

# The Effect of Cash Position, Firm Size, Growth Opportunity, Ownership, and Return On Assets on Dividend Payout Ratio (DPR) in Automotive Companies Listed on the Indonesia Stock Exchange

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**Abstract**—This study aims to determine and analyze the effect of Cash Position on Dividend Payout Ratio, the effect of Firm Size on Dividend Payout Ratio, the effect of Growth Opportunity on Dividend Payout Ratio, the effect of Ownership on Dividend Payout Ratio, the effect of Return On Asset on Dividend Payout Ratio and Cash Position. Firm Size, Growth Opportunity, Ownership, and Return On Assets (ROA) on Dividend Payout Ratio (DPR) in Automotive companies listed on the Indonesia Stock Exchange (IDX) for the period 2013-2017. The approach taken in this study is an associative approach. The population in this study were all automotive companies listed on the Indonesia Stock Exchange (IDX) which numbered 13 companies, while the samples that met the criteria for sampling for this study amounted to 10 companies. Analysis of sample data for this study is the Analysis of Multiple Linear Regression, Classical Assumption Test, Hypothesis Test, and Determinant Coefficient using SPSS 20 measuring instruments. The results showed that Cash Position did not show a significant effect on the Dividend Payout Ratio, Firm Size did not show a significant effect on the Payout Ratio Dividend, Growth Opportunity showed a significant effect on the Dividend Payout Ratio, Ownership showed a significant effect to Dividend Payout Ratio, Return On Asset shows a significant effect on Dividend Payout Ratio of, and simultaneously Cash Position, Firm Size, Growth Opportunity, Ownership, and Return On Asset have a positive relationship and a significant effect on Dividend Payout Ratio.

**Keywords**—cash position; firm size; growth opportunity; wunership; Return On Asset; Dividen Payout Ratio (DPR)

## I. INTRODUCTION

Competition in the development of the business world is increasingly critical and sharp in both the industrial and service sectors. This causes each company to strive to be able to maintain its business and can create increasingly competitive competition between companies with each other. In facing this competition, companies are required to have competitive advantages in terms of products, human resources, and technology. Efforts made by the company, among others, adjust to changes that occur within and outside the company so that every resource owned by the company can be used

effectively and efficiently. However, to have a competitive advantage the company needs more funds. The company overcomes the availability of available funds; the company must be careful in finding sources of funds used to finance investments that will be made by the company.

Saidi reveals that in running a company, usually the owner bestows on other parties, namely the manager [1]. One of the important decisions faced by financial managers in relation to the continuity of the company's operations is a funding decision. Funding decisions are financial decisions relating to the composition of debt, preferred shares and ordinary shares that must be used by the company.

Hasnawati revealed that investment decisions and dividend policies have a positive effect on firm value [2]. Dividend policy directly affects the value of the company and indirectly affects the allocation of retained earnings related to investment decisions. In this dividend policy, there are two types of decisions that must be taken at the end of the year by companies related to cumulative profits, whether to be divided as dividends, or held for investment financing. The company must give the best decision to maximize the wealth of the shareholders. If the company does not see a profitable investment opportunity, then dividends should be distributed to shareholders. However, the company does not have to maintain the amount of dividends paid to shareholders in each period. Because in the long run, total retained earnings, and additional securities and equity values will indirectly increase the value of the company which can open more profitable investment opportunities. Shareholders definitely want to get great feedback related to the investment they provide to the company. Therefore, management must be smart in determining the dividend and retained earnings allocation of companies in each period.

The amount of profit allocation used for dividends, will be a concern for investors because it cannot be denied, investors will prefer large nominal dividends, while this is not desired by management who prefer to hold company profits. The difference in the percentage of dividends can be seen in the dividend payout ratio data of automotive companies in the

period of 2013 to 2017. This can be caused by many things, for example the state of the country's economy, then the company's policies regarding the use of company profits, how much will be allocated for dividends, and allocated to retained earnings for the company's capital funds in expanding. As well as many more things - other things that can greatly influence the dividend policy taken by the company in each period. The existence of this, will be very influential on the decision of the company's dividend payout ratio which is considered the maximum management in each period, which does not experience an interest gap between how much dividends and retained earnings.

## II. THEORETICAL REVIEW

### A. Dividen Payment Ratio

According to Halim, "Dividends are profit sharing given by the company issuing these shares for profits obtained by the company" [3]. Based on the above income, it can be seen that dividends are benefits obtained by the owner. According to Warren in Zucman "Dividends are the distribution of profits of a company to its shareholders" [4]. Considering the above opinion that dividends are the profit sharing of a *Persero* company to shareholders. Whereas according to Reeve, "Dividends are cash flows paid to shareholders" [5]. So it can be concluded that dividends are profits that are shared with shareholders for the profits obtained by the company.

### B. Cash Pasition

According to IAI, the definition of cash is as follows: "Cash consists of cash on hand (cash on hand) and checking account [6]. Cash equivalents are investments that are liquid short-term in nature and which can quickly become cash in a certain amount without facing the risk of significant changes in value. According to Baridwan, cash position is an instrument of exchange and is also used as a measure in accounting [7]. In the balance sheet, cash is the most flexible asset, in the sense that it changes most often. Almost every transaction with an outside party always affects cash.

### C. Firm Size

According to Sartono suggests that, "large companies will be easier to obtain capital in the capital market compared to small companies" [8]. According to Palupi in Hamsak states that, "the measure reflects the size of the company's success [9]. Companies with larger sizes will need more funds than smaller companies. According to Brigham & Houston, the size of the company is as follows: "The size of the company is the size of the size of a company that is shown or assessed by total assets, total sales, total profits, tax burden and others" [10]. Then the size of the company according to Torang is: "The size of the organization is to determine the number of members associated with the selection of ways of controlling activities in an effort to achieve goals" [11].

### D. Corporate Growth

According to Machfoedz, Corporate growth (growth Opportunity) is how far the company places itself in the overall economic system or economic system for the same industry) [12]. The company's growth is highly expected by internal and external parties of the company, because good growth signals the development of the company. According to Susanto in general, fast-growing companies obtained positive results in terms of strengthening competitive positions, enjoying sales that increased significantly and accompanied by an increase in market share [13]. Companies that grow will also benefit from a positive image. A company that has positive growth will be viewed positively also by investors, because it is considered to have a beneficial aspect. So that it will also increase the value of the company. Thus, companies that have high growth tend to be able to generate funds better over time. So that if the company's growth rate is high, which means that the company is able to increase profits and have more internal funds, then the company's performance is considered good.

### E. Ownership

According to Sabrinna, managerial ownership is share ownership by company management as measured by the percentage of shares held by management [14]. So company ownership is measured by the percentage of shares held by management. According to Muid, Managerial ownership is share ownership by management who actively participates in making company decisions [15]. So it can be concluded that management has shares and actively participates in corporate decision making. According to Sabrinna, states that company ownership is one mechanism that can be used so that managers carry out activities in accordance with the interests of the owner of the company [14]. Increasing managerial ownership can be used to address agency problems. Managerial share ownership will help to unite interests between managers and shareholders, so managers share directly the benefits of decisions taken and also bear the losses as a consequence of making wrong decisions. Managerial ownership is a business that can be done by a company to carry out company activities in accordance with the interests of the owner of the company.

### F. Return on Assets

According to Brigham and Houston, "Return On Assets (ROA) is the ratio of net income to total assets measuring returns on total assets after interest and tax" [10]. According to Kasmir, states that: "Return On Assets (ROA) is a ratio that shows the results (return) of the amount of assets used in the company or a measure of management activities" [16]. According to Sartono, "Return On Assets (ROA) shows the company's ability to generate profits from assets used" [8]. According to Syafrida Hani, "Return On Assets (ROA) is the ability of capital invested in the overall assets to generate profits" [17]. Rahardjo argues that, "Return On Total Assets is used to show the ability of a company with all the capital in it to generate profits" [18]. The profitability ratio also has goals and benefits, not only for business owners or management, but also for parties outside the company, especially those who have relationships or interests with the company.

### III. CONCEPTUAL FRAMEWORK

#### A. *The Effect of Cash Position on Dividend Payout Ratio*

According to Almilia, cash Position is a comparison between cash and cash equivalents with current debt. The higher the value, the better the growth of a company [19]. Sudiarta's research states that the cash ratio has a significant influence on the DPR variable [20]. If the company is in good condition, of course it will attract investors to invest their capital in the company. With the increase in investors, companies are expected to maximize dividend distribution. to avoid the possibility of abuse and abuse. According to IAI, the definition of cash is as follows: "Cash consists of cash on hand (cash on hand) and checking account [6]. Setarakas is an investment that is short-term liquid and which can quickly be used as cash in a certain amount without facing the risk of a significant change in value. "Meanwhile, according to Soemarso SR, cash is defined as follows:" Cash is everything money or not) that can be available immediately and accepted as a means of repaying obligations at their nominal value" [21].

#### B. *The Effect of Firm Size on Dividend Payout Ratio*

According to Lina, the size of a company is a scale in which the size of the company can be classified according to various methods, including, total assets, log size, stock market value, and others [22]. In the research Bustamam states that Firm Size has a significant effect on dividend payments [23]. The bigger a company, the higher dividends will be shared. Because, to penetrate the market on a large scale, many investors are needed, where the aim of investors to invest in shares is to make a profit. According to Palupi in Hapsak states that, "the measure reflects the size of the company's success [9]. Companies with larger sizes will need more funds than smaller companies". According to Brigham & Houston, company size is as follows: "Company size is a measure of the size of a company that is indicated or assessed by total assets, total sales, total profits, tax burden and others" [10].

#### C. *The Effect of Company Growth on Dividend Payout Ratio*

According to Machfoedz, company growth is a goal that is highly expected by internal and external parties of a company because it has a good impact on the company and parties interested in the company such as investors, creditors and shareholders [12]. The research of Muhammad Nur Aqsho, shows that growth has a significant effect on dividend policy [24]. The high growth of the company means that there are many opportunities, so that funds that should be used to pay dividends will be used for profitable investment purchases, where changes in the value of growth of the company will contribute to changes in the company's dividend policy. The growth of a company will be directly related to funding needs.

#### D. *The Effect of Ownership on Dividend Payout Ratio*

The institutional ownership system in a company influences the decisions taken in each period, because it is possible that the decisions taken by the company will be based on the willingness of the institutional parties to have greater ownership. According to Sabrinna, managerial ownership is the ownership of shares by company management measured by the

percentage of the amount held by management [14]. If institutional ownership in a company is large, it will prefer to allocate profits earned by the company in the form of dividends and with a more stable percentage. Retno Kusumastuti's study revealed that institutional ownership had a positive influence on the Dividend Payout Ratio (DPR) [25].

#### E. *The Effect of Return on Assets (ROA) on Dividend Payout Ratio*

According to Harmono, Return on Assets (ROA) is a ratio of the ratio of Net Income to total assets [26]. ROA shows the company's ability to generate profits with assets held in the past. And then analyzed to project the company's ability to generate profits in the future. The higher the profit the company receives, the higher the availability of funds to the company allocated for dividends. This will affect the size of the company's DPR. According to Wahyuni, Return On Assets (ROA) shows the ability of a company to generate profits from assets used" [27]. According to Topowijono, revealed the ROA variable had a positive effect on the DPR [28].

#### F. *Effect of Cash Ratio, Firm Size, and Company Growth, Ownership, Return on Assets on Dividend Payout Ratio*

Cash Ratio is the most liquid liquidity ratio, which means that if a company wants to distribute dividends in cash, then the company should have enough funds to pay it. If the company is in good condition, of course it will attract investors to invest their capital in the company. The size of the company is a scale in which the size of the company can be classified according to various methods, including, total assets, log size, stock market value, and others. The bigger the company, the higher dividends will be distributed, because, to penetrate the market on a large scale, many investors are needed, where the aim of investors to invest in shares is to make a profit.

Company growth is a goal that is highly expected by internal and external parties of a company because it gives a good impact for the company and parties with an interest in the company such as investors, creditors and shareholders. The high growth of the company means that there are many opportunities, so that funds that can be used to pay dividends will be used to purchase profitable investments. According to Rudianto suggests dividends are the distribution of profits to shareholders that are proportional to the number of shares held [29]. For investors, dividends are the results obtained from shares owned and dividends obtained from the company as a distribution generated from the company's operations. The amount of dividends is distributed at fixed time intervals, but sometimes additional dividends are distributed at non-usual times. The amount of dividends usually ranges from zero to the amount of net income for the current year or last year. The amount of dividends received by the shareholders is determined at the General Meeting of Shareholders (GMS). In addition to being distributed as dividends, company profits are allocated in retained earnings (retained earnings).

Based on the description above, the conceptual framework in this study can be seen in the following figure:

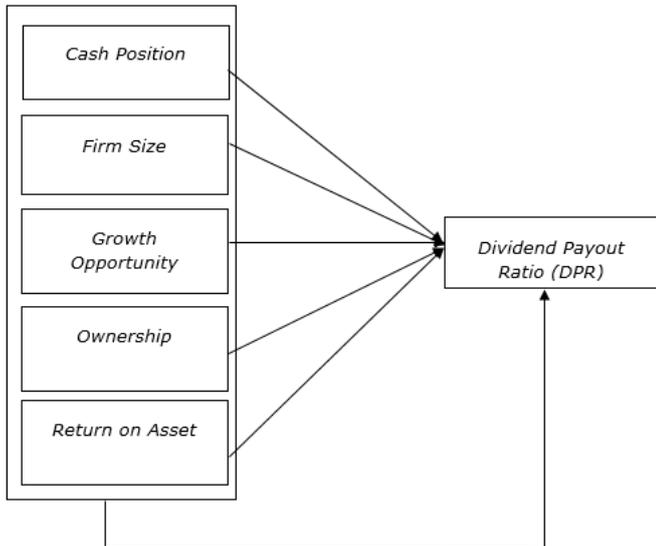


Fig. 1. Conceptual framework.

G. Hypothesis

- Cash Position affects the Dividend Payout Ratio for automotive companies
- Firm Size affects the Dividend Payout Ratio in automotive companies
- Growth Opportunity has an effect on the Dividend Payout Ratio in automotive companies.
- Ownership affects the Dividend Payout Ratio in automotive companies.
- Return on Asset affects the Dividend Payout Ratio in automotive companies
- Cash Ratio, Firm Size, and Growth Opportunity, Ownership and Return on Asset have a simultaneous effect on dividend payout ratio in automotive companies

IV. METHOD

The approach in this study is to use the Associative approach. The operational definitions of the variables used in this study are Dependent Variable and Independent Variable. The population used in this study were all automotive companies listed on the Indonesia Stock Exchange (IDX) during 2013 to 2017, namely 13 companies. The sample in this study were 10 (ten) companies from 13 automotive companies listed on the Indonesia Stock Exchange (IDX). The data source in this study is secondary data, where secondary data is obtained from primary data. Primary data is data taken from the results of direct research objects. While secondary data is data taken not directly taken from the object of research but compiled or made based on existing primary data so that it forms one report. The type of data is quantitative data, namely data that can be calculated or data in the form of numbers, in this study the data used is the financial statements of

automotive companies listed on the Indonesia Stock Exchange during 2013-2017.

Data collection techniques in this study were carried out using documentation techniques. The data used in this study are quantitative data with secondary data sources obtained by retrieving data published by the Indonesia Stock Exchange (IDX) from its official website, namely the financial statements of automotive companies listed on the Stock Exchange from 2013 to 2017. Techniques This data analysis is an answer to the problem that will be examined whether each independent variable, namely Cash Position, Firm Size, Growth Opportunity, Ownership, Return on Asset has an effect on the dependent variable, Dividend Payout Ratio (DER) either partially or simultaneously.

V. RESULTS AND DISCUSSION

A. Classic assumption test

The classic assumption test is conducted aiming to obtain valid analysis results. The following is a test to determine whether the two classic assumptions are fulfilled or not, there are several criteria for classical assumptions that must be fulfilled, namely as follows:

1) *Normality test:* This test aims to test whether in the regression model, the dependent variable (bound) and the independent variable (free) both have a normal distribution or not. Data that is normally distributed can be seen through the p-plot graph.

Normal P-P Plot of Regression Standardized Residual

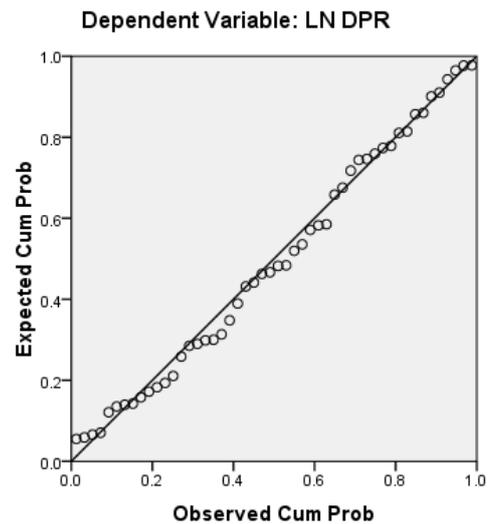


Fig. 2. p-plot graph.

In the picture above, the results of the normality test show that in the normal graph the plot shows scattered points approaching the diagonal line. So it can be concluded that the regression model is normally distributed, so it is feasible to use.

2) *Multicollinearity test*: Multicollinearity test is used to test whether in a linear regression model there is a high correlation between independent variables, with the following conditions:

- If  $VIF > 5$ , there is a multicollinearity
- If  $VIF < 5$ , there is no multicollinearity

TABLE I. COEFFICIENTS<sup>A</sup>

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	LN CP	.754	1.112
	LN FS	.910	1.098
	LN GO	.838	1.193
	LN OW	.886	1.129
	LN ROA	.807	1.239

<sup>A</sup> Dependent Variable: LN DPR

Based on the table above, it can be seen that there is no multicollinearity problem because VIF (Variable Inflation Factory) is smaller than 5, namely in the VIF cash position of 1.112 which is smaller than 5. The value in Firm Size is also smaller than 5 of 1.098, the VIF value in growth opportunity is 1,193. VIF value on ownership is smaller than 5 which is equal to 1,129 and the value on Return on Assets is also smaller than 5 by 1,239.

3) *Heteroscedasticity test*: The formal method in heteroscedasticity testing is the Scatterplot graph method. Basic decision making :

- If a particular pattern, such as the existing point forms a certain pattern that is regular (wavy, widened and then narrowed), heteroscedasticity occurs.
- If there is no clear pattern, as well as points that spread above and below the number 0 on the Y axis, then it is not heteroscedasticity.

Scatterplot

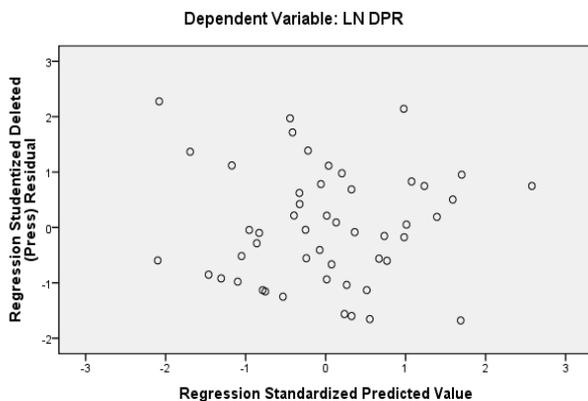


Fig. 3. Scatterplot.

The picture above shows a circle forming an irregular pattern, where the points spread above and below the number 0 on the Y axis. Thus heteroscedasticity does not occur.

4) *Autocorrelation test*: The autocorrelation test aims to test whether in a linear regression model there is a correlation between disturbing errors in the first period with errors in periode t-1 (previously). If there is a correlation, there is an autocorrelation problem. A good regression model is free from autocorrelation.

One way to identify it is to look at the value of Durbin Watson (D-W):

- If the D-W value  $< -2$ , there is positive autocorrelation
- If the D-W value is between  $-2$  to  $+2$ , then there is no autocorrelation

If the D-W value  $> +2$ , there is negative autocorrelation.

TABLE II. MODEL SUMMARY<sup>B</sup>

Model	Std. Error of the Estimate	Change Statistics				Durbin-Watson	
		R Square Change	F Change	df1	df2		
1	1.44581	.144	1.895	4	45	.128	2.074

<sup>A</sup> Predictors: (Constant), LN ROA, LN FS, LN OW, LN GO

<sup>B</sup> Dependent Variable: LN DPR.

From the above table it is known that the Durbin-Watson value obtained is 2.074 which means that the D-W value is above  $+2$  so it can be concluded that from the Durbin Watson number there is a negative autocorrelation.

B. Hypothesis test

1) *Partial test (t-test)*: The t test is used to test the regression coefficients individually, this test is carried out to determine whether each of the independent variables partially has a significant influence or not on the dependent variable. After getting t count compared to t table.

Criteria for decision-making:

- $H_0$  is accepted if:  $-t \text{ table} \leq t \text{ count} \leq t \text{ table}$ , at  $\alpha = 5\%$ ,  $df = n-k$
- $H_0$  is rejected if:  $t \text{ count} > t \text{ table}$  or  $-t \text{ count} < -t \text{ table}$

TABLE III. COEFFICIENTS<sup>A</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.597	3.475		.459	.648
LN CP	.127	.239	.067	-.623	.537
LN FS	-.196	1.514	-.191	-1.319	.194
LN GO	.133	.147	.136	4.900	.000
LN OW	-.367	.148	-.363	2.480	.017
LN ROA	-.114	.175	-.100	3.650	.009

<sup>A</sup> Dependent Variable: LN DPR

Based on the table above, it can be seen the t-test acquisition value for the relationship between Cash Position,

Firm Size, Growth Opportunity, Ownership, and Return On Assets (ROA) on Dividend Payout Ratio. The value of t table for  $n = 50 - 2 = 48$  is 2,010.

a) *The effect of cash position on dividend payout ratio:* The t test is used to find out whether the Company Size individually (partial) has a significant or no relationship to the Dividend Payout Ratio. From processing SPSS, the t test can be obtained as follows:

based on the results of the test partially the influence of Company Size -0,623 and table of -2,010. Thus the tcount is smaller than t table (-0.6623 <-2.010) and has a significant number of 0.537 > 0.05. This means that H0 is accepted and Ha is rejected, this indicates that partially the cash position does not have a significant effect on the Dividend Payout Ratio. The tcount of -0.623 with the direction of the negative relationship between the cash position to the Dividend Payout Ratio shows an increasing tendency for cash positions followed by a decrease in the Dividend Payout Ratio for Automotive Companies listed on the Stock Exchange for the 2013-2017 period.

b) *The effect of firm size on dividend payout ratio:* Based on the results of the test partially the value of firm size -1,319 and table of 2,010. Thus tcount is smaller than t table (-1,319 <2,010) and has a significant number of 0,194 > 0,05. This means that H0 is accepted and Ha is rejected, this indicates that partially firm size does not have a significant effect on the Dividend Payout Ratio. This shows that the firm size has no effect on the Dividend Payout Ratio for Automotive Companies listed on the Stock Exchange for the 2013-2017 period.

c) *The effect of growth opportunity on dividend payout ratio:* Based on the results of testing partially the influence of Growth Opportunity 4,900 and table of 2,010. Thus tcount is greater than t table (4,900 > 2,010) and has a significant number of 0,000 <0,05. This means that H0 is rejected and Ha is accepted, this shows that the Growth Opportunity partially has a significant effect on the Dividend Payout Ratio. The value of tcount of 4.900 with the direction of a positive relationship between Growth Opportunity to Dividend Payout Ratio shows that the trend of increasing Growth Opportunity is followed by increasing Dividend Payout Ratio.

d) *The effect of ownership on dividend payout ratio:* Based on the results of the test partially the influence of 2,480 Growth Opportunity and table of 2,010. Thus tcount is greater than t table (2,480 > 2,010) and has a significant number of 0,017 <0,05. This means that H0 is rejected and Ha is accepted, this indicates that Ownership partially has a significant effect on the Dividend Payout Ratio. The tcount of 2.480 with the direction of a positive relationship between Ownership and the Dividend Payout Ratio shows an increasing trend of Ownership followed by an increase in the Dividend Payout Ratio.

e) *The effect of return on asset on dividend payout ratio:* Based on the results of the test partially the effect of

Return On Assets 3,650 and table of 2,010. Thus tcount is greater than t table (3,650 > 2,010) and has a significant number of 0,009 <0,05. This means that H0 is rejected and Ha is accepted, this shows that partially Return On Assets has a significant effect on the Dividend Payout Ratio. The tcount of 4.900 with the direction of a positive relationship between Return On Assets and the Dividend Payout Ratio shows the trend of increasing Return On Assets followed by an increase in the Dividend Payout Ratio.

C. *Simultan test (f-test)*

The F test also called a significant test jointly included to see the overall ability of the independent variables, namely Cash Position, Firm Size, Growth Opportunity, Ownership, and Return On Assets affect the dependent variable Dividend Payout Ratio.

Test criteria:

- H0 is accepted if:  $-f \text{ table} \leq f \text{ count} \leq f \text{ table}$ , at  $\alpha = 5\%$ ,  $df = n - k$
- H0 s rejected if:  $f \text{ count} > f \text{ table}$  or  $- f \text{ count} < - f \text{ table}$

TABLE IV. ANOVA<sup>B</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	15.845	4	3.961	31.895	.000 <sup>a</sup>
Residual	94.066	45	2.090		
Total	109.911	49			

<sup>a</sup> Predictors: (Constant), LN ROA, LN FS, LN OW, LN GO

<sup>b</sup> Dependent Variable: LN DPR

Aiming to test the statistical hypothesis above, the F test is performed at the level of  $\alpha = 5\%$ . The value of F calculated for  $n = 30$  is as follows:

Based on the results of the tests simultaneously using the Fcount and Ftable tests. the Effect of Cash Position, Firm Size, Growth Opportunity, Ownership, and Return On Assets on Dividend Payout Ratio obtained Fcount of 31.895 with Ftable of 2.42 so that Fcount is greater than Ftable (31.895 > 2.42) and has a significant number of 0.000 <0.05. This means that Ho is rejected and accepted, this indicates that the Cash Position, Firm Size, Growth Opportunity, Ownership, and Return On Assets together have a significant effect on the Dividend Payout Ratio, in other words Cash Position, Firm Size, Growth Opportunity, Ownership, and Return On Assets simultaneously affect the level of Debt to Equity Ratio directly.

D. *Determination Coefficient Test (R2)*

The coefficient of determination (R2) serves to see the extent to which the independent variables can explain the dependent variable. If the coefficient of determination is getting stronger, which means that the independent variables provide almost all the information needed to predict variations in the dependent variable. While the small value of the coefficient of determination (adjusted R2) means that the ability of independent variables to explain dependent variation is limited.

TABLE V. MODEL SUMMARY<sup>B</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.880 <sup>a</sup>	.774	.468	1.44581	.144	1.895	4	45	.128	2.074

<sup>a</sup> Predictors: (Constant), LN ROA, LN FS, LN OW, LN GO

<sup>b</sup> Dependent Variable: LN DPR

Based on the test results of the determination coefficient in the table above, the R Square value is 0.774. To find out the extent of the influence of Cash Position, Firm Size, Growth Opportunity, Ownership, and Return On Assets variables, it can be known through the test of the coefficient of determination as follows:

The R-Square value is 77.4%, this means that the 22.6% variation in the Dividend Payout Ratio value is determined by the role of variations in the value of Cash Position, Firm Size, Growth Opportunity, Ownership, and Return On Assets. In other words, the contribution of Cash Position, Firm Size, Growth Opportunity, Ownership, and Return On Assets in influencing the Dividend Payout Ratio is 77.4% while the remaining 22.6% is influenced by other variables not included in this study such as current ratio, Profit Margin Net and others.

**E. Discussion**

*1) The Effect of cash position on dividend payout ratio:* Based on the results of the research obtained on the cash ratio to the Dividend Payout Ratio in the Automotive Companies listed on the Stock Exchange for the period 2013-2017 states that tcount is greater than t table (-0.6623 <-2.010) and has a significant number of 0.537 > 0.05. This means that H0 is accepted and Ha is rejected. The results of this hypothesis test indicate that partially there is no positive and significant cash ratio to the Dividend Payout Ratio for the Automotive Companies listed on the Stock Exchange for the 2013-2017 period. Cash ratio is the ratio of current debt to cash or cash equivalents. Cash dividend is an outflow of cash, therefore the company pays dividends to shareholders must have enough cash in order not to reduce the level of company liquidity. For companies with poor liquidity conditions, they usually pay a small dividend. The cash position or liquidity of a company is an important factor that must be considered before making a decision to determine the amount of dividends to be paid to shareholders, because the cash position is the company's ability to fulfill its own obligations through a number of cash held by the company. The stronger the cash position or liquidity of the company means the greater the ability to pay dividends [30].

*2) The effect of firm size on dividend payout ratio:* Based on the results of research obtained regarding firm size on Dividend Payout Ratio in Automotive Companies listed on the Stock Exchange for the period 2013-2017 states that tcount is smaller than t table (-1,319 <2,010) and has a significant

number of 0,194 > 0,05. This means that H0 is accepted and Ha is rejected. The results of this hypothesis test indicate that partially there is no effect of firm size on the Dividend Payout Ratio on Automotive Companies listed on the Stock Exchange for the 2013-2017 period. Firm size has a negative and not significant effect on the Dividend Payout Ratio (DPR). This means that the bigger the firm size, the lower the Dividend Payout Ratio (DPR). An established company does not necessarily have easy access to the capital market because the risks faced by large companies are quite high. The amount of assets owned by large companies is not necessarily a guarantee to pay dividends to investors. The results of these studies are in accordance with the research conducted by Agustina and Sutrisno who say that the size of the company does not have a significant effect on the Dividend Payout Ratio [31].

*3) The effect of growth opportunity on dividend payout ratio:* Based on the results of research obtained on Growth Opportunity to Dividend Payout Ratio in Automotive Companies listed on the Stock Exchange for the period 2013-2017 states that tcount is greater than t table (4.900 <2.010) and has a significant number of 0.000 <0.05. This means that H0 is rejected and Ha is accepted. The results of this hypothesis test indicate that partially there is the influence of Growth Opportunity on Dividend Payout Ratio on Automotive Companies listed on the Stock Exchange for the 2013-2017 period. Firm size has a negative and not significant effect on the Dividend Payout Ratio (DPR). This means that the bigger the firm size, the lower the Dividend Payout Ratio (DPR). An established company does not necessarily have easy access to the capital market because the risks faced by large companies are quite high. The amount of assets owned by large companies is not necessarily a guarantee to pay dividends to investors. The company's growth opportunity will affect the amount of dividends paid by the company. This is a signal about the company's growth in the future. The amount of growth opportunity of a company will affect the amount of funds needed for investment etc. Company management will definitely try to maximize company growth in each period. The growth of a company will be directly related to funding needs. If the company focuses more on growth.

*4) The effect of ownership on dividend payout ratio:* Based on the results of research obtained on ownership on Dividend Payout Ratio on Automotive Companies listed on the Stock Exchange for the period 2013-2017 states that tcount is greater

than  $t$  table ( $2,480 < 2,010$ ) and has a significant number of  $0,017 > 0,05$ . This means that  $H_0$  is rejected and  $H_a$  is accepted. The results of this hypothesis test indicate that partially there is an influence of Ownership on Dividend Payout Ratio on Automotive Companies listed on the Stock Exchange for the 2013-2017 period.

The Institutional Ownership System in a company influences the decisions taken in each period, because it is possible that the decisions taken by the company will be based on the willingness of the institutional parties to have greater ownership. If institutional ownership in a company is large, it will prefer to allocate profits earned by the company in the form of dividends and with a more stable percentage. has a negative and not significant effect on the Dividend Payout Ratio (DPR).

The results of these studies in accordance with the research conducted by Chasanah revealed that ownership has a positive influence on the Dividend Payout Ratio (DPR) [32]. Based on the results of the research conducted, the authors conclude that ownership has a positive relationship and has a significant effect on the Dividend Payout Ratio.

5) *The effect of return on asset on dividend payout ratio:* Based on the results of research obtained regarding Return On Assets on Dividend Payout Ratio in Automotive Companies listed on the Stock Exchange for the period 2013-2017 states that  $t_{count}$  is greater than  $t$  table ( $3.650 > 2.010$ ) and has a significant number of  $0.009 < 0.05$ . This means that  $H_0$  is accepted and  $H_a$ . This means that  $H_0$  is rejected and  $H_a$  is accepted. The results of this hypothesis test indicate that partially Return On Assets has a significant effect on Dividend Payout Ratio on Automotive Companies listed on the Stock Exchange for the 2013-2017 period.

The results of this study are in line with the research results of Fira Puspita, Marlina and Danica arguing that Return On Asset has a significant positive effect on the Dividend Payout Ratio (DPR) [33,34]. This is contrary to the results of research conducted by Difah which states that ROA has no effect on the DPR [35].

6) *The effect of cash position, firm size, growth opportunity, ownership, and return on assets on dividend payout ratio:* The results of the study were obtained on the effect of Cash Position, Firm Size, Growth Opportunity, Ownership, and Return On Assets on Dividend Payout Ratio on Automotive Companies listed on the Stock Exchange for the 2013-2017 period from the Analysis of Variance ANOVA. In the table above,  $F_{count}$  is 31.895 with a significant level of 0.000, while  $F_{table}$  is known as 2.42. Based on these results it can be seen that  $F_{count} > F_{table}$  ( $31.895 > 2.42$ ) so that  $H_0$  is rejected and  $H_a$  is accepted so it can be concluded that the Cash Position, Firm Size, Growth Opportunity, Ownership, and Return On Asset variables together have a significant effect on Dividend Payout Ratio for Automotive Companies listed on the Stock Exchange for the 2013-2017 period.

## VI. CONCLUSION

- Cash Position has no significant effect on the Dividend Payout Ratio for Automotive Companies listed on the Indonesia Stock Exchange for the 2013-2017 period.
- Firm Size does not have a significant effect on the Dividend Payout Ratio on Automotive Companies listed on the Indonesia Stock Exchange for the 2013-2017 period.
- Growth Opportunity has a significant effect on Dividend Payout Ratio in Automotive Companies listed on the Indonesia Stock Exchange for the 2013-2017 period.
- Ownership has a significant effect on the Dividend Payout Ratio for Automotive Companies listed on the Indonesia Stock Exchange for the 2013-2017 period.
- Return on Asset has a significant effect on Dividend Payout Ratio on Automotive Companies listed on the Indonesia Stock Exchange for the 2013-2017 period.
- Cash Position, Firm Size, Growth Opportunity, Ownership, and Return On Asset together have a significant influence on Dividend Payout Ratio on Automotive Companies listed on the Indonesia Stock Exchange for the 2013-2017 period.

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