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THE EFFECT OF PROFITABILITY, LEVERAGE, FIRM SIZE AND SALES GROWTH ON DIVIDEND POLICY IN NON-CYCLICAL CONSUMER SECTOR COMPANIES LISTED ON THE IDX

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ABSTRACT

This study aimed to determine the effect of profitability, leverage, firm size, and sales growth on dividend policy in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period. This study used secondary data with a purposive sampling technique, and a sample size of 20 companies was selected. The analytical methods used included descriptive analysis, multicollinearity testing, and hypothesis testing, processed using the Smart PLS version 4.0 application. The study concluded that profitability and sales growth have a positive and significant effect on dividend policy. Leverage and firm size, on the other hand, do not significantly influence dividend policy.

Keywords : Return on assets, debt to asset ratio, firm size, sales growth, dividend payout ratio

PENGARUH PROFITABILITAS, LEVERAGE, UKURAN PERUSAHAAN DAN PERTUMBUHAN PENJUALAN TERHADAP KEBIJAKAN DIVIDEN PADA PERUSAHAAN SEKTOR KONSUMEN NON-PRIMER YANG TERDAFTAR DI BURSA EFEK INDONESIA

ABSTRAK

Penelitian ini bertujuan untuk mengetahui pengaruh profitabilitas, leverage, ukuran perusahaan, dan pertumbuhan penjualan terhadap kebijakan dividen pada perusahaan sektor konsumen non-primer yang terdaftar di Bursa Efek Indonesia periode 2019-2023. Penelitian ini menggunakan data sekunder dengan teknik purposive sampling, dan ukuran sampel yang dipilih adalah 20 perusahaan. Metode analisis yang digunakan meliputi analisis deskriptif, pengujian multikolinearitas, dan pengujian hipotesis, yang diolah menggunakan aplikasi Smart PLS versi 4.0. Penelitian ini menyimpulkan bahwa profitabilitas dan pertumbuhan penjualan memiliki pengaruh positif dan signifikan terhadap kebijakan dividen. Leverage dan ukuran perusahaan, di sisi lain, tidak berpengaruh signifikan terhadap kebijakan dividen.

Kata kunci: Return on assets, debt to asset ratio, *ukuran perusahaan, pertumbuhan penjualan, rasio pembayaran dividen*

e-ISSN: 2685-5607

INTRODUCTION

In today's era of globalization, competition in the business world is fierce, with companies striving to excel to achieve their desired business goals. One of the primary concerns faced by all companies, and indeed all individuals, is finance. Any means of generating income will drive everyone to do so, one of which is investing. Investors are assumed to base their investments on data and information before making a decision to invest in a particular company.

Investors' goal in investing their funds is to earn income or a return on their investment, either in the form of dividends or income from the difference between the selling price of a stock and its purchase price, commonly referred to as capital gains. Furthermore, factors influencing investors' investment decisions are yield and risk. Generally, the higher the investment risk, the higher the expected return. Conversely, the lower the risk, the lower the expected return.

One attractive, yet high-risk investment is stock investing. Most stock investors pay close attention to the dividends companies distribute to shareholders. Companies that can distribute large dividends are assumed to be highly productive in the stock market. It's important to note that high dividends aren't a reliable indicator of good performance. Some companies will distribute a fixed amount of dividends, while others may not distribute dividends consistently, or even at all. Investors share in the company's losses, as the stock price declines over time.

Indonesia's economic growth in the first quarter of 2022 increased by 5.01 percent compared to the first quarter of 2021 and also experienced growth of 0.96 percent compared to the previous quarter.(Central Statistics Agency, 2022)Indonesia is currently one of the countries with the best economic growth in the world. Stock prices in the consumer goods sector outperformed from 2016 to 2020. High stock prices indicate a company's strong performance and can attract investors. However, not all companies in the Consumer Goods (Non-Cyclical) sector distribute dividends, reflecting increases in profitability, company size, sales growth, and a decrease in debt ratios each year. Only 20 of the 98 companies in the Consumer Non-Cyclical sector distributed dividends consecutively from 2017 to 2021, despite consistently maintaining the highest share prices compared to other sectors.

A company's dividend policy is reflected in the Dividend Payout Ratio (DPR), which represents the percentage of profits the company will distribute in the form of cash dividends. This ratio is one of the most widely used by investors when making investment decisions. This ratio shows the total amount of dividends distributed to shareholders relative to the company's net profit.

Dividend policy decisions are influenced by a company's level of profitability. Profitability is the profit a company earns from running its business (Z Muttaqien, 2019). It can also be interpreted as a ratio that can indicate a company's operational condition in achieving its desired goals. The profitability ratio used in this study is Return on Assets (ROA). In addition to profitability, the debt ratio (leverage) is also a determinant in determining dividend distribution. Increasing debt will impact a company's profitability. The debt ratio in this study is measured using the Debt to Asset Ratio (DAR) variable. Other variables, including Firm Size and Sales Growth, will also be examined to determine their effect on dividend policy.

Return on Assets (ROA) is the ability to generate profits in a certain period by using assets owned by the company.(Kusumaningrum, 2018). One of the main goals of a company is to gain profit or gain from the efforts it has made. According to Muttaqien (2019), the profit that shareholders deserve to enjoy in the form of dividends is the company's profit that has fulfilled all its fixed obligations such as interest and tax expenses. Previous research conducted by Evant & Zulvia (2019) and Mahaputra & Wirawati (2014)which shows that Return On Assets (ROA) has a positive effect on the Dividend Payout Ratio (DPR), while the research Lindi et al., (2021) states that Return On Asset (ROA) has a negative influence on the Dividend Payout Ratio (DPR).

LeverageLeverage is well known in relation to liabilities or debt. Leverage is the use of funds or loans to generate higher returns in a business. As an investor or shareholder, you certainly want to know how much a company can pay its debts using its assets, which is usually referred to as the Leverage Ratio. The Debt to Asset Ratio (DAR) is a ratio that indicates the amount of debt a company uses to finance assets that will be operated to generate profits. This ratio can indicate the level of risk, specifically the company's ability to pay all its obligations to creditors. If the debt ratio is high, interest payments will also increase, which can reduce profits and result in reduced dividends (Tandiono et al., 2019). This is in line with the results of research conducted by Tandiono et al., (2019) which states that the Debt to Asset Ratio (DAR) has a negative effect on the Dividend Payout Ratio (DPR), but this is different from the results of research conducted by Satyagraha et al., (2022) which shows that the Debt to Asset Ratio (DAR) has no influence on the Dividend Payout Ratio (DPR).

The next factor is firm size. Firm size is a measure that can be used to determine the size of a company compared to its total sales. Larger companies tend to have easier access to the capital markets and can obtain funding relatively quickly from investors in the capital market compared to smaller companies. Therefore, larger companies are expected to be able to pay higher dividends (Muttaqien, 2011). Previous research conducted by

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Diovany & Pangastuti (2020) states that Firm Size has a significant positive influence on the Dividend Payout Ratio (DPR), whereas according to research(Stevanius & Yap, 2018), Firm Size has no influence on Dividend Payout Ratio (DPR).

The last factor isSales Growth. Sales growth is the increase in a company's sales over time. Companies naturally hope to see their sales increase consistently, but sometimes many factors can cause a company's sales to decline, such as circulating rumors, natural disasters, the inability to develop the company, and so on. According to Amaliah (2019), increased sales or earnings can also influence dividend policy (DPR). If a company experiences a significant increase in sales, the company will likely pay lower dividends to shareholders, as the company needs funds for expansion. This is consistent with research conducted by Mufidah (2018) which shows thatSales Growth has a si gnificant positive effect on the Dividend Payout Ratio (DPR), but is inversely proportional to the results of research conducted by Sumarlin et al., (2020) which states thatSales Growth does not have a significant effect on the Dividend Payout Ratio (DPR).

LITERATURE REVIEW

The Irrelevant Dividend Theory and the "Signalling Hypothesis"

According to the "Dividend Irrelevance" theory proposed by Modigliani and Miller (MM), the dividend payout ratio (DPR) cannot determine a company's value. Instead, it is determined by net profit after tax and the company's level of risk. The purpose of this theory is to support research findings that align with the Dividend Irrelevance theory.

According to the "Signalling Hypothesis," a dividend increase will be followed by a rise in stock prices, and vice versa. This signals to investors to invest in a company, which will ultimately lead to further growth and even higher profits than before.

Profitability

Profitability ratios are a group of ratios that show the combined effect of liquidity, asset management and debt on operating results.

Return on Assets (ROA)

According to Lindi et al., (2021) Return on assets (ROA) is a ratio used to measure the amount of net profit generated from the total assets invested in a company. This ratio is essential for management to evaluate the effectiveness and efficiency of company management in managing all company assets (Evant & Zulvia, 2019). Therefore, it can be assumed that the higher this ratio, the better, because it shows that the company can generate as much profit as possible by utilizing its existing assets.

Leverage

Leverageis a ratio that measures how effectively a company manages its debt. Companies with a high debt ratio typically have high expected returns in a normal economy, but are also more likely to experience lower returns and bankruptcy in a recession.

Debt to Asset Ratio(DAR)

Debt to Asset Ratiocan be defined as a ratio that can be used to see how much of a company's assets are funded by debt or how much influence the company's debt has on the management of its assets (Satyagraha et al., 2022). If this ratio shows a high number, it will also increase the risk for creditors because this ratio shows the company's ability to pay its debts (Tandiono et al., 2019). A high DAR ratio can result in high loan interest payments, which will reduce the proportion of dividends received by shareholders.

Firm Size

According to Devi & Mispiyanti (2020) Firm size is a measure of a company's size, measured by its total assets, sales, and equity. Larger companies are more likely to participate in the capital markets. This makes it easier for companies to raise additional funds from investors, resulting in higher dividends paid to shareholders than smaller companies.

Sales Growth

Definition of Sales Growth according to Amaliah (2019) This is an indicator of demand and competitiveness within an industry, which will impact a company's ability to maintain profits to fund future opportunities. A higher sales growth ratio indicates a company's revenue increase compared to the previous year. Furthermore, the greater the company's sales, the greater the expected profit.

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Dividend Policy

Dividend policy is a decision on whether the profits obtained from the company's operations within a certain period will be distributed to shareholders in the form of dividends or retained to increase capital for the company's operations in the future (Kusumaningrum, 2018). Retained earnings are a very useful source of funding for a company. If a company chooses to distribute profits in the form of dividends to investors, it will reduce the company's net profit. Conversely, if the company retains profits, the company's finances will improve, although this decision is generally unpopular with investors.

Dividend Payout Ratio

Dividend payout ratio (DPR) is the percentage of income in the form of earnings per share (EPS) paid to shareholders in the form of cash dividends (Basuki, 2012). The larger the dividend payout ratio variable, the greater the dividends distributed and the smaller the retained earnings for investment in the company (Arifah, 2016). The majority of shareholders eagerly await dividends from the companies in which they have invested heavily, but the company's better decision is to retain those profits.

Hypothesis Formulation

The Effect of Return on Assets on Dividend Payout Ratio

Return on Assets is a profitability ratio that compares a company's net profit to its assets. This ratio measures the amount of profit generated by a company relative to its existing assets. A high ROA reflects a company's ability to generate profits from its assets. Therefore, a high ROA indicates that the company can distribute higher dividends.

Study Purba (2019) states that Return On Asset (ROA) has a positive and significant influence on the Dividend Payout Ratio (DPR), this research is in line with that conducted by Mahaputra & Wirawati (2014). Different from the research results(Lindi et al., 2021)which states that Return On Asset (ROA) has a negative effect on the Dividend Payout Ratio (DPR).

H1: Return on Assets has a positive influence on the Dividend Payout Ratio in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

The Effect of Debt to Asset Ratio on Dividend Payout Ratio

Debt to Asset RatioThis is a debt ratio that measures the ratio of assets to a company's debt. If this ratio is high, it can be concluded that the company is likely to default on its obligations. These obligations naturally carry interest, which will ultimately result in a decrease in the nominal dividend distribution (Tandiono et al., 2019).

Debt to Asset Ratio (DAR) has a sisgnificant effect on the Dividend Payout Ratio (DPR) as shown in the study (Stevanius & Yap, 2018), while research Satyagraha et al., (2022) stated that the Debt to Asset Ratio (DAR) does not have a significant effect on the Dividend Payout Ratio (DPR).

H2: Debt to Asset Ratio has a negative influence on the Dividend Payout Ratio in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

The Effect of Firm Size on Dividend Payout Ratio

Firm SizeCompany size is a ratio that indicates the size of a company based on its total assets. Large companies are typically adept at increasing their value and distributing higher dividends than smaller companies, attracting many investors (Akbar & Irham, 2020).

Study Diovany & Pangastuti (2020) states that Firm Size has a significant positive effect on the Dividend Payout Ratio (DPR) but this is in contrast to research conducted by Kusumaningrum (2018), with insignificant negative results.

H3: Firm Size has a positive influence on the Dividend Payout Ratio in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

The Effect of Sales Growth on Dividend Payout Ratio

Sales GrowthSales growth, or sales growth, is a ratio used to measure year-over-year sales growth in a company. High sales growth reflects increasing revenue, which in turn increases profits and impacts dividends distributed to shareholders.

Research result Mufidah (2018) as well as Purnami & Artini (2016) shows that Sales Growth has a significant positive effect on the Dividend Payout Ratio (DPR) but is different from the research results Evant & Zulvia (2019) and Sumarlin et al., (2020) which states that Sales Growth has a negative but insignificant effect on the Dividend Payout Ratio (DPR).

H4: Sales Growth has a positive influence on the Dividend Payout Ratio in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

e-ISSN: 2685-5607

Framework

From the description and results of previous research in the previous points, the framework of thought in this research is as follows:

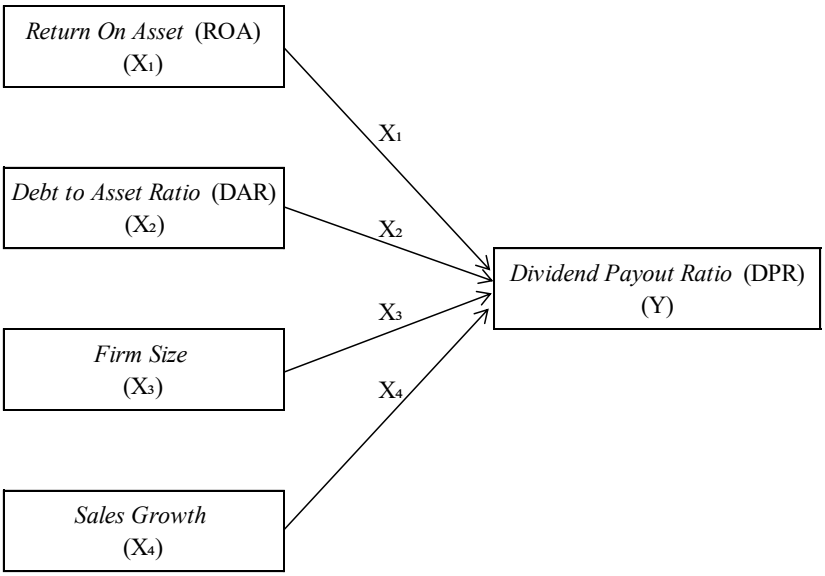


Figure 1. Framework

RESEARCH METHODS

Place and Time of Research

This research was conducted indirectly on Consumer Non-Cyclicals sector companies listed on the Indonesia Stock Exchange via the websitewww.idx.co.id,www.yahoofinance.comand company websites to obtain data for six years, from 2018 to 2023. This research was conducted starting in August 2024.

Population and Sample

The population in this study is all Consumer Non-Cyclical Sector Companies listed on the Indonesia Stock Exchange for the period 2019–2023. Based on the data obtained, the population in this study is 98 companies. The technique used to collect sample data in this study is the Purposive Sampling technique, which means a sampling technique that considers the sample criteria taken so that only objects that meet the criteria are used as research samples. The sampling criteria in this study are as follows:

Table 1. Sample Determination Criteria

No	Sample Determination Criteria	Number of Companies
1	Non-cyclical consumer sector companies listed on the IDX until 2021	98
2	New non-cyclical consumer sector companies that joined after 2016	(37)
3	Non-cyclical consumer sector companies that did not distribute dividends at all during 2016-2021	(22)
4	Non-cyclical consumer sector companies that distributed dividends non-consecutive during the 2019-2023period	(19)
Non-cyclical consumer sector companies that meet the sample criteria		**20**

Operational Research Variables

In research, two types of variables are used, namely the dependent variable (Y), also called the dependent variable, and the independent variable (X), also called the independent variable. Each of these variables consists of:

***Return on Assets*(X1)**

This ratio can be calculated using the following formula:

e-ISSN: 2685-5607

$$\text{ROA} = \frac{Net\ profit\ after\ tax}{Total\ assets} \quad (1)$$

***Debt to Asset Ratio*(X2)**
This ratio can be calculated using the following formula:

$$\text{DAR} = \frac{Total\ Debt}{Total\ assets} \quad (2)$$

***Firm Size*(X3)**
This ratio can be calculated using the following formula:

$$Size = \ln Total\ aset \quad (3)$$

***Sales Growth*(X4)**
This ratio can be calculated using the following formula:

$$Sales\ Growth = \frac{Total\ sales_{\ t} - Total\ sales_{\ t-1}}{Total\ sales_{\ t-1}} \quad (4)$$

***Dividend Payout Ratio*(Y)**
This ratio can be calculated using the following formula:

$$\text{DPR} = \frac{Dividend\ per\ share}{Earning\ per\ share} \quad (5)$$

Data Analysis Techniques
Descriptive Analysis
According to Ghozali (2005), descriptive statistics are carried out to provide an overview of research variables in the form of average values, standard deviations, variances, maximums, minimums, sums, ranges, kurtosis and swekness (distribution skewness).

In this study, descriptive analysis was used to provide an overview of the research variable data in the form of minimum values, maximum values, average values and standard deviations.

Multicollinearity Test
The multicollinearity test is a test that aims to detect whether there is a correlation between independent variables in a regression model (Ghozali, 2005). A good regression model should have no correlation between independent variables.

To detect the presence or absence of multicollinearity in a regression model, the Variance Inflation Factor (VIF) value can be seen in the PLS output. The basis for determining multicollinearity is if the VIF value is <10, meaning that there are no symptoms of multicollinearity in the regression model between the independent variables. Conversely, if the VIF value is >10, it means that there are symptoms of multicollinearity in the regression model between the independent variables.

Hypothesis Testing
Multiple Linear Regression Analysis
Multiple linear regression analysis is a test conducted in research to measure the extent of the influence between the independent variable (X) and the dependent variable (Y). The multiple linear regression analysis equation can be stated as follows:

$$Y = b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e \quad (6)$$

Coefficient of Determination Test (Adjusted R2)
The coefficient of determination test is used to measure how much the role of independent variables simultaneously influences changes that occur in the dependent variable, and its value ranges between 0 and 1 ($0 \leq R2 \leq 1$).

If the R^2 value approaches 1 (100%), the calculation results indicate that the greater the variation in the dependent variable that can be explained by the variation in the independent variable. Conversely, if the R2 value approaches 0, the smaller the variation in the dependent variable that can be explained by the variation in the independent variable.(Ghozali, 2005).

e-ISSN: 2685-5607

t-test (Partial Test)
The t-test is conducted to determine whether the independent variable has a partial or individual influence on the dependent variable with the following determination criteria: (1) If the significance value is <0.05, then H0 is rejected and H1 is accepted, which means the independent variable (X) has a significant influence on the dependent variable (Y) and vice versa, (2) If the t-count value is > t-table, then there is an influence between the independent variable (X) on the dependent variable (Y) and vice versa, (3) If the t-count value is positive then the influence is considered positive and vice versa.

RESULTS AND DISCUSSION

Descriptive Analysis

The results of the descriptive analysis of all variables can be seen in the following table:

Table 2. Descriptive Analysis

Variables	Average	STDEV	Max	Min
DPR	0.4618	0.3518	1.7699	0.0207
ROA	0.0898	0.0847	0.4666	0.0024
DAR	0.4786	0.1983	0.8108	0.1290
SIZE	16.1559	1.2810	19,0049	13.3634
SALES GROWTH	0.0808	0.1262	0.4703	-0.2749

Source: Processed Data (2024)

Based on the data in the table above, it can be concluded that: (1) The DPR variable (Y) has an average value of 0.4618 and a standard deviation value of 0.3518, while the maximum value is 1.7699 obtained by the AALI issuer in 2019 and the minimum value is 0.0207 by the EPMT issuer in 2018. (2) For the ROA variable (X1), the average value generated from 20 research samples is 0.0898 with a standard deviation value of 0.0847 and a maximum value of 0.4666 obtained by the UNVR issuer in 2018 and a minimum value of 0.0024 obtained by the SDPC issuer in 2020. (3) The DAR variable (X2) has an average value of 0.4786 and a standard deviation value of 0.1983, while the maximum value is obtained by the MIDI issuer in 2017 was 0.8108 and the minimum value was 0.1290 obtained by the BISI issuer in 2021. (4) The SIZE variable (X3) has an average value of 16.1559 and a standard deviation value of 1.2810, for the maximum value obtained by the INDF issuer in 2021 of 19.0049 and a minimum value of 13.3634 obtained by the SKLT issuer in 2017. (5) For the Sales Growth variable (X4), the average value of the 20 research samples was 0.0808 with a standard deviation value of 0.1262, then the maximum value obtained by the TBLA issuer in 2021 was 0.4703 and the minimum value reached -0.2479 in 2020 obtained by the CPIN issuer.

Multicollinearity Test

The following is a table of multicollinearity test results which can be assessed from the VIF figures which were processed using the Smart PLS version 4.0 application.

Table 2. Multicollinearity Test Results

Variables	VIF	Conclusion
ROA	1,115	There is no multicollinearity
DAR	1,058	There is no multicollinearity
SIZE	1,128	There is no multicollinearity
Sales Growth	1,056	There is no multicollinearity

Source: Processed Data (2024)

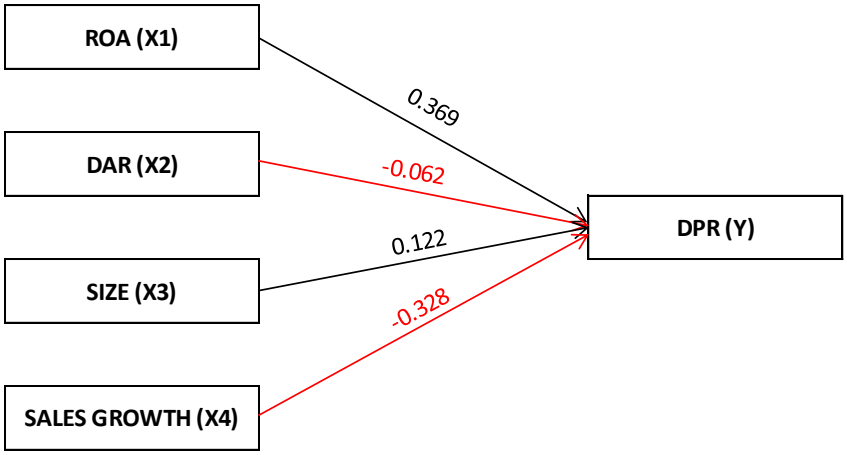
Based on the results of the VIF test above, it can be concluded that all X variables have no correlation with each other or are free from multicollinearity which can be seen from the VIF figure < 10.

Hypothesis Testing

Multiple Linear Regression Analysis

The following are the results obtained using the bootstrapping technique in the Smart PLS application version 4.0.

e-ISSN: 2685-5607



Picture 1. Bootstrapping Test Results

Based on the results of the multiple linear regression test above, the following multiple linear regression model can be obtained:

$$Y = 0.0369X1 - 0.062X2 + 0.122X3 - 0.328X4 \quad (7)$$

Coefficient of Determination Test (Adjusted R2)

Below are the results of the coefficient of determination test conducted using the Smart PLS version 4.0 application.

Table 3. Adjusted R-Square Test Results

Variables	Adjusted R-square
DPR	0.303

Source: Processed Data (2024)

Based on the test results above, it can be explained that the independent variables in this study, namely ROA, DAR, SIZE, and Sales Growth, simultaneously influence the DPR variable by 0.303, or 30.3%. Meanwhile, the remaining 69.7% is influenced by variables or factors other than ROA, DAR, SIZE, and Sales Growth.

t-test (Partial Test)

The following is a table of t-test results processed using the Smart PLS version 4.0 application.

Table 4. t-Test Results

Variables	t-count	t-table	P-value	Results
ROA -> DPR	3,195	1,661	0.001	Positive and significant impact
DAR -> DPR	0.857	1,661	0.196	No effect and not significant
SIZE -> DPR	1,602	1,661	0.055	No effect and not significant
Sales Growth -> DPR	3,897	1,661	0.000	Positive and significant impact

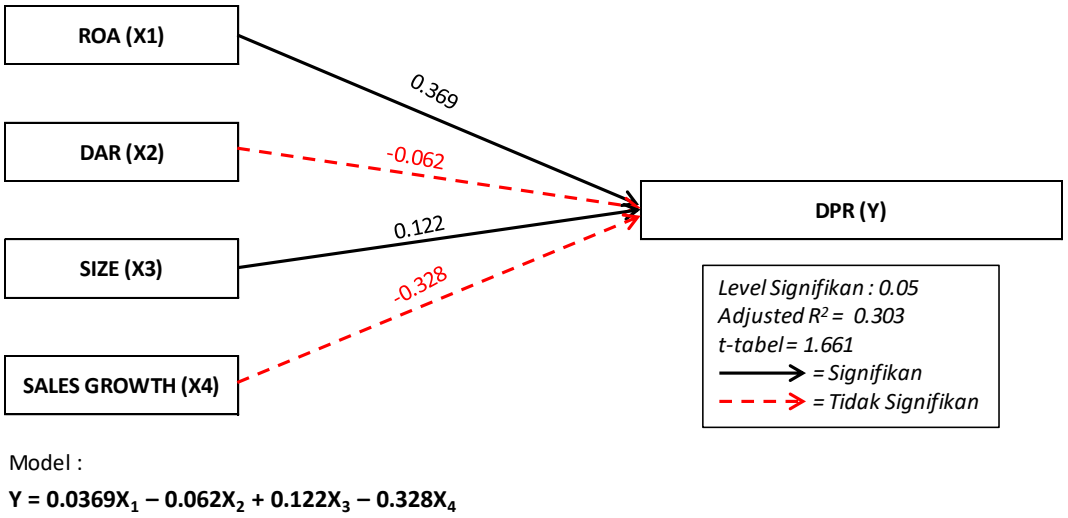
Source: Processed Data (2024)

Based on the t-test data above, the following hypothesis testing results can be concluded: (1) The t-test results of the ROA variable against DPR show that the calculated t-value is positive and greater than the t-table (3.195 > 1.661) and the significance value is less than 0.05 (0.001 < 0.05), then H0 is rejected and Hi is accepted. So it can be concluded that Return On Asset (ROA) has a positive and significant influence on the Dividend Payout Ratio (DPR). (2) The t-test results of the DAR variable against DPR show that the calculated t-value is positive and less than the t-table (0.857 < 1.661) and the significance value is greater than 0.05 (0.05 > 0.196), then H0 is accepted and Hi is rejected. So it can be concluded that the Debt to Asset Ratio (DAR) does not have a significant influence on the Dividend Payout Ratio (DPR). (3) The results of the t-test of the SIZE variable against DPR show that the calculated t-value is positive and smaller than the t-table (1.602 < 1.661) and the significance value is greater than 0.05 (0.05 > 0.055), so H0 is accepted and Hi is rejected. So it can be concluded that Firm Size (SIZE) does not have a significant influence on the Dividend Payout Ratio (DPR). (4) The results of the t-test of the Sales Growth variable against DPR show that the calculated t-value is positive and larger than the t-table (3.897 > 1.661)

e-ISSN: 2685-5607

and the significance value is smaller than 0.05 (0.000 < 0.05), so H0 is rejected and Hi is accepted. So it can be concluded that Sales Growth has a positive and significant influence on the Dividend Payout Ratio (DPR).

To be brief, the results of the various tests conducted above can be summarized as follows:



Model :

$$Y = 0.0369X_1 - 0.062X_2 + 0.122X_3 - 0.328X_4$$

Picture 2. Summary of Hypothesis Test Results

Discussion

The Effect of Return on Assets (ROA) on Dividend Payout Ratio (DPR)

The ROA of non-cyclical consumer sector companies tends to be less favorable, experiencing a decline in several consecutive years, as seen from 2020 to 2022. Furthermore, the ROA value in the five years of this study has not yet reached 1 (100%), which is assumed to indicate a company's profitability if the ROA reaches that figure. Meanwhile, the DPR ratio experienced increases and decreases in the first four years of the study. Therefore, it can be concluded that non-cyclical consumer sector companies have slightly less favorable and less stable profitability. The t-test results, which indicate that ROA has a positive and significant effect on DPR in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period, indicate that an increase in ROA will be followed by an increase in DPR, and vice versa. Therefore, a company's improved profit-generating ability can increase dividends distributed to shareholders. This aligns with the "Dividends are Irrelevant" theory proposed by MM.

The results of this study support the research Diovany & Pangastuti (2020), Evant & Zulvia (2019) and Purba (2019) which states that ROA has a positive and significant effect on DPR. However, this contradicts research Maskiyah & Wahjudi (2013), Stevanius & Yap (2018) and Satyagraha et al., (2022) which states that ROA does not have a significant effect on DPR and research(Lindi et al., 2021)which states that ROA has a significant negative effect on DPR.

The Effect of Debt to Asset Ratio (DAR) on Dividend Payout Ratio (DPR)

The DAR tends to fluctuate, fluctuating annually from 2019 to 2023. However, the DAR values of non-cyclical consumer sector companies remained below 1 throughout the five research periods, indicating that the company's assets were not significantly financed by debt. Therefore, it can be concluded that the company is still relatively good at managing its assets and debt. The t-test results, which indicate no effect of DAR on DPR in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period, indicate that an increase or decrease in DAR does not affect the percentage of dividends distributed to shareholders, or the earnings per share achieved by the company, or DPR. In other words, the extent to which a company's assets are financed by debt will not affect the company's ability to generate profits to be distributed as dividends to investors.

The results of this study are in line with research Satyagraha et al., (2022), Faizal (2019) and Muttaqien (2019) which states that DAR does not have a significant influence on the DPR. However, this contradicts research conducted by Stevanius & Yap (2018) which states that DAR has a significant influence on DPR and research Tandiono et al., (2019) which states that DAR has a significant negative influence on the DPR.

The Effect of Firm Size on Dividend Payout Ratio (DPR)

The company's size based on its assets increased annually from 2019 to 2023. This indicates that the company's assets are functioning effectively to expand its market share.The t-test results state that SIZE does not have a significant influence on DPR in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange

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for the 2019-2023 period. It is assumed that the size of the company is not a reference for the company in generating profits so that it does not affect the dividends distributed to shareholders.

The results of this study are in line with research Mahaputra & Wirawati (2014) and Stevanius & Yap (2018) which states that SIZE does not have a significant effect on the DPR. However, this is contrary to research conducted by Diovany & Pangastuti (2020) and Evant & Zulvia (2019) with the results showing that SIZE has a positive and significant effect on the DPR.

The Effect of Sales Growth on the Dividend Payout Ratio (DPR)

Based on the graph above, it can be seen that sales growth tends to decline from year to year, although there was a significant increase in 2023. However, the company's growth can be said to be not too bad because it is still around 5-10% annually except in 2020 when the world was hit by the coronavirus problem. The t-test results indicate that sales growth had a positive and significant effect on the DPR for non-cyclical consumer sector companies listed on the Indonesia Stock Exchange from 2019 to 2023. This indicates that sales increases were always offset by the percentage of dividends distributed to investors.

The results of this study are in line with research conducted by Mufidah (2018) which states that Sales Growth has a positive and significant effect on DPR. And this contradicts research Stevanius & Yap (2018) and Sumarlin et al., (2020) which states that Sales Growth does not have a significant effect on DPR.

CONCLUSION

The conclusion of this study is: (1) Return on Asset (ROA) has a positive and significant effect on DPR in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period. (2) Debt to Asset Ratio (DAR) does not have an effect on DPR in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period. (3) Firm Size does not have a significant effect on DPR in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period. (4) Sales Growth has a positive and significant effect on DPR in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

Based on the research that has been conducted, there are still some limitations, including this research was only conducted on non-cyclical consumer sector companies that have complete financial report data and consecutive dividend distributions every year during the research period so that the research results may be different if the sectors or samples used are different and there are still 69.7% of other factors that influence the dividend payout ratio that have not been explored in more depth so it is recommended for further researchers to be able to examine more other factors besides the variables that have been studied in this study, and do not forget to also increase the research time span so that the research results are more valid.

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