfilled immediately to increase investor confidence in the industry.

Signaling Theory For Gittman and Zutter (2015), 586): "Signal theory, funding action by management which is believed to reflect its thinking about the value of industry shares; usually, Debt financing is seen as a positive response if management believes the stock is "undervalued"., and the issuance of shares is viewed as a negative signal. It believes that the stock is "overvalued." From the above definition, it is concluded that the importance of information for investors to describe the industry's condition so that investors can know assess the industry's performance prospects, to be considered by investors to invest their funds.

A bird in the hand Theory According by Gitman and Zutter (2015, 627), "Investors see current dividends as less risky than future dividends or capital gains." For some of the above opinions, it can be concluded that Bird in The Hands Theory is a theory that dividend policy can affect the value of the industry or capital costs. It is because investors prefer to receive cash rather than capital gains. Dividend distribution is considered safer by investors because it can minimize uncertainty rather than gain capital gains.

Dividend Payout Ratio according to Gitman and Zutter (2015, 628), "Dividend decisions are industrial affection plans that must be implemented every time there is a dividend decision." Dividend policy is a rule for deciding how much dividends should be given to shareholders. The benchmark used to measure dividend policy is the Dividend Payout Ratio (DPR). Dividend Payout Ratio is a ratio that measures the ratio of dividends to industry profits. (Darmadji & Fakhrudin, 2012,159). According to (Gitman & Zutter, 2015:630), "Dividend Payout Ratio indicates the percentage of each dollar earned that a firm distributes to the owner in the form of cash. It is calculated by dividing the firm's cash dividend per share by its earnings per share." Thus, it can be concluded that the dividend payout ratio is the share of profits earned by the industry and distributed in cash dividends to shareholders. As well as to measure the number of dividends, it to be distributed to shareholders.

Return on Assets to Dividend Payout Ratio

(Gittman & Zutter, 2015: 130), "Return on Assets measures the totality of management usability in creating profits with existing inheritance." Based on the preceding, it can be inferred that Return on Assets is a type of ratio used to assess an industry's potential to generate net income by utilizing its assets. According to the findings of (Yurinawati & Andayani, 2017).

(Enqvist, et al, 2014) in this research entitled "The Effects of Working Capital Management in Different Business Cycles: Facts from Finland." The data for this study was gathered by looking at industry graphics on the Nasdaq OMX Helsinki Stock Exchange from 1990 to 2008. Multiple linear regression analysis was performed in this study's investigation. The Current Ratio (CR), on the other hand, has a favorable impact on profitability (ROA and GOI).

H1: There is an effect of Return on Assets on Dividend Payout Ratio.

Current Ratio to Dividend Payout Ratio

(Gitman & Zutter, 2015:119), "Current Ratio is a dimension of liquidity calculated by dividing the easy legacy of the industry by its current liabilities." Based on the above interpretation, it is concluded that the ratio easily has the industry expertise to pay short-term obligations using its current assets. Based on the results of research conducted by (Yurinawati & Andayani, 2017), they report that the Current Ratio does not affect the Dividend Payout Ratio, but research conducted by (Rindasari, 2018) reports that the Current Ratio has a positive effect on the Dividend Payout Ratio. However, it is different from research (Baramuli, 2016), who reported that the Current Ratio harmed the Dividend Payout Ratio.

Companies always need working capital to carry out any operating activities within the industry. According to (Riyanto, 2013), working capital is the total of current assets on top of short-term debt. Riyanto's opinion is different from sawir's opinion (2005), which explains that working capital is the overall short-term assets obtained by the industry or can be interpreted as the amount of capital used for daily operations.

H2: There is an influence of Current Ratio on the Dividend Payout Ratio.

Debt to Equity Ratio to Dividend Payout Ratio

Based on (Gitman & Zutter, 2017), the debt to equity ratio measures the relative proportion of total liabilities to common stock used to finance industrial legacy as a debt ratio. A larger debt-to-equity ratio means that the industry uses more financial leverage. Thus, the debt-to-equity ratio describes the debt-to-equity ratio in the financing industry and shows the ability of the industry's capital to meet all of its obligations. On the basis of this ratio, the amount of funding provided by the industry to shareholders continues to grow.

(Bambang Riyanto, 2014) stated that the capital structure is the ratio between external capital and internal capital to fulfill industrial operations. External capital is long-term and short-term debt. On the other hand, internal capital is short-term or permanent debt with "own power" and is divided into retained earnings by the inclusion of industrial ownership.

H3: There is an effect of the Debt to Equity Ratio on the Dividend Payout Ratio.

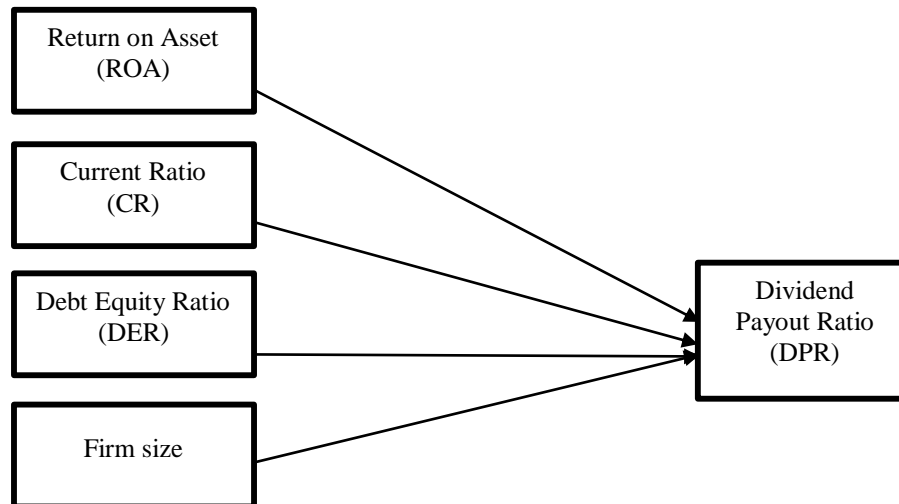
Firm Size to Dividend Payout Ratio

(Kartikasari & Merianti, 2016:410) "The size of the industry can be measured by total assets, total sales, number of employees, and market capitalization. outside the capital." Thus, the industrial dimension is a tool to measure the size of an industry that can be measured from the total heritage it has. The larger the industrial dimension will get greater the profits to get capital. Based on the results of research conducted by (Yurinawati & Andayani, 2017), (Stevanius & Yup, 2017), (Helmina & Anugerah, 2017) reported that the Industrial Dimension did not affect the dividend payout ratio, but for research conducted by (Yudha et al, 2017) reported that The Industrial Dimension has a positive effect on the Dividend Payout Ratio. However, it is different from the results of the research et al. navy (AL, 2016) research reports that the Industrial Dimension negatively affects the dividend payout ratio.

Size refers to the industry's size, which is a variable in the annual report. The quantity of equity value, sales, or total assets of a corporation can be used to determine its size or negligible cost. Total sales serve to measure the average amount of sales and financial information by determining the business entity (Bambang Riyanto. 2014). (Hanna Febriyana, 2013) revealed that based on signaling theory, size is a fundamental

factor of the industry and can be interpreted by investors about the industry's future development.

H4: There is an influence of Firm Size on Dividend Payout Ratio



RESEARCH METHODS

The procedure for the illustration object selected in this research is the food and beverage industry listed on the IDX for the period 2017-2020. The purposive sampling method is used in the illustration selection method. Purposive sampling is a method of taking illustrations with special considerations to be worthy of being used as illustrations (Neolaka 2014: 96).

Some of the criteria selected to obtain the illustration are as follows: Food and Beverage industry listed on the Indonesia Stock Exchange (IDX) consecutively in 2017-2020, the food and beverage industry that provides successive dividends in 2017-2020, the food and beverage industry beverage that publishes complete financial reports in 2017-2020.

Information Collection Methods of this research was obtained from financial reports published by the industry. The collection of information used is a secondary source of information. Secondary information is information from other sources (Neolaka, 2014, 8). This research uses secondary types of information. Secondary information in this research is in the form of financial reports, searching for annual report documents for the 2016–2019 period from [www. idx. co. id](http://www.idx.co.id), Bloomberg, the Central Bureau of Statistics, and the Department of Commerce.

Return on Asset (ROA) is a ratio that describes the efficiency of funds used in the industry. This ratio compares net profit to total assets, according to (Yurinawati & Andayani, 2017.8).

RESULTS AND DISCUSSION

The research data results used descriptive statistics to analyze DPR, ROA, CR, DER, and FS from 56 research data.

Table 1
Descriptive Statistical Processing Results

	DPR	ROA	CR	DER	FS
Mean	0.231078	0.213677	3.192727	0.653781	28.87252
Median	0.241872	0.187678	1.927652	0.682652	27.91822
Maximum	0.782726	0.238177	2.917625	2.781662	33.71526
Minimum	0.216718	0.197262	2.917726	1.292727	26.87723
Std. Dev	0.247665	0.152680	0.451727	2.182276	2.78265
Observation	67	67	67	67	67

Source: Results of Data Processing with SPSS 24

Table 2
Test t

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.599587	1.470372	-1.769800	0.0840
ROA	-0.726952	0.572946	-1.268796	0.2112
CR	-0.084634	0.065707	-1.288050	0.2045
DER	-0.293534	0.111129	-2.641372	0.0114
FS	0.109637	0.051689	2.121069	0.0396

Source: Results of Data Processing with SPSS 24

Effect of Return on Assets on Dividend Payout Ratio Sourced in table 2, the t-statistic has a value of -1, 268796, smaller than the t-table in 2009 t-statistics in the Ha area are rejected. This is also supported by a probability value (p-value) of 0.2112 which is greater than alpha 0.05. Thus, it can be concluded that Return on Assets (ROA) does not affect the Dividend Payout Ratio (DPR) in the food and beverage zone. which are listed on the IDX for the 2016-2019 period. This result is in line with previous research

which did not change with the research of Sari and Sudjarni (2015) and Yudha et navy (Navy (AL) (2017).

Effect of Current Ratio on Dividend Payout Ratio Sourced in table 2, the t-statistic has a value of -1, 288050, smaller than the t-table of 2009, so that the t-statistic located in the H_a area is rejected. Not only that, it is supported by a probability value (p-value) of 0, 2045 which is more significant than alpha 0, 05. Thus, it can be concluded that the Current Ratio (CR) does not affect the Dividend Payout Ratio (DPR) in the food and beverage zone. listed on the IDX in 2017-2020.

Effect of Debt to Equity Ratio on Dividend Payout Ratio Sourced in table 2, the t-statistic has a value of -2,641372 which is smaller than t-table 2 009, so that the t-statistic located in the H_a area is accepted. Not only that, it is supported by a probability value (p-value) of 0.0114 which is smaller than an alpha of 0.05. Thus, it can be concluded that the Debt to Equity Ratio (DER) affects the Dividend Payout Ratio (DPR) in the dining zone. and beverages listed on the IDX for the 2017-2020 period. This result is in line with Rindasari's previous research (2018). However, this result does not match the research conducted by (Samrotun, 2015) which states that the Debt to Equity Ratio has a positive effect on the dividend payout ratio. But it is different from the research conducted by (Yurinawati & Andayani, 2017) which shows that the Current Ratio does not affect the Dividend Payout Ratio.

The Influence of Industry Dimensions on Dividend Payout Ratio Sourced in table 2 shows that the t-statistics has a value of 2.121069, which is more significant than t-table 2.009 t-statistics in the H_a region are accepted. Not only that, it is supported by a probability value (p-value) of 0.0396, which is smaller than the alpha of 0.05. Thus, it can be concluded that Firm Size (FS) affects the dividend payout ratio (DPR) in the food and beverage zone listed on the IDX in 2017-2020. This result is in agreement with previous research by (Yudha et al, 2017). However, this result does not match with Sari et navy (AL, 2016) research, which reports that the Industrial Dimension negatively affects the dividend payout ratio. Nevertheless, it is different from (Yurinawati, 2017) research, which shows that the Industrial Dimension does not affect the Dividend Payout Ratio.

SUMMARY AND CONCLUSIONS

Based on the results of the analysis and review, with illustrations of 10 food and beverage industries listed on the Indonesia Impact Exchange (IDX) in 2017-2020, as follows: Return on Assets, Current Ratio does not affect, but Debt to Equity Ratio, Firm Dimensions affect the dividend payout ratio.

The limitations of this research are limited to the food and beverage industry, so the number of illustrations used is relatively small. The independent variables used are limited to 4 independent variables, such as Return on Assets, Current Ratio, Debt to Equity Ratio, Firm Size in analyzing the dividend payout ratio. This research only took five years, from 2017 to 2020. The information may not fully reflect the state of the industry in the long term.

Suggestions for further research are to use other zone objects with more industries to choose large illustrations. Add another independent variable that is thought to affect the Dividend Payout Ratio. The extension of the research period can be taken as a consideration to get a more accurate result.

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