

The Effect of Leverage and Liquidity on Policy Dividends in Manufacturing Companies

Weri Aprilia¹, werriaprilia96@gmail.com

Nur Safitri²

^{1,2} Sekolah Tinggi Ilmu Ekonomi Bisma Lepisi

Abstrak (12 font)

This study aims to determine how much influence the Leverage and Liquidity variables, partially and jointly, have on Dividend Policy. This study uses quantitative methods and analyzes the relationship between the independent variables and the dependent variable. The researcher used a purposive sampling method with 24 manufacturing companies listed on the 2018-2020 BEI as the research sample. The analytical tool used by the researcher is statistical analysis using the SPSS 25 program.

The results showed that partially the leverage variable (DER) had an effect on Dividend Policy with a value of sig. 0.010, partially the Liquidity variable (CASHR) has an effect on Dividend Policy with a value of sig. 0.000. Together they affect the Dividend Policy variable as seen from the significance F of $0.000 < 0.05$.

Keywords: *partial leverage variable (DER); Dividend Policy; Liquidity variable (CASHR); Liquidity.*

INTRODUCTION

Intense competition requires companies to increase competitiveness by increasing company performance. One of the things companies do to improve competitiveness is to try to increase profits. Companies are also required to improve quality, innovation, new ideas for each product or service produced. Investors and creditors will pay attention to several important things before making an investment, such as the company's dividend policy, leverage, and company liquidity.

Dividend policy is one of the strategic steps chosen by the company to determine how big the proportion of profits distributed

to shareholders is in the form of cash dividends. So, the dividend policy here is one of the company's decisions about how much profit for that period will be distributed to shareholders. The dividend policy itself is seen from the dividend payout ratio (DPR), which is the percentage of profit distributed in the form of cash dividends, meaning that the small amount of the dividend payout ratio will affect shareholders' investment decisions and on the other hand affect the company's financial condition.

The second ratio seen is the leverage ratio. Leverage itself is one of the financial ratios used to predict the company's ability to meet obligations or debts that are used to measure the extent to which the company's assets are able to be financed with company debt. In other words, the leverage ratio can be used to measure the company's capacity or ability



to pay all of the company's obligations or debts. Leverage in this study is proxied by several ratios, namely debt to assets ratio (DAR), debt to equity ratio (DER), Long term debt to equity ratio (LTDER).

The next measure used is the liquidity ratio. Liquidity is one of the ability of an entity or company to pay the company's short-term obligations. The higher it is the level of liquidity of a company, the higher the company's ability to make distributions including dividend payments. In this study, the liquidity ratio is proxied by using the current ratio (CR), quick ratio (QR), and cash ratio (CASHR).

LITERATUR

A. Theory Description

a. Signalling Theory

Signals given by the owner of the information or entity that can influence the recipient of the signal or the recipient of the information to make a decision (Spence, 1973). According to (Brigham and Houston, 2019:32) signal theory is an action taken by company management that provides instructions to investors about how the company views the company's prospects. Companies based on sensitivity to signaling related to dividend distribution are the hope that the company's performance can provide a positive signal to an investment. Through this signal, investors can make decisions whether or not to invest in a company.

B. Development of Research Hypotheses

1. Leverage

The decision to fund the company or not can be seen through the leverage ratio, so this ratio will have an impact on dividend

policy in the company and will also affect the decisions of investors and creditors. A negative signal indicates a large leverage value, meaning that with a large leverage ratio, the company will distribute dividends to shareholders if it will be smaller. This is because the company's profits or company profits are first used to pay the company's debts and then distribute dividends to shareholders.

H1	Leverage Debt to Assets Ratio (DAR) berpengaruh secara parsial terhadap kebijakan Dividen.
H2	Leverage Debt to Equity Ratio (DER) berpengaruh secara parsial terhadap kebijakan dividen.
H3	Leverage Long Term Debt to Equity Ratio (LTDER) berpengaruh secara parsial terhadap kebijakan dividen.

2. Likuiditas

Kasmir (2019:129) explains that liquidity is a ratio that describes the company's ability to meet current obligations using current assets that exist in that period. So, the higher the level of liquidity of a company, the better the condition of the company and the dividend policy will increase. Thus, if shareholders get a high rate of return, it will increase the interest of investors and other creditors. Researchers used three ratios to measure the company's liquidity level, namely the current ratio, quick ratio or acid test ratio, and cash ratio.

H4	Luiditas (DR) berpengaruh secara parsial terhadap kebijakan dividen.
H5	Likuiditas (QR) berpengaruh secara parsial terhadap kebijakan dividen.
H6	Likuiditas (CASHR) berpengaruh secara pasial terhadap kebijakan dividen.
H7	Leverage (DAR, DER, LTDER) dan Likuiditas (CR, QR, CASHR) berpengaruh secara simultan terhadap kebijakan dividen.

Sampel Perusahaan Manufaktur Yang Terdaftar Di BEI Periode 2018-2020

No	KODE PT	NAMA PT
1.	BUDI	PT BUDI STRACH & SWEETENERS Tbk
2.	ICBP	PT INDOFOOD CBP SUKSES MAKMUR Tbk
3.	MYOR	PT MAYORA INDAH Tbk
4.	SIDO	PT INDUSTRI JAMU DAN FARMASI SIDO MUNCUL Tbk
5.	MARK	PT MARK DYNAMICS INDONESIA Tbk
6.	EKAD	PT EKADHARMA INTERNATIONAL Tbk
7.	ARNA	PT ARWANA CITRAMULIA Tbk
8.	HOKI	PT BUYUNG POETRA SEMBADA
9.	SKLT	PT SEKAR LAUT Tbk
10.	HMSP	PT H.M. SAMPOERNA Tbk
11.	KINO	PT KINO INDONESIA Tbk
12.	UNVR	PT UNILEVER INDONESIA Tbk
13.	ASII	PT ASTRA INTERNATIONAL Tbk
14.	JPFA	PT JAPFA COMFEED INDONESIA Tbk
15.	FASW	PT FAJAR SURYA WASESA Tbk
16.	IMPC	PT IMPACK PRATAMA INDUSTRI Tbk
17.	SMSM	PT SELAMAT SEMPURNA Tbk
18.	WTON	PT WIJAYA KARYA BETON Tbk
19.	PBID	PT PANCA BUDI IDAMAN Tbk
20.	ALDO	PT ALKINDO NARATAMA Tbk
22.	TSPC	PT TEMPO SCAN PACIFIC Tbk
23.	UNIC	PT UNGGUL INDAH CAHAYA Tbk
24.	ULTJ	PT ULTRA JAYA MILK INDUSTRY Tbk

Sumber : Data diolah oleh peneliti 2022

RESEARCH METHOD

A. RESEARCH METHOD

In this study, the researcher uses a quantitative model and the population used is the finance of manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2018-2020. The sampling technique used is purposive sampling with the following criteria:

1. Manufacturing companies listed on the IDX.
2. Manufacturing companies report their financial statements for the period 2018-2020.
3. Manufacturing companies listed on the IDX that did not experience loss of profit in 2018-2020.
4. Manufacturing companies listed on the IDX that distribute dividends for the 2018-2020 period.

So that the research sample after purposive sampling and data outliers resulted in a sample of 24 companies.

B. Data Analysis Method

1. Descriptive Statistics

Descriptive statistical analysis was carried out in order to get an overview of phenomena or events from the data that the researchers collected Wiyono (2020). Data can be presented in the form of tables and graphs. In addition, the data can be summarized and presented in three main ways to describe the distribution of the data:

- a. Location of data (Central Tendency): Median, Mean, and Mode.
- b. Variation of data: Standard Deviation, Variance, Range, and Coefficient of Variation.
- c. Data form: Kurtosis and Skewness.

2. Classical Assumption Test

The classical assumption tests conducted by researchers are as follows:



1. Normality Test
 2. Multicollinearity Test
 3. Autocorrelation Test
 4. Heteroscedasticity Test
- 3. Model Suitability Test (Goodness of Fit-F Test) and Coefficient of Determination**

DISCUSSION

A. Asumstion Clasik Test

1. Normalitas Test

Tabel 4.3
One-Sample Kolmogorov-Smirnov Test

		Unstandardize d Residual
N		40
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	,20053281
Most Extreme Differences	Absolute	,092
	Positive	,092
	Negative	-,062
Test Statistic		,092
Asymp. Sig. (2-tailed)		,200 ^{c,d}

- a. Test distribution is Normal.
 - b. Calculated from data.
 - c. Lilliefors Significance Correction.
 - d. This is a lower bound of the true significance.
- Sumber: Data sekunder yang diolah tahun 2022(IBM SPSS 25)

The results of the normality test based on table 4.3 show that Asymp value. Sig is greater than 0.05, it can be concluded that the residuals are normally distributed and vice versa. From the test results normality using one sample Kolmogorov obtained a result of 0.200 which means normally distributed.

2. Multikolineritas Test

Tabel 4.4

Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1	DAR	,103
	DER	,128
	LTDER	,490
	CR	,237
	QR	,360
	CASHR	,305

a. Dependent Variable: DPR

Sumber: Data sekunder yang diolah tahun 2022(IBM SPSS 25)

Based on the results from table 4.4, the multicollinearity test for values tolerance and VIF values meet the multicollinearity test requirements, which means indicates no multicollinearity.

3. Heteroskedastiditas Test

Tabel 4.5
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	-5,779	2,010			-2,876	,007
DAR	9,057	6,731	,690		1,345	,188
DER	-1,780	1,524	-,538		-1,168	,251
LTDER	-2,717	2,042	-,313		-1,331	,192
CR	-,260	,679	-,129		-,382	,705
QR	-,130	,638	-,056		-,203	,840
CASHR	1,277	1,142	,333		1,118	,272

a. Dependent Variable: LN_RES

Sumber: Data sekunder yang diolah tahun 2022(IBM SPSS 25)

: Based on the results of table 4.5 heteroscedasticity test using the park test, the output shows Sig. greater than 0.05. This means that this model is free from heteroscedasticity.

4. Autokorelasi Test

Runs Test

	Unstandardized Residual
Test Value ^a	,01880
Cases < Test Value	20
Cases >= Test Value	20
Total Cases	40
Number of Runs	16
Z	-1,442
Asymp. Sig. (2-tailed)	,149

a. Median

Sumber: Data sekunder yang diolah tahun 2022(IBM SPSS 25)

Based on the results of the SPSS 25 output in table 4.6 test autocorrelation using runs test, showing the asymp value. Sig (2-tailed) of 0.149. This value is greater than 0.05, so it can be concluded that the data does not show signs of autocorrelation.

5. Goodness of Fit Test

Tabel 4.7

Hasil Uji F

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1,993	6	,332	6,990	,000
	Residual	1,568	33	,048		
	Total	3,562	39			

a. Dependent Variable: DPR

b. Predictors: (Constant), CASHR, LTDER, DER, QR, CR, DAR

Sumber: Data sekunder yang diolah tahun 2022(IBM SPSS 25)

From the results of table 4.7 above the sig. X1 to X6 simultaneously to Y is equal to 0.000 <0.05 , the calculated f value 6.990 > f table 2.336, so it can be concluded that H7 has an influence simultaneously against Y.

6. Hypotesis Test

To test the hypothesis, the data is first analyzed statistics. The statistical analysis used in this study is analysis multiple linear regression. After

statistical analysis, then the data is tested

partially. Hypothesis testing is carried out partially with the aim of find out whether each independent variable affects the variable significantly dependent. Based on Table 4.9. Hypothesis test, test the value of t can seen from the sig value. If sig < 0.05 then the research hypothesis is accepted, whereas if the sig value > 0.05 then the research hypothesis is rejected. From the results testing known significant value and regression coefficient of each variable independent as follows:

H1: Leverage Debt to Assets Ratio (DAR) has a partial effect on Dividend Policy (DPR).

Based on the results of multiple regression testing, the DAR regression coefficient value is -1.336 and the value of sig. 0.085 which shows the result that the leverage variable proxied by DAR is not proven to have an effect on Dividend Policy (DPR), so the first hypothesis is rejected. From the researcher's analysis, this indicates that the decrease or increase in DAR does not have the effect of decreasing or increasing the Dividend Policy (DPR) and the results of this study are in line with research conducted by Kurniasari, et al., (2020).

H2: Leverage Debt to Equity Ratio (DER) has a partial effect on Dividend Policy (DPR).

Based on the table, the leverage regression coefficient (DER) is 0.467 with a significance of 0.010. The significance value of leverage (DER) 0.010 <0.05 indicates that the leverage variable (DER) has an effect on Dividend Policy (DPR), so the second hypothesis is accepted. From the results of the analysis, it is stated that the value of DER affects dividend policy, the better the company manages a small



DER level, the higher the level of the company's cash ability to pay dividends. The results of this study are in line with research conducted by (Sa'adah and Nurhayati, 2020) which shows that leverage (DER) has an effect on Dividend Policy (DPR).

The higher the proportion of debt on funding the company's assets, the more risky the business entity will be. Therefore, a financial manager is required to be able to manage solvency ratios, so that the entity is able to balance high returns with the level of ratios faced. The results of this study are also supported by research by Lestari, et al., (2019) which suggests that leverage (LTDER) has no effect on Dividend Policy (DPR).

H3: Leverage Long Term Debt to Equity Ratio (LTDER) has a partial effect on Dividend Policy (DPR).

Based on the table, the leverage regression coefficient (LTDER) is -0.036 with a significance of 0.877. The significance value of leverage (LTDER) $0.877 > 0.05$ indicates that the leverage variable (LTDER) has no effect on Dividend Policy (DPR), so the third hypothesis is rejected.

The results of the analysis indicate that the increase or decrease in the solvency ratio will not affect the dividend policy (DPR). The high proportion of debt on funding the company's assets will make a business riskier. Therefore, financial managers are required to manage solvency ratios well so that they are able to balance high returns with the level of ratios faced.

The results of this study support the research conducted by Lestari, et al., (2019) stating that leverage (LTDER) has no effect on Dividend Policy (DPR).

H4: Likuiditas (CR) berpengaruh secara parsial terhadap Dividend Policy (DPR).

Based on the results of the analysis, the value of the liquidity regression coefficient (CR) is -0.036 with a significance of 0.635. The liquidity significance value (CR) of $0.635 > 0.05$ indicates that the liquidity variable (CR) has no effect on Dividend Policy (DPR), so the fourth hypothesis is rejected.

From the results of the analysis, the researcher concludes that an entity or company will not pay high dividends in order to maintain the reputation or credibility of the company when the company's liquidity level is low. The company should have a reserve of profit or retained earnings that can be used to be distributed to shareholders in the form of cash dividends without depending on the current ratio owned by the company. That way the company can continue to distribute cash dividends to shareholders. This research is supported by research conducted by (Rusmayanti, 2021) which states that the current ratio has no effect on dividend policy (DPR).

H5: Liquidity (QR) has a partial effect on Dividend Policy (DPR).

-0.108 with a significance of 0.138. The significance value of liquidity (QR) $0.138 > 0.05$ indicates that the liquidity variable (QR) has no effect on Dividend Policy (DPR), so the fifth hypothesis is rejected.

From the liquidity analysis (QR) the researcher concludes that the company's short-term liabilities have no direct effect on dividend

policy. The results of this study support research conducted by (Pangaribuan, et al., 2020) which states that the quick ratio has no effect on dividend policy (DPR).

H6: Liquidity (CASH) has a partial effect on Dividend Policy (DPR)

Based on the results of the analysis, the value of the liquidity regression coefficient (CASHR) is 0.559 with a significance of 0.00. The liquidity significance value (CASHR) $0.000 < 0.05$ indicates that the liquidity variable (CASHR) has an effect on Dividend Policy (DPR), so the sixth hypothesis is accepted.

It can be concluded that the liquidity of a company is one of the important indicators that must be considered before making a decision to determine the amount of dividends to be paid to investors. Therefore, dividends are cash outflows, the larger the cash a company means, the greater the ability to pay dividends to shareholders.

The results of the study are also supported by research conducted by Prasetyo, et al., (2019) which states that the cash ratio has an effect on dividend policy (DPR).

H7: Leverage (DAR, DER, LDER) and Liquidity (CR, QR, CASHR)

have a simultaneous effect on Dividend Policy.

Based on the table above the value of sig. X1 to X6 simultaneously on Y is equal to $0.000 < 0.05$, f value $6.990 > f$ table 2.336, so it can be concluded that H7 has a simultaneous effect on Y. So that the seventh hypothesis is accepted.

Based on the test results (f-test) in table 4.7 above, the value of sig. X1 to X6 simultaneously with respect to Y is equal to $0.000 < 0.05$, f value $6.990 > f$ table

2.336. So it can be concluded that there is a simultaneous effect on Y. The results of this study support research conducted by (Sa'adah and Nurhayati, 2020) which proves that all independent variables or independent variables consist of Profitability (X1) Liquidity (X2) and Leverage (X2) X3) can simultaneously affect the Dividend Policy (DPR).

CONCLUSION

Based on the results of the research that has been done, it can be concluded as follows:

1. Unavailability of dividend payout data on some company in 2020. Because at that time many companies have experienced a decline in profits to losses during the Covid-19 pandemic. So unable to fulfill criteria in the research conducted.
2. Leverage (DAR, DER, LTDER) and Liquidity (CR, QR, CASHR) simultaneous effect on Dividend Policy (DPR). This matter indicated by a significance value of $0.000 < 0.05$, the value of f count $6,990 > f$ table $2,336$. So it can be concluded that there is an influence simultaneously on the Dividend Policy (DPR).
3. That the increase or decrease in leverage will not affect increase or decrease in Dividend Policy (DPR). Getting taller the proportion of debt on the funding of the company's assets, the more risk business. So that the level of leverage does not affect the company's policy in distributing dividends to shareholders shareholders. Besides the company will not pay high
4. dividends to maintain its reputation when the company's liquidity decreased or decreased. These companies have a lot of profit reserves that can be used both for divided in the form of dividends or reinvested without having to change the proportion of dividend distribution between investors and controlling shareholders and without relying on large the small profit that will be obtained by the company, so that the size of the company's liquidity, the company will continue to distribute dividends regularly every year through the company's profit reserves.
5. Financial managers are required to be able to manage solvency ratios and liquidity well so as to be able to balance high returns with the level of the ratio faced. And is also an important factor to be considered before make a decision to determine the amount of dividends will be paid to investors.
6. This study provides methodological implications through methods quantitative Quantitative method can be interpreted as a method research based on philosophy, positivism, was used to research on a particular population or sample, collection data using research instruments, data analysis is quantitative/ statistical, with the aim of describing or testing the hypothesis that has been set by Sugiyono (2019).

REFERENCES

- Brigham, E., & Houston, J. 2019. Dasar-Dasar Manajemen Keuangan edisi 14. Jakarta: Salemba Empat. 2013. Dasar-Dasar Manajemen Keuangan edisi 11. Jakarta: Salemba Empat.
- Halim, A. 2015. Manajemen keuangan bisnis konsep dan aplikasinya Cetakan 1. Jakarta: Mitra Wacana Media.
- Kasmir. 2019. Analisis Laporan Keuangan Edisi Revisi. Cetakan 12. Depok: Rajawali Pers
- Afriani, R. 2021. Pengaruh Arus Kas Bebas, Leverage, Likuiditas, Profitabilitas, dan Kebijakan Hutang terhadap Kebijakan Dividen. Surabaya: Universitas Hayam Wuruk Perbanas.
- Akbar, F., & Fahmi, I. 2020. Pengaruh ukuran perusahaan, profitabilitas dan likuiditas terhadap kebijakan dividen dan nilai perusahaan pada perusahaan manufaktur yang terdaftar di bursa efek Indonesia. Jurnal ilmiah mahasiswa ekonomi manajemen, 5(1), 62-81. Banda Aceh: Universitas Syiah Kuala.
- Kurniasari, E., Listiawati, L., & Siswandi, S. 2020. Pengaruh Profitabilitas dan Solvabilitas Terhadap Kebijakan Dividen. Jab (Jurnal Akuntansi & Bisnis), 6(01).
- Lestari, S. D., & Wahono, B. 2019. Analisis Pengaruh Leverage Dan Profitabilitas Terhadap Kebijakan Dividen (Studi Empiris Pada Perusahaan Real Estate Yang Listing Di Bursa Efek Indonesia Periode 2015-2017). Jurnal Ilmiah Riset Manajemen, 8(03). UNISMA