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The Effect of Cash Position, Debt to Equity Ratio, Size, And Return on Equity on Dividend Payout Ratio in Consumer Goods Companies Listed on The Indonesia Stock Exchange For 2016-2020

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ABSTRACT

The research aims to analyze the effect of cash position, Debt to Equity Ratio, Size, and Return on Equity (ROE) to Dividend Payout Ratio. Independent variables were used cash position, Debt to Equity Ratio, Size, and Return on Equity (ROE). Dependent variable were used Dividend Payout Ratio. The objects in this research are consumer goods companies that listed in Indonesia Stock Exchange from 2016 -2020. There were 14 companies selected as research sample. Sample selection using purposive sampling methode with certain criteria that needs of the reseach. The analytical technique used in this research is Panel Data Regression using the E-views 10 program. The result of this research concluded that Cash position, DER,Size and ROE have significant effect on DPR. But, as partial DER has negative significant on DPR and Size has a positive significat on DPR. Meanwhile 2 other variables did not have significant on DPR.

Keywords: Dividend Payout Ratio, Cash position, Size and Debt to Equity Ratio

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INTRODUCTION

Investments made by investors are assumed to always be based on rational data considerations so that the type of information needed for decision making can be obtained. One of the various types of investment that is interesting but also has a high risk is stock investment. Shares are proof of ownership of the assets of the company that issued the shares (Tandelin, 2001). One of the basics of a person's decision to invest in stocks is the amount of dividends that will be obtained in the future. The assumption is that investments that provide relatively large dividends are the most productive sectors in the market

In Bringham and Houston (2014) shareholders prefer the results obtained from the distribution of dividends made by the company rather than income from capital gains. This is supported by the opinion of Gordon and Lintner (1963), which states that shareholders prefer dividend payments to capital gains (dividend is relevant), considering that investors value dividends received now more highly than capital gains in the future. will come. Dividend policy is concerned with determining the distribution of income between the use of income paid to shareholders as dividends that can be used within the company.

The company's dividend policy is illustrated in the Dividend Payout Ratio, which is the percentage of profit distributed in the form of cash dividends, meaning that the size of the Dividend Payout Ratio will affect the investment decisions of shareholders and on the other hand also affects the company's financial condition.

Return on Equity (ROE) is a financial ratio used to measure a company's level of effectiveness in obtaining returns on capital invested by investors. This ratio is also a benchmark for a company's ability to generate profits with the total capital used.

Size or size of the company is a measure to determine the size of a company. A large company will easily enter the capital market.

The Debt to Equity Ratio (DER) is used as a benchmark for a company's ability to measure the level of use of debt against its own capital. According to Sartono (2010), DER measures the extent to which a company is financed by debt, where the higher the value of this ratio, the worse the symptoms are for the company.

However, in implementing dividend policy for shareholders, not all companies in the consumer goods sector distribute dividends. There may be companies that choose not to distribute dividends because they want to withhold company profits for other activities. For example, a consumer goods company listed on the Indonesia Stock Exchange (IDX) for the 2016-2019 period.

Table 1. Average DPR, Cash Position, ROE, Siza and DER

Variable	2016	2017	2018	2019	2020
DPR (%)	42,83	42,69	52,20	51,39	131,81
Cash position	1,78	2,76	2,02	1,99	13,37
DER (x)	0,83	0,81	0,79	0,82	0,90
Size (x)	29,49	29,61	29,71	29,76	28,91
ROE (%)	25.45	24.90	29,67	32.45	22.79

Source: Data processed , 2021

Based on table 1 above, it can be seen that the Dividend Payout Ratio variable has increased every year in consumer goods companies. However, please note that if a company has a DPR value that exceeds 100%, this is a warning for the company because it means the company is using the company's reserve funds to pay dividends to shareholders. The Cash position and Debt to Equity Ratio (DER) variables tend to fluctuate every year, just like the Size and Return on Equity (ROE) variables. In addition to the phenomenon of dividend distribution and dividend policy, which are still rarely implemented by companies on the IDX, differences of opinion and also the results of previous studies related to the independent and dependent variables used in this study have also not yielded consistent results.

Research conducted by Pribadi and Sampurno (2012) states that cash position has a significant and negative relationship to the Dividend Payout Ratio (DPR). Meanwhile, research conducted by Cisilia and Amanah (2017) states that cash position has a significant and positive influence on the Dividend Payout Ratio.

In the research conducted by Ihwandi and Rizal (2019) found that DER had a significant and positive effect on the Dividend Payout Ratio, research conducted by Pangestuti (2020) and Permana and Hidayat (2016) found that DER had a significant and negative effect on Dividend Payout Ratio. Research conducted by Pribadi and Sampurno (2012) and Mahaputra and Wirawati (2014) shows that size has a negative and significant effect on the Dividend Payout Ratio.

The fourth independent variable used in this study is Return on Equity (ROE) (X4). Mardaleni (2014) and Cisilia (2017) argue that ROE has no significant and negative effect on the Dividend Payout Ratio. Sarmento and Dana (2016) and Pamungkas et al (2017) show that the ROE variable has a positive but not significant effect on the Dividend Payout Ratio. Meanwhile Pangestuti (2020) argues that ROE has a significant and positive effect on the Dividend Payout Ratio.

Based on the phenomena and theories that have been presented above, at least it can provide questions about what factors can affect the Dividend Payout Ratio. Therefore, I entitled this research "The Influence of Cash Position, Debt to Equity Ratio DER, Size, and Return on Equity on the Dividend Payout Ratio in Consumer Goods Sector Companies Listed on the Indonesia Stock Exchange for the 2016-2020 Period".

METHODS

Types of research

In this study, the type of research used is quantitative research where the data used is secondary data. In quantitative research, data is measured using numbers.

Population and Sample

Consumer Goods sector companies listed on the Indonesia Stock Exchange during 2016-2020. While the selection of samples used using *purposive sampling.*

Data source

The type of data used is secondary data. Secondary data includes financial reports. Financial reports obtained from the Indonesian Stock Exchange website.

Operational Variables

Table 2. Operational Variables

Variable	definition Variable	Indicator	Scale
Dividends Payout Ratio (DPR)	Cash dividend annual which shared with profit annual	$DPR = \frac{cash\ dividend}{EPS}$ x 100%	Ratio
Cash position	Ability company in pay off his obligations	$Cash\ Position = \frac{saldo\ kas}{EAT}$	Ratio
Debt to equity Ratio(DER	ratio that show how much debt used company	DER = Total Debt / Equity	Ratio
size	Ratio of logs natural total assets	*size* = Ln (Total Asset)	Ratio
Return on Equity (ROE)	The ratio used for measure how many that advantage become property company	ROE = EAT × 100 / Equity	Ratio

source : Atmaja (2008) & Harjito and Martono (2014)

Data collection technique

In this study, the authors used literature and documentation studies in data collection.

Panel Data Analysis

The data used in this study uses panel data with four (4) independent variables, namely Cash position (CP), Debt to Equity Ratio (DER), size and Return on Equity (ROE) and Dividend Payout Ratio (DPR) as the dependent variable. . The panel data regression model that will be used in this study is as follows (Widarjono, 2005: 254):

Yit = α + β1X1it + β2X2it + β3X3it + β4X4it + eit Description:

Y = Variable Dividend Payout Ratio
α = Constant
β1 = Regression Coefficient for Cash position (CP)
X1 = Cash position (CP)
β2 = Regression Coefficient for Debt to Equity Ratio (DER)
X2 = Debt to Equity Ratio(DER) β3= Regression Coefficient for Size X3= Size
β4 = Regression Coefficient for Return on Equity (ROE)
X4 = Return on Equity (ROE)
i = Company
t = Time
e = Error Term

RESULTS AND DISCUSSION

1. Panel Data Model Selection Results

In table 5 it can be seen the results of panel data regression using the Common Effect model and the following equation is obtained:

DPR= 1.45E-15 + 0.047 Cash position - 0.6270 DER + 0.3788 Size + 0.0841ROE

Judging from the probability value, there are two variables that have a significant effect, namely DER and Size and there are two variables that do not have a significant effect, namely Cash position and ROE.

table 3. Panel Data Regression Results Using the Common Effect Model

dependent Variables: DPR
Methods: Least panels Squares
Date: 05/05/21 Time: 04:56
Sample: 2016
2020
Periods included:
5
Cross-sections included: 11
Total panel (unbalanced) observations: 43

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.45E-15	0.118666	1.22E-14	1.0000
CASH_POSITION	0.004701	0.129268	0.036368	0.9712
DER	-0.627053	0.132268	-4.740771	0.0000
SIZE	0.378744	0.129604	2.922325	0.0058
ROE	0.084164	0.132278	0.636263	0.5284

R-squared	0.452161	Mean dependent var	1.81E-17
Adjusted R-squared	0.394493	S.D. dependent var	1.000000
S.E. of regression	0.778143	Akaike info criterion	2.445132
Sum squared resid	23.00926	Schwarz criterion	2.649922
Log likelihood	-47.57033	Hannan-Quinn criter.	2.520652
F-statistics	7.840846	Durbin-Watson stat	1.898681
Prob(F-statistic)	0.000104		

Table 4. Panel Data Regression Results Using the Fixed Effect Model

dependent Variables: DPR
Methods: Least panels Squares
Dates: 05/05/21 Time: 04:57
Sample: 2016

Periods

: 5

Cross-sections included: 11

Total panel (unbalanced) observations: 43

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.59E-15	0.105340	-1.51E-14	1.0000
CASH_POSI	-0.027438	0.200604	-0.136776	0.8922
DE	-0.080228	0.373234	-0.214955	0.8314
SIZ	-0.454299	1.045175	-0.434663	0.6671
RO	-0.358545	0.286436	-1.251748	0.2210

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.681902	Mean dependent var	1.81E-17
Adjusted R-	0.522853	S.D. dependent var	1.000000
S.E. of n	0.690759	Akaike info criterion	2.366626
Sum squared	13.36013	Schwarz criterion	2.980998
Logs d	-35.88246	Hannan-Quinn criter.	2.593187
F-statistics	4.287366	Durbin-Watson stat	2.808141
Prob(F-	0.000515		

Source: Processed Data, 2021

In table 4 it can be seen the results of panel data regression using the Fixed Effect model and the following equation is obtained:
DPR= -1.59E-15-0.027 Cash position - 0.080 DER -0.4543 Size + 0.3585ROE
Judging from the probability value, there are no variables that have a significant influence on the DPR.

Table 5. Panel Data Regression Results Using the Random Effect Model

Dependent Variable: DPR

Method: Panel EGLS (Cross-section random effects)
Date: 05/05/21 Time: 04:57
Sample: 2016
2020
Periods
included: 5
Cross-sections included: 11
Total panel (unbalanced) observations: 43
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.023554	0.172980	0.136169	0.8924
CASH_POSITION	0.010857	0.147736	0.073489	0.9418
DER	-0.611496	0.169190	-3.614247	0.0009
SIZE	0.378944	0.183272	2.067660	0.0455
ROE	0.019222	0.161976	0.118673	0.9062

Effects Specification

	S.D.	Rho
Cross-section random	0.438119	0.2869
Idiosyncratic random	0.690759	0.7131

Weighted Statistics

R-squared	0.293510	Mean dependent var	0.001762
Adjusted R-squared	0.219143	S.D. dependent var	0.787390
S.E. of regression	0.695785	Sum squared resid	18.39644
F-statistic	3.946757	Durbin-Watson stat	2.326505
Prob(F-statistic)	0.008934		

Unweighted Statistics

R-squared	0.446578	Mean dependent var	1.81E-17
Sum squared resid	23.24371	Durbin-Watson stat	1.841333

Sumber : Data Olahan, 2021

In table 5 it can be seen the results of panel data regression using the Fixed Effect model and the following equation is obtained:
DPR = 0.0236 + 0.0109 Cash position - 0.6112 DER + 0.3789 Size + 0.0192 ROE
Judging from the probability value, there are two variables that have a significant effect, namely DER and Size and there are two variables that do not have a significant effect, namely Cash position and ROE.

After obtaining the results from the common effect model and the fixed effect model, the Chow test was carried out. The Chow test was conducted to determine the selection of the most appropriate model between the common effect and fixed effect models. The hypothesis used for the Chow test is as follows:

H0 : Common effect model H1 : Fixed effect model

H0 is accepted if the probability of the cross-section chi-square > 0.05. Conversely, H1 is accepted if the probability of the cross-section chi-square < 0.05. The following table shows the results of the chow test from this study.

Table 6. Chow Test Results

Redundant Fixed Effects Tests

Equation: Untitled

test cross-section fixed effects

Effects test	Statistics	df	Prob.
Cross-section F	2.022254	(10,28)	0.0694
Cross-section Chi-square	23.375750	10	0.0094

Source : Data Processed , 2021

Based on table 5.9 above, the value of the Chow test cross-section chi-squares of this study is 0.0094 and less than 0.05. Then it can be concluded that H0 is rejected and H1 is accepted. so for the time being the best model used for this research is the Fixed effect model.

After the Chow test was carried out, the next step was to carry out the Hausman test. The Hausman test was conducted to assess which model is the best between the fixed effect model and the random effect model. The hypothesis of the Hausman test is as follows:

H0 : Random effect model H1 : Fixed effect model

H0 is accepted if the probability of the cross-section chi-square > 0.05. Conversely, H1 is accepted if the probability of the cross-section chi-square < 0.05. The following table shows the results of the Hausman test from this study.

Table 7. Hausman's results

Correlated Random Effects - Hausman test

Equation: Untitled

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.821412	4	0.3061

Sumber : Data Olahan, 2021

After conducting the Hausman test, it can be seen that the probability value in this study is 0.3061 and is greater than 0.05. So it can be concluded that H0 can be accepted and H1 is rejected. So the best model that can be used in this study is the random effect model.

2. Classical Assumption Test Results

After getting the random effect model to be the best model, the next step is to test the classical assumptions. The classic assumption tests carried out in this study were the normality test, multicollinearity test, heteroscedasticity test and autocorrelation test.

1) Normality Test

The purpose of doing the normality test is to test whether the regression model has independent and dependent variables that have a normal distribution or not. If this assumption test is not met, the statistical test will generally be invalid for a small number of samples. This test uses two ways, namely by using a histogram and the Jarque-bera test. Jarque-bera is a statistical test to find out whether the data is normally distributed or not. This test is carried out by looking at the probability value of Jarque Bera (JB) with the following conditions:

a. If the probability > 0.05, it can be stated that it is normally distributed.
b. If the probability < 0.05, it can be stated that it is not normally distributed.

From the tests that have been carried out by the author using a total of 70 observations, the following results are obtained:

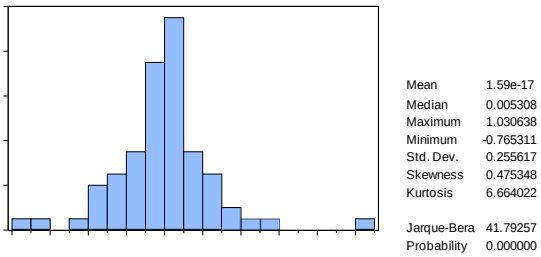


Figure 1. Jarque Berra results

As shown in Figure 1 it can be seen that the probability value of Jarque Berra is less than 0.05. This indicates that the data is not normally distributed. To overcome this situation, it is necessary to do the Outlier test. Outliers are data that have characters that are very different from the results of other data, either in the form of single data or combinations (Ghozali, 2011: 41). The outlier test can be done by setting a limit value which will be grouped into outlier data by converting it into a standardized score or what is often called a z-score (Ghozali, 2011: 41). In this study the outlier value used was 2.5. After the outlier test was carried out, the observation data changed to 43. Following are the results of the normality test after the outlier test was carried out.

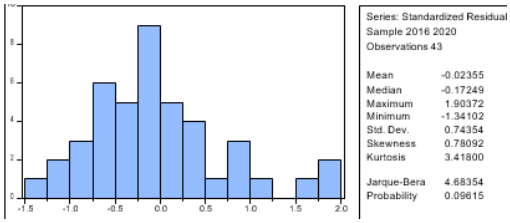


Figure 2. Outlier Test Results
Source : Data Processed , 2021

In Figure 2 above it can also be seen that the data is normally distributed because the probability value is more than 0.05. The probability value of the normality test results is 0.096157 (greater than the value α = 0.05).

2) Multicollinearity Test

The multicollinearity test was carried out to see and find out whether there is a correlation between the independent variables in the regression model. To find out whether

there is a multicollinearity problem in this research variable, a multicollinearity test was carried out using eviews 10. Following are the results of the multicollinearity test from this study.

Table 8. Multicollinearity Test Results

Variable	Cash Position	DER	Size	ROE
Cash Position	1.0000	-0.2108	-0.1832	-0.2583
DER	-0.2108	1.0000	0.2616	-0.1756
Size	-0.1832	0.2616	1.0000	0.2155
ROE	-0.2583	-0.1756	0.2155	1.0000

Source : Processed Data , 2021

To find out whether there is multicollinearity, it can be seen from the value of the correlation coefficient between the independent variables. If the correlation value of the two variables is > 0.60, there is a symptom of multicollinearity. Based on table 5.11 above, it can be seen that the value of the correlation coefficient of all variables is not greater than 0.60. So it can be concluded that there are no symptoms of multicollinearity between the independent variables in this study.

3) Heteroscedasticity Test

Heteroscedasticity test was conducted to find out whether there is inequality in the regression model. If symptoms of heteroscedasticity occur, the estimation of the efficiency – the regression coefficient becomes inefficient. In this study, the heteroscedasticity test was carried out using the Glejser test. If the prob.Chi-Square value in the Obs*R-squared section is greater than 0.05 (>0.05) then there are no symptoms of heteroscedasticity in this study. Following are the results of the heteroscedasticity test from this study.

Table 9. Heteroscedasticity Test Results

	Heteroskedasticity tests: Glejser		
F-statistics	1.7913	Prob. F(4,38)	0.1507
Obs*R-squared	6.8217	Prob. Chi-Square(4)	0.1456
Scaled explained SS	6.9124	Prob. Chi-Square(4)	0.1406

Source : Data Processed , 2021

Based on table 5.12 above, it can be seen that the prob.Chi-Square value is 0.1456 > 0.05. This means that the data in this study did not experience symptoms of heteroscedasticity.

4) Autocorrelation Test

Autocorrelation test was conducted to find out whether there is a correlation between the variables themselves. In general, many cases of autocorrelation occur in time series data. In this study, autocorrelation will be tested using the Durbin – Watson test. If the Durbin Watson value in this study is dl > d > 4-du, then there is no atcorrelation. Following are the results of Durbin Watson in this study:

Table 10. Durbin Watson Test Results

Durbin-Watson stat	2.3265

Source : Data Processed , 2021

In this study there were 43 samples (n) and 4 variables (k). Based on table 5.13 above, the value of d is 2.3265. With a du value of 1.7200. As for the 4-du value of 2.2800. Because the calculated statistical value d (2.3265) is between the du and 4-du values, it can be concluded that there is no autocorrelation problem.

3. Hypothesis testing

1) Classical Assumption Test

To test the hypothesis in this study using multiple linear regression equations are shown as follows:

Table 11. Classical Assumption Test Results

Variable	coefficient	Std. Error	t-Statistics	Prob.
C	0.0236	0.1730	0.1362	0.8924
Cash Position	0.0109	0.1477	0.0735	0.9418
DER	-0.6112	0.1620	-3.6142	0.0009
size	0.3789	0.1833	2.0677	0.0455
ROE	0.0192	0.1620	0.1187	0.9062

Source : Data Processed , 2021

Multiple regression analysis is useful to fulfill the hypothesis that was made. Is the hypothesis accepted or rejected. Based on the results of multiple regression analysis using a significance level of 5%, the multiple regression equation is obtained as follows:

DPR = 0.0236 + 0.0109 Cash position - 0.6112 DER + 0.3789 Size + 0.0192 ROE

The interpretation of the linear regression equation above is as follows:

a) a = 0.0236, meaning that if the variables cash position, DER, size and ROE are constant, then it is estimated that the change in the value of the Dividend Payout Ratio (DPR) is 0.0236.

b) b1 = 0.0109 is positive, meaning that for every increase in the cash position variable by one unit, it is estimated that the Dividend Payout Ratio will increase by 0.0109 assuming the DER, size and ROE variables are constant.

c) b2 = -0.6112 is negative, meaning that for every increase in the DER variable by one unit, it is estimated that the Dividend Payout Ratio will decrease by -0.6112 assuming the cash position, size and ROE variables are constant.

d) b3 = 0.3789 is positive, meaning that for every increase in the size variable by one unit, it is estimated that the Dividend Payout Ratio will increase by 0.3789 assuming the cash position, DER and ROE variables are constant.

e) b4 = 0.0192 is positive, meaning that for every increase in the ROE variable by one unit, it is estimated that the Dividend Payout Ratio will increase by 0.0192 assuming the cash position, size and ROE variables are constant.

2) T test

The t test (partial test) was conducted to determine whether there is a significant influence between the independent variables (cash position, DER, size, and ROE) on the dependent variable (Dividend Payout Ratio). The following are the results of the t test from the research conducted by the author.

Table 12. Hypothesis Test Results

Variable	t-Statistics	Prob.
C	0.1362	0.8924
Cash Position	0.0735	0.9418
DER	-3.6142	0.0009
size	2.0677	0.0455
ROE	0.1187	0.9062

Source : Data Processed , 2021

To make a decision on the hypothesis can be seen from the value of t count and probability. If the value of tcount < ttable then H0 is accepted and Ha is rejected, t table can be seen from table t with a significance value of 0.05. In this study, based on the formula used to find the value of t (df = 43 – 4) is 1.6849. Meanwhile, to find out the significance of the dependent and independent variables can be done by comparing the significant values of the variables and their probability values. If the significance value < probability value or probability value < 0.05 then the independent variable has a significant effect on the dependent variable.

Based on table 5.15 above, it can be seen the effect of each independent variable on the dependent variable as follows:

a) For the cash position variable, the tcount < ttable (0.0735 <1.6849) is in the positive direction and the significance value > the probability value is 0.9418 > 0.05. This shows that the cash position variable has no significant effect on the Dividend Payout Ratio (DPR) variable.

b) For the Debt to Equity Ratio (DER) variable, the value of tcount > ttable (-3.6142 < -1.6849) is in the negative direction and the significance value < probability value is 0.0009 < 0.05. This shows that the Debt to Equity Ratio (DER) variable has a significant negative effect on the Dividend Payout Ratio (DPR) variable.

c) For the variable size, the value of tcount > ttable (2.0677 > 1.6849) is in the positive direction and the significance value < the probability value is 0.0455 < 0.05. This shows that the size variable has a significant negative effect on the Dividend Payout Ratio (DPR) variable.

d) For the Return on Equity (ROE) variable, the tcount < ttable (0.1187 > 1.6849) is in the positive direction and the significance value > the probability value is 0.9062 <0.05. This shows that the variable Return on Equity (ROE) has no significant effect on the Dividend Payout Ratio (DPR) variable.

3) F Test (Simultaneous Test)

The F test was conducted to determine whether simultaneously the independent variables, namely cash position, debt to equity ratio, size and Return on Equity (ROE) have a significant effect on the dependent variable Dividend Payout Ratio. Following are the results of the calculation of statistical F values and probability values from this study:

Table 13. F test results

F-Statistics	3.9468
Probability	0.0090

Source: Processed Data, 2021

Based on table 5.16, the Fcount value is 3.9468 with a probability value of 0.0090. Because the value of Fcount > Ftable is 3.9468 > 2.48 and the probability value < α = 0.05 it can be concluded that H0 is rejected, Ha is accepted. Thus, simultaneously cash position, debt to equity ratio, Size, and Return on Equity (ROE) affect the Dividend Payout Ratio.

4) Test the Coefficient of Determination (R2)

The coefficient of determination test or R2 test is used to measure how far the model's ability to explain the variation in the dependent variable. The R2 value lies between 0 to 1 ($0 \leq R2 \leq 1$).

Table 14 Test Results for the Coefficient of Determination (R)

A d justed R-squared	0.2191

Source: Processed Data, 2021

Based on table 5.17 above, the coefficient of determination (R2) is 0.2191. This shows that the variable cash position, debt to equity ratio, Size, and Return on Equity (ROE) can explain the value of the Dividend Payout Ratio of 21.91%. While the rest is 100% - 21.91% = 78.08%, explained by other factors outside the research variables.

DISCUSSION

Explanation of Discussion 1

Based on the results of the research that has been done, it shows that the cash position variable has no significant effect on the DPR. the coefficient value is positive, which is equal to 0.0109, which means that if the cash position increases by 1 unit, it will increase the value of the DPR by 0.0109, but the effect is not significant.

The results of this study are in line with the results of research conducted by Mahaputra and Wirawati (2014) and Widjaja (2020) which state that cash position has no significant effect on the Dividend Payout Ratio.

This can be explained that the existence of company cash is not a consideration for management in distributing dividends. Usually companies prefer cash to be used as operational costs and company development, while for dividend payments companies prefer to pay it when the company gets profits after deducting taxes.

The results of this study are different from existing theories because several companies pay high dividends, but have a cash position that has decreased from the previous year. This indicates that the increase and decrease in cash position has no effect on the size of the distribution of dividends that will be distributed to investors. This means that cash position is not a factor to be considered in dividend distribution in consumer goods companies for the period 2016 – 2020. Therefore it can be concluded that a high cash position does not guarantee high dividends to be paid to shareholders because it is possible for the company to use the profit as a retained earnings or also used for other business expansion.

Explanation of Discussion 2

Based on the results of the research that has been done, it shows that the Debt to Equity Ratio (DER) has a negative and significant regression coefficient. The research

hypothesis is accepted. A coefficient value of -0.6115 is obtained. That is, if the DER increases by one unit, the DPR value decreases by -0.6115 and the effect is very significant.

The results obtained in this study are in accordance with the theory which states that the greater the amount of debt owned by the company, the higher the company's obligation to pay it off so that the lower the amount of dividends paid to shareholders in the company. The use of debt will add to the financial burden that must be borne by the company, and in the end can reduce revenue from net income because it has to pay these obligations. This study supports the theory of "Signalling Theory" in which the size of the dividends paid by the company to shareholders becomes a certain signal for shareholders. Because with high debt it can cause a decrease in dividend payments so that investors believe that the company is in trouble because most of its profits are used to settle its obligations.

The influence of DER on the DPR can be seen from the company HM.Sempoerna in 2018 the value of the DPR decreased from 2017 due to an increase in the number of DERs that year. PT. Kino Indonesia in 2019 the DPR value increased from 2018 because the DER value decreased in that year.

The results of this study are in line with research conducted by Cisilia and Amanah (2017), Pangestuti (2020) and Permana and Hidayat (2016) which state that DER has a significant and negative influence on the DPR. However, contrary to the results of research conducted by Ihwandi and Rizal (2019) which stated that the Debt to Equity Ratio (DER) has a significant and positive influence on the Dividend Payout Ratio.

Explanation of Discussion 3

Based on the results of the research that has been done, it shows that Size has a significant and positive influence on the Dividend Payout Ratio. The size coefficient value of 0.3789 is obtained, meaning that if the size of the company increases by one unit, the DPR will also increase by 0.3789 and has a strong influence.

The results of this study are also in accordance with the theory of signaling theory, where the size of the dividends paid by the company to shareholders becomes a certain signal for shareholders. If the size of the company is getting bigger, the dividends distributed will be even bigger. This shows that with the size of the company getting bigger, it makes it easier to access the capital market as a flexible capability for companies, and becomes a profitable factor in getting bigger funds too. As a result, the company also has a fairly large dividend payout ratio. Therefore it can be concluded that Size is one of the factors considered in dividing the DPR for consumer goods companies for the 2016 – 2020 period.

The results of this study are in line with the results of research conducted by Permana and Hidayat (2016) and Mariaetta and Sampurno (2013) which state that Size has a significant and positive influence on the Dividend Payout Ratio.

Explanation of Discussion 4

Return on Equity (ROE) is used to measure the level of a company's ability to generate profits by using its capital. Based on the results of the research that has been done, it shows that Return on Equity (ROE) has a positive but not significant effect on the Dividend Payout Ratio. The ROE coefficient value of 0.0192 is obtained, meaning that if the size of the company increases by one unit, the DPR will also increase by 0.0192 and has a strong influence. ROE, this cannot guarantee to increase the value of the DPR. This indicates that net profit is not the main factor that must be considered by management in making decisions

in determining the amount of dividends to be distributed because even though the profits generated are low, the company still pays dividends to shareholders. This result is contrary to the "Irrelevant" Theory of Modigilani and Miller which states that the size of a DPR is determined by net profit before tax (EBIT). However, in this study, the size of the dividend is influenced by DER and company size.

This can be seen from several companies that continue to pay dividends even though the profits generated are lower than in the previous year. As in Pt.Indofood CBP Sukses Makmur (ICBP) in 2020 paid a larger dividend than 2019 even though the ROE value for 2020 was lower than 2019. Another example is PT.Kino Tbk (KINO) in 2020 which also paid dividends which is greater than in 2019 even though the ROE value in 2020 is lower than in 2019.

The results of this study are in line with the results of research conducted by Sarmento & Dana (2016) and Pamungkas, et al (2017) which state that ROE has a positive but not significant effect on the Dividend Payout Ratio. However, this research contradicts research conducted by Pangestuti (2020) which states that Return on Equity (ROE) has a positive and significant influence on the Dividend Payout Ratio.

CONCLUSION

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

1. Simultaneously the variables cash position, debt to equity ratio, Size and Return on Equity (ROE) have a significant effect on the Dividend Payout Ratio
2. Partially, cash position and Return on Equity (ROE) have a positive but not significant effect on the Dividend Payout Ratio. The Debt to Equity Ratio (DER) variable has a negative and significant effect on the Dividend Payout Ratio. Meanwhile, the Size variable has a positive and significant influence on the DPR.
3. The results of the coefficient of determination (R2) show that the Dividend Payout Ratio can be explained by the variables cash position, debt to equity ratio, Size and Return on Equity (ROE).

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