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The Effect of Cash Ratio, Debt to Equity Ratio, Return on Asset, and Total Asset Turnover on Dividend Payout Ratio in IDX-80 Indexed Companies on the Indonesia Stock Exchange

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ABSTRACT

Data for this research were gathered using the documentation study and literature study approaches. The secondary data source was the company's 2022–2024 financial statements, which were made available on the Indonesia Stock Exchange's official website. Both qualitative and quantitative data were used in this research, which also included descriptive statistics, the t test, f test, determination coefficient test, multiple linear regression analysis, ratio analysis methods, and the classical assumption test. In this research, data is handled using the Statistical Program for Social Science (SPSS) version 27. Purposive sampling, which selects samples based on predetermined criteria, is the sampling technique used. According to the preset criteria, the study's sample consists of 20 firms that are listed on the Indonesia Stock Exchange and IDX-80 members. The study's findings show that both the cash ratio and total asset turnover have a significant influence on the dividend payout ratio. This implies that adjustments to these two factors may have an instant impact on how much the business pays out in dividends to its shareholders. Changes in capital structure or asset usage efficiency do not immediately impact the company's dividend distribution policy, as shown by the fact that the Debt-to-Equity Ratio and Return on Asset have no discernible impact on the Dividend Payout Ratio. Concurrently, the Cash Ratio, Debt to Equity Ratio, Return on Asset, and Total Asset Turnover all have a significant influence on the Dividend Payout Ratio, suggesting that these four factors alone may be sufficient to account for differences in the company's dividend distribution strategy.

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1. INTRODUCTION

One of the crucial decisions in the realm of finance and investing is the company's choice to pay dividends. The dividend policy serves as a gauge of the company's success and prospects going forward in addition to reflecting how earnings are allocated to shareholders. Every business has a different policy for deciding how to distribute dividends. Consistent dividend payments can boost investor trust in the business and lower uncertainty surrounding investment choices. This is due

to the fact that investors and other businesses are instantly impacted by the company's behavior. As a result, the company must carefully evaluate each dividend allocation choice it makes. The Dividend Payout Ratio is a metric used for policy evaluation.

The dividend payout ratio is the percentage of net profits set aside for shareholder dividend payments. According to Hery (2020:145), the Dividend Payout ratio measures the percentage of cash dividends per share in relation to profits per share. This ratio, which shows the percentage of earnings set aside for payments as opposed to profits kept for growth and investment, is a crucial metric in dividend policy. Management's choices about the firm's financial health and sustainability have an impact on the dividend payout ratio. A number of variables, including as capital structure, management techniques, profit growth, and macroeconomic circumstances, may have an impact on the dividend payout ratio. The payout Payout Ratio gives investors a glimpse into the company's payout policy. This ratio may be used by investors to assess whether the company prioritizes expansion or shareholder returns. Additionally, the Dividend Payout Ratio may be used to evaluate the company's financial soundness. A greater ratio, which may indicate the profitability of the company, denotes a bigger percentage of earnings paid out as dividends.

This study employs financial measures to predict the organization's dividend policy. Financial measures that provide a thorough evaluation of the business's capacity to pay dividends and uphold the sustainability of its dividend policy have an impact on the dividend payout ratio. Financial ratios are also used to evaluate the company's operational efficiency and overall health in achieving its main goal of making a profit. This research looks at the following financial ratios: cash ratio, debt to equity ratio, return on assets, and total asset turnover.

The amount of earnings that may be paid out as dividends to shareholders is indicated by the dividend payout ratio. This has to do with the liquidity ratio as determined by the cash ratio, which indicates how much cash or cash equivalents the business has on hand to cover its immediate liabilities (Hery, 2020:152). Dividends can be distributed if the company's cash ratio is sufficiently elevated. A corporation is more likely to distribute dividends without complications if its cash ratio is elevated. Conversely, if the cash ratio is low, the enterprise may retain earnings to enhance liquidity and decrease dividend disbursements. The necessity for the firm to maintain liquidity for dividend payments influences the dividend payout ratio policy, as indicated by the cash ratio's measurement of liquidity. According to research by Widiantari and Wahyuni (2021), the dividend payout ratio is significantly and favorably impacted by the cash ratio. The findings of this research are in conflict with those of Muhaimin, Sriyono, and Prapanca (2024), who found no relationship between the dividend payout ratio and the cash ratio. The purpose of this study was to conduct more research and provide more thorough empirical data since the findings of the previous study indicated that the conclusions on the relationship between the cash ratio and the dividend payout ratio were inconsistent.

Alongside the Cash Ratio, another factor that determines the Dividend Payout Ratio is the Debt-to-Equity Ratio, which measures the connection between a company's total debt and total equity (Hery, 2020:166). An organization's financial structure and the proportion of debt to equity it relies on are summed up by the debt-to-equity ratio. A high ratio indicates that the company has more debt than equity, which means that earnings are being held back to pay off the debt. In the end, this affects how much is distributed in dividends. The Debt-to-Equity Ratio, which shows how much debt the firm has, may have an impact on the Dividend Payout Ratio policy. According to research by David, Diana, and Yara (2023), the debt-to-equity ratio has a negative impact on the dividend payout ratio. According to research by Anton, Purnama, and Susanto (2024), the debt-to-equity ratio has a significant impact on the dividend payout

ratio. Prior studies showed that there was inconsistent evidence of a relationship between the debt-to-equity ratio and the dividend payment ratio. Using the most recent data and a variety of research objectives, this study was carried out to elucidate the link.

Another factor that determines the dividend payment ratio is the Return on Asset ratio, which shows how much an asset creates net profit (Hery, 2020:193). This ratio offers a thorough evaluation of the company's resource use effectiveness. A high return on assets shows that the business is making good use of its resources, which increases its ability to pay dividends to shareholders. As a result, the dividend payout ratio often rises. The capacity of the business to pay dividends is constrained by a suboptimal return on assets, which indicates insufficient asset utilization efficiency. Return on assets, a metric used to assess a company's profitability, has a strong correlation with the dividend payout ratio. According to research by Tohawi and Yulianti (2024), Return on Assets has an impact on the Dividend Payout Ratio. The results of this research, however, are in conflict with those of Muhaimin, Sriyono, and Prapanca (2024), who found no relationship between dividend payout ratio and return on assets. The findings of the previous study's discrepancy imply that the conclusions about the influence of return on assets on the dividend payout ratio are not trustworthy. To properly comprehend these linkages, this research has to be carried out using the most recent data and a variety of varied firms.

The Dividend Payout Ratio is computed by utilizing both Return on Assets and Total Asset Turnover, a metric that assesses the efficiency of assets in generating sales, specifically the sales produced per rupiah invested in total assets (Hery, 2020:179). Total Asset Turnover is more effective than other activity ratios since it offers a clearer representation of how thoroughly the firm employs its assets to create revenue. Effective operational efficiency is shown by a high total asset turnover, which raises the company's profitability and dividend-paying capacity. A low total asset turnover, on the other hand, indicates insufficient operational efficiency, which limits the company's profitability and dividend-paying potential. As a result, operational efficiency as measured by total asset turnover has a direct impact on the dividend payout ratio. According to research by Tohawi and Yulianti (2024), total asset turnover has an impact on the dividend payout ratio. The results of this research, however, are in conflict with those of Harahap et al. (2021), who found no relationship between dividend payout ratio and total asset turnover. The disparities in earlier research point to a mismatch between Total Asset Turnover and Dividend Payout Ratio, which calls for more study that includes other data contexts or additional factors to support the available empirical data. As a result, this study was conducted using the latest data and more specific research participants.

This study uniquely highlights that, unlike other stock indices such as LQ-45 or IDX-30, the influence of financial ratios—including the cash ratio, debt to equity ratio, return on assets, and total asset turnover—on the dividend payout ratio of companies within the IDX-80 index on the Indonesia Stock Exchange has not been thoroughly examined. The subject of this research is categorized as a somewhat novel index. In addition, companies that are members of the IDX-80 have more varied characteristics, in terms of company size, liquidity level, and financial performance. Such variations can be challenging in analysis because not all companies have uniform financial behavior tendencies. Therefore, some researchers tend to choose a more selective and stable index to obtain more focused results. This study provides a new perspective by evaluating the combination of these financial ratios, both partially and simultaneously, to understand how large and liquid companies in Indonesia set dividend policies.

This study concentrates on firms that are constituents of the IDX-80 index, which comprises 80 stock entities characterized by high liquidity, substantial market capitalization, and robust corporate fundamentals on the Indonesia Stock

Exchange (IDX). According to Dewi et al, (2023) the IDX-80 can be an option for investment managers, as it is designed to be used similarly to the JCI, with a total of 80 stocks representing 80% to 90% of the stock market in terms of transaction value, transaction volume, and more. The aim of this research is to show more inclusive and realistic market circumstances, as well as to offer a comprehensive understanding of how the company's financial features influence dividend policy across different business sizes. The findings of this study are relevant and useful when utilizing financial statement data from 2022 to 2024, specifically concerning the Cash Ratio, Debt to Equity Ratio, Return on Assets, and Total Asset Turnover's influence on the Dividend Payout Ratio. Because of their constant performance dependability and high stock liquidity, companies listed on the IDX-80 are regarded as appealing to investors.

2. METHODS

This research approach makes use of the following operationally defined variables: cash ratio, debt to equity ratio, return on assets, total asset turnover, and dividend payout ratio. The study population consists of 116 companies that are included in the IDX-80 index of the Indonesia Stock Exchange for the years 2022–2024. The sample was determined by purposive sampling technique based on criteria: the company was listed on the IDX-80 research period, active on the IDX and not the financial sector, and in the last three months had an average of the 20 largest entry market capitalization and complete financial statements. Based on these criteria, 20 companies were obtained as a sample with a research period of three years so that the number of observations was 60 data. The data utilized comprises quantitative data represented by annual financial statements (profit and loss statements and balance sheets) and qualitative data in the form of a list of example firm names. Secondary data from the Indonesia Stock Exchange's official website (www.idx.co.id) served as the data source. Documentation examination of the financial statements of chosen companies, including literature studies from books, journals, and other scientific sources, was used to collect data. Data analysis began with the calculation of financial ratios (Cash Ratio, Debt to Equity Ratio, Return On Asset, Total Asset Turnover, and Dividend Payout Ratio), followed by statistical analysis which included descriptive statistics, classical assumption tests (normality tests, multicollinearity, heteroscedasticity, and autocorrelation tests), multiple linear regression analysis to test the influence of free variables on bound variables, and hypothesis tests consisting of t-tests for partial influences, F test for simultaneous influence, and determination coefficient (R^2) to measure the contribution of independent variables in explaining bound variables. All data processing is carried out with the help of the SPSS version 27 program.

3. RESULTS AND DISCUSSION

3.1 Research Object

Table 1. Research Object

Yes	Company
1	Medicare Hermina (HEAL)
2	Surya Esa Perkasa (ESSA)
3	Summarecon Agung (SMRA)
4	Semen Indonesia (Persero) (SMGR)
5	Mitra Adiperkasa (MAPI)
6	Indofood Sukses Makmur (INDF)
7	Media Nusantara Citra (MNCN)
8	Astra International (ASII)
9	Erajaya Swasembada (ERAA)

10	State Gas Company (PGAS)
11	Ciputra Development (CTRA)
12	Source: Alfaria Trijaya (AMRT)
13	Japfa Comfeed Indonesia (JPFA)
14	Indocement Tunggal Initiative (INTP)
15	Kalbe Farma (KLBF)
16	Indonesian Life Aspirations (ACES)
17	Sarana Menara Nusantara (TOWR)
18	United Tractors (UNTR)
19	Miscellaneous Mines (ANTM)
20	Indo Tambangraya Megah (ITMG)

3.2 Data Analysis

3.2.1 Cash Ratio

Table 2. Data Cash Ratio

No.	Code Company	CaR (%)			Average
		2022	2023	2024	
1	HEAL	45,13	55,07	35,34	**45,18**
2	CATAFALQUE	121,12	78,81	169,83	**123,25**
3	SMRA	33,08	27,82	25,56	**28,82**
4	SMGR	45,99	43,07	28,27	**39,11**
5	MAPI	50,91	33,25	36,81	**40,32**
6	INDF	84,44	86,82	104,36	**91,87**
7	MNCN	40,19	79,35	62,99	**60,84**
8	ASIA	51,42	32,90	36,34	**40,22**
9	CHAPTER VII.	11,57	17,09	16,24	**14,97**
10	PGAS	145,87	85,12	121,93	**117,64**
11	CTRA	83,87	99,77	76,61	**86,75**
12	TDMA	21,96	23,60	24,89	**23,48**
13	JPFA	19,24	14,06	14,56	**15,95**
14	INTP	93,85	43,23	62,67	**66,58**
15	KLBF	89,14	99,67	112,84	**100,55**
16	ACES	318,53	302,79	214,69	**278,67**
17	TOWR	2,14	1,76	4,67	**2,86**
18	UNTR	91,07	43,21	55,39	**63,22**
19	ANTM	74,96	107,37	48,63	**76,99**
20	ITMG	244,21	276,97	315,57	**278,92**
Sum		**1668,7**	**1551,73**	**1568,19**	**1596,2**
Average		**83,43**	**77,59**	**78,41**	**79,81**

Based on the industry average Cash Ratio according to Kasmir (2018:138), the average for Cash Ratio is 50%. Thus, based on the table, it can be seen that there are 11 companies that have cash or cash equivalents more than their total current liabilities and even exceed their industry average during the 2022-2024 period, while the other 9 companies have insufficient cash or cash equivalents from their total current liabilities during the 2022-2024 period. The calculation results show that the Cash Ratio with the highest average is found in the company Indo Tambangraya Mega Tbk. (ITMG) with an average of 283.01 with a value of 244.24 – 315.52 for the 2022-2024 period. This means that a high Cash Ratio indicates that the company has the capacity to pay off its short-

term liabilities using cash or cash equivalents available. Meanwhile, the Cash Ratio with the lowest average is found in the company Sarana Menara Nusantara Tbk. (TOWR) with an average of 2.86 with a value of 1.76 – 4.67 for the 2022-2024 period. This shows that a low Cash Ratio indicates that the company does not have enough funds to meet its current obligations.

3.2.2 Debt to Equity Ratio

Tabel 3. Data Debt to Equity Ratio

No.	Code Company	THE (%) 2022	2023	2024	Average
1	HEAL	62,02	69,34	80,32	**70,56**
2	CATAFALQ	58,23	39,72	25,24	**41,06**
3	SMRA	141,99	153,34	142,43	**145,92**
4	SMGR	70,43	66,46	55,14	**64,01**
5	MAPI	115,55	121,70	104,31	**113,85**
6	INDF	92,72	85,73	85,07	**87,84**
7	MNCN	12,62	8,82	9,13	**10,19**
8	ASIA	69,58	77,86	74,19	**73,88**
9	CHAPTER	136,83	151,48	140,40	**142,90**
10	PGAS	109,05	86,42	74,73	**90,06**
11	CTRA	100,37	94,99	91,03	**95,46**
12	TDMA	168,04	118,06	119,25	**135,12**
13	JPFA	139,41	140,76	109,18	**129,78**
14	INTP	31,38	41,39	37,56	**36,78**
15	KLBF	23,28	17,03	19,68	**19,99**
16	ACES	22,16	25,23	25,78	**24,39**
17	TOWR	354,71	314,37	306,01	**325,03**
18	UNTR	56,93	82,95	72,63	**70,84**
19	ANTM	41,86	37,49	38,27	**39,21**
20	ITMG	35,36	22,33	24,45	**27,38**
Sum		**1842,52**	**1755,47**	**1634,83**	**1744,26**
Average		**92,13**	**87,77**	**81,74**	**87,21**

Based on the industry average Debt to Equity Ratio according to Kasmir (2018:159), the average for the Debt-to-Equity Ratio is 80%. Thus, based on the table, it can be seen that there are 9 companies that have total debt exceeding their total equity during 2022-2024, while the other 11 companies have a smaller amount of debt compared to their equity during the 2022-2024 period. The calculation findings indicate that the highest average Debt to Equity Ratio is attributed to Sarana Menara Nusantara Tbk. (TOWR), with an average of 325.03, ranging from 306.01 to 354.71 for the period 2022-2024. A high financial to Equity Ratio signifies substantial financial obligations, leading the corporation to retain revenues to fulfill these commitments. The lowest average Debt to Equity Ratio is seen in Media Nusantara Citra Tbk. (MNCN), with an average of 10.19 and a range of 8.82 to 12.62 for the period 2022-2024. A low Debt to Equity Ratio signifies that the firm possesses comparatively minor obligations in relation to its equity, hence enhancing its capacity to deliver dividends.

3.2.3 Return On Asset

Tabel 4. Return On Asset Perusahaan INDF

No.	Company Code	LENGTH (%) 2022	2023	2024	Average

1	HEAL	4,99	6,35	6,51	**5,95**
2	CATAFALQU	26,56	6,72	8,72	**14,00**
3	SMRA	2,71	3,39	5,49	**3,86**
4	SMGR	3,01	2,80	1,00	**2,27**
5	MAPI	11,95	8,52	7,27	**9,25**
6	INDF	5,09	6,16	6,48	**5,91**
7	MNCN	10,01	4,79	4,63	**6,25**
8	ASIA	9,78	9,99	9,18	**9,65**
9	CHAPTER VII.	6,31	4,19	5,14	**5,21**
10	PGAS	5,58	5,71	6,85	**6,05**

The industry average for return on assets is 30%, claims Kasmir (2018:209). As a result, the calculation results show that the average Return On Assets of the firm is below the industry standard. This suggests that the company is unable to efficiently optimize the utilization of its assets in order to turn a profit. This circumstance suggests inefficiencies in the way the company's assets are managed and used, which has a negative impact on the low rate of return attained.

3.2.4 Total Asset Turnover

Table 5. Total Asset Turnover of IDNF Companies

No.	Code Company	THIS 2022	2023	2024	Average
1	HEAL	0,65	0,66	0,64	**0,65**
2	CATAFALQ	0,88	0,50	0,43	**0,60**
3	SMRA	0,20	0,21	0,32	**0,24**
4	SMGR	0,44	0,47	0,47	**0,46**
5	MAPI	1,28	1,21	1,28	**1,26**
6	INDF	0,61	0,60	0,57	**0,60**
7	MNCN	0,40	0,34	0,32	**0,36**
8	ASIA	0,73	0,71	0,70	**0,71**
9	CHAPTER	2,90	2,94	3,00	**2,95**
10	PGAS	0,50	0,55	0,59	**0,55**
11	CTRA	0,22	0,21	0,24	**0,22**
12	TDMA	3,15	3,12	3,05	**3,11**
13	JPFA	1,50	1,50	1,61	**1,54**
14	INTP	0,64	0,61	0,61	**0,62**
15	KLBF	1,06	1,13	1,11	**1,10**
16	ACES	0,93	0,98	1,05	**0,99**
17	TOWR	0,17	0,17	0,16	**0,17**
18	UNTR	0,88	0,84	0,79	**0,84**
19	ANTM	1,37	0,96	1,55	**1,29**
20	ITMG	1,38	1,09	0,96	**1,14**
Sum		**19,883**	**19,88**	**18,79**	**19,45**
Avera		**0,9942**	**0,99**	**0,94**	**0,97**

Based on the industry average Total Asset Turnover according to Kasmir (2018:186), the average for Total Asset Turnover is 2 times Thus, based on the table, it can be seen that there are 2 companies that can efficiently utilize their assets to increase revenue during the 2022-2024 period, while the other 18 companies have not been able to optimize all their assets to drive sales during the 2022-2024 period. The calculation results

show that the highest average Total Asset Turnover is found in the company Indo Tambangraya Mega Tbk. (AMRT) with an average of 3.1075 with a value of 3.0472 – 3.1524 for the 2022-2024 period. This means that a high Total Asset Turnover shows that the company is able to maximize its assets to bring in greater revenue. Meanwhile, the lowest average Total Asset Turnover is in the company Sarana Menara Nusantara Tbk. (TOWR) with an average of 0.1678 with a value of 0.1636 – 0.1716 for the 2022-2024 period. This shows that a low Total Asset Turnover indicates that the company is less efficient in utilizing its assets.

3.2.5 Divident Payout Ratio

Table 6. Dividend Payout Ratio Data Results

	Code	**THIS (%)**			**Average**
No.	**Company**	**2022**	**2023**	**2024**	
1	HEAL	29,07	23,21	23,54	**25,27**
2	CATAFALQ	56,40	2213,47	190,62	**820,16**
3	SMRA	15,84	15,09	10,82	**13,92**
4	SMGR	38,29	76,32	79,44	**64,68**
5	MAPI	0	7,02	7,48	**4,83**
6	INDF	38,39	27,69	27,31	**31,13**
7	MNCN	0	6,40	0	**2,13**
8	ASIA	33,43	76,56	61,71	**57,23**
9	CHAPTER	36,01	36,30	25,99	**32,77**
10	PGAS	61,75	79,13	68,35	**69,74**
11	CTRA	13,86	15	18,26	**15,71**
12	TDMA	27,31	29,35	38,07	**31,58**
13	JPFA	49,18	62,5	26,92	**46,2**
14	INTP	89,30	26,23	14,17	**43,23**
15	KLBF	48,14	63,53	44,18	**51,95**
16	ACES	53,03	69,59	64,46	**62,36**
17	TOWR	34,09	36,18	26,36	**32,21**
18	UNTR	29,93	119,12	40,35	**63,13**
19	ANTM	24,36	62,08	84,38	**56,94**
20	ITMG	19,63	61,36	53,55	**45,18**
Sum		**698,01**	**3106,01**	**906,96**	**1570,4**
Average		**34,90**	**155,31**	**45,35**	**78,52**

According to the computation table, Surya Esa Perkasa Tbk. (ESSA) has the greatest dividend payout ratio, averaging 820.16 throughout the 2022–2024 period, with values ranging from 56.40 to 2213.47. This demonstrates that the larger the ratio, the larger the percentage of the business's profits that are paid out as dividends to shareholders. In this instance, the business's financial situation is steady. For the 2022–2024 period, Media Nusantara Citra Tbk. (MNCN) has the lowest average dividend payout ratio, averaging 2.13 with a range of 0–6.40. Accordingly, a smaller dividend payout ratio indicates that the business would rather retain its profits for internal use. This is evident from the fact that MNCN corporations did not pay out cash dividends to their stockholders in 2022 or 2024.

3.3 Statistical Analysis

3.3.1 Statistics Descriptive

Table 7. Descriptive Statistical Results

	N	Minimum	Maximum	Mean	Std. Deviation
Cash Ratio	60	.02	3.19	.7983	.77212
THE	60	.09	3.55	.8713	.69957
LENGTH	60	.01	.45	.0862	.06592
THIS	60	.16	3.15	.9690	.79123
DPR	60	.00	22.13	.7843	2.82063
Valid N (listwise)	60				

3.3.2 Classic Assumption Test

a. Normality

Table 8. Kolmogorov-Smirnov Test Results

			Unstandardized Residual
N			42
Normal Parametersa,b	Mean		.0000000
	Hours of deviation		27.70773807
Most Extreme Differences	Absolute		.131
	Positive		.131
	Negative		-.072
Test Statistic			.131
Asymp. Sig. (2-tailed)c			.066
Monte Carlo Itself. (2-tailed)d	Itself.		.065
	99% Confidence Interval	Lower Bound	.058
		Upper Bound	.071

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance
e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 876491272

After being identified as an outlier in the preceding table, the Kolmogorov-Smirnov test yielded a statistical test value (Kolmogorov-Smirnov) of 0.131 with Asymp significance. A significance value larger than 0.05, shown by a sig. (2-tailed) of 0.066, suggests that the residual data is regularly distributed.

b. Multicollinearity Test

Table 9. Multicollinearity Test Results

Model		Collinearity Statistic	
		Tolerance	BRIGHT
1	(Constant)		
	Cash Ratio	.797	1.255
	Debt to Equity Ratio	.785	1.274
	Return On Asset	.667	1.500
	Total Asset Turnover	.710	1.409

a. Dependent Variable: *Dividend Payout Ratio*

Based on the results of the multicollinearity test in the table, the tolerance value of independent variables is above 0.10 and for VIF values below 10. Based on the results of these calculations, it can be concluded that there is no multicollinearity in this regression model.

c. Heteroscedasticity Test

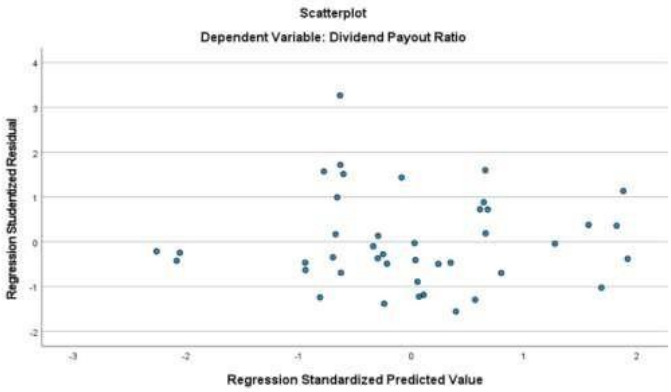

Figure 1. Heteroscedasticity Test Results

d. Autocorrelation Test

Table 10. Autocorrelation Test Results

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.589a	.347	.276	11.66681	1.996

a. Predictors: (Constant), *Total Asset Turnover, Debt to Equity Ratio, Cash Ratio, Return On Asset*

b. Dependent Variable: *Dividend Payout Ratio*

Based on the results of the autocorrelation test in the table above, a DW value of 1.996 was obtained, if this value was compared to the 5% significance table for the number of samples 42 and the number of independent variables (K=4), the du value was obtained of 1.721, then the value (4-du) was 2.279. Based on this calculation, the DW value is between 1,721 < 1,966 < 2,279. Therefore, it can be concluded that there is no autocorrelation in the data to be used in this study.

3.3.3 Multiple Linear Regression Analysis

Table 11. Multiple Linear Regression Analysis Test Results

Model		Unstandardized B	Unstandardized Std.	Standardized Beta	t	Itself.	Collinearity Tolerance	Collinearity BRIGHT
1	(Constant)	25.723	8.485		3.03	.004		
	CaR	.133	.063	.312	2.09	.043	.797	1.255
	THE	-.071	.052	-.204	-	.183	.785	1.274
	LENGTH	-.525	.656	-.130	-800	.429	.667	1.500
	THIS	18.870	5.338	.558	3.53	.001	.710	1.409

a. Dependent Variable: *Dividend Payout Ratio*

The regression coefficient illustrates the connection between independent variables and the Dividend Payout Ratio (DPR) based on the findings of the multiple linear regression test. A constant of 25.723 indicates that the DPR is predicted to be 25.723 in the case where all independent variables are zero. The DPR is positively impacted by the Cash Ratio (0.133) and Total Asset Turnover (18.870), which means that when these two factors rise, the DPR typically rises as well. However, the return on assets (-0.525) and debt to equity ratio (-0.071) have a negative impact, therefore raising these two factors will lower the DPR. This suggests that liquidity performance and asset use effectiveness have the potential to increase dividend distribution, while certain increases in leverage and profitability can actually lower it.

3.3.4 Uji Hypothesis

a. Partial Test (T Test)

Ttable : α;(df = n-k) = [5% ; (df = 42 – 5)] = 0.05 ; 37 = 2,026

The analytical results indicate that the Cash Ratio and Total Asset Turnover exert a positive and substantial influence on the Dividend Payout Ratio, hence validating the associated hypothesis. Simultaneously, the Debt-to-Equity Ratio and Return on Assets exert a negative yet minor influence, leading to the rejection of the premise that both significantly affect the Dividend Payout Ratio. The findings suggest that a company's liquidity and asset usage efficiency are critical determinants in enhancing dividend distribution, but specific leverage and profitability indicators exert less influence.

b. Simultaneous Test (F Test)

Table 12. Simultaneous Test Results (F Test)

Model		Sum of Squares	df	Mean Square	F	Itself.
1	Regression	2670.861	4	667.715	4.906	.003b
	Residual	5036.235	37	136.114		
	Total	7707.096	41			

a. Dependent Variable: *Dividend Payout Ratio*

b. Predictors: (Constant), *Total Asset Turnover, Debt to Equity Ratio, Cash Ratio, Return On Asset*

Based on the results of the simultaneous test in the table, a Fcal value of 4,906 > Ftable 2,626 with a significance value of 0.003 is smaller than the significance level of α = 5%. Therefore, it can be concluded that independent variables consisting of Cash Ratio, Debt to Equity Ratio, Return on Asset, and Total Asset Turnover have a positive and significant effect on the dependent variable, namely the Dividend Payout Ratio. Thus, the research hypothesis that "Cash Ratio, Debt to Equity Ratio, Return on Asset and Total Asset Turnover, simultaneously have a significant effect on the Dividend Payout Ratio", is accepted.

c. Coefficient of Determination Test (R2)

Table 13. Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.589a	.347	.276	11.66681	1.996

a. Predictors: (Constant), Total Asset Turnover, Debt to Equity Ratio, cash Ratio, Return On Asset

b. Dependent Variable: Dividend Payout Ratio

Based on the results of the determination coefficient test in the table above, by using the 4 independent variables studied, a value on the Adjusted R Square of 0.276 was used which showed that the independent variable in the model was only able to explain 27.6% of the variation in the dependent variable, while the remaining 72.4% was influenced by other variables that were not included in the regression model

DISCUSSION

The Effect of Cash Ratio on Dividend Payout Ratio

Research on the correlation between the cash ratio and dividend payout ratio shows that the cash ratio has a large and positive impact on the dividend payout ratio. Statistics demonstrate a strong correlation between an increase in the company's cash ratio and an increase in the dividend payment ratio. This noteworthy impact demonstrates that the company's financial health is a major determinant of the dividends paid to shareholders. This figure's importance highlights the Cash Ratio's excellent ability to forecast the company's dividend policy. This is in line with the Residual Dividend Theory, which states that the company will distribute dividends when all internal funding needs, especially for profitable investments or growth, have been met. Thus, companies with strong cash positions and lower investment needs tend to have a greater tendency to distribute profits to shareholders in the form of dividends. A high cash ratio is a sign that the business has enough cash on hand to cover its investment and profit distribution needs. This study's conclusions align with Fitriana and Febrianto's (2020) research, which shown that the Cash Ratio strongly affects the Dividend Payout Ratio. The findings of this study are supported by Elisa Tjhoa's (2020) research, which shows that the Cash Ratio significantly and favorably affects the Dividend Payout Ratio.

The Effect of Debt-to-Equity Ratio on Dividend Payout Ratio

The results of the data analysis show that the dividend payment ratio is somewhat negatively impacted by the debt-to-equity ratio. According to the statistical data, the debt-to-equity ratio has little bearing on the company's dividend distribution plan. The link lacks sufficient strength to be considered impactful, even when firms with a high debt-to-equity ratio—indicating a greater proportion of debt relative to equity likely to persist in distributing dividends—perform accordingly. It is possible to interpret the study's unfavorable findings as follows: businesses with high debt levels typically use their revenues to pay down principal and interest, which limits their ability to pay dividends to shareholders. Theoretically, this result is relevant to the Residual Dividend Theory, which states that dividends will be paid after all internal funding needs specifically for investment or business expansion have been met. In order to minimize their impact on the dividend payout ratio, firms may choose to defer dividend payments due to a high debt load. The results of this analysis are consistent with those of Trizenda et al.'s (2024) investigation, which found no discernible relationship between the debt-to-equity ratio and the dividend payout ratio. This analysis supports the results of Muslih and Eviriswanti (2021), which show that the Dividend Payout Ratio is negatively and marginally impacted by the Debt-to-Equity Ratio.

The Effect of Return On Asset on Dividend Payout Ratio

According to the data research, the Dividend Payout Ratio is negatively and marginally impacted by Return on Assets. The statistical findings show that dividend distribution is not much impacted by return on assets. In the context of this research, a high return on assets (ROA) indirectly encourages companies to increase dividend payouts, even while it often indicates efficiency in profit creation from a company's total assets. The adverse implications shown by the study's results suggest that organizations exhibiting a high Return on Assets are inclined to retain earnings for internal financing and to fortify their capital structure. This aligns with the Residual Dividend Theory, which posits that dividends will be disbursed only after fulfilling all of the company's investment requirements from

available profits. Consequently, the net profit derived from asset efficiency is mostly allocated to facilitate the company's growth via reinvestment, rather than for dividend disbursement. The results of this study are consistent with those of a study conducted by Harahap et al. (2021), which found that the Dividend Payout Ratio was not substantially impacted by Return on Assets. The results of Muslih and Eviriswanti (2021), which show that Return on Assets has a negative and negligible influence on the Dividend Payout Ratio, further support this research.

The Effect of Total Asset Turnover on Dividend Payout Ratio

The data analysis indicates that Total Asset Turnover positively and significantly influences the Dividend Payout Ratio. The statistical results indicate that a company's proficiency in optimizing its assets for revenue generation correlates positively with the likelihood of dividend distribution to shareholders. The importance of this connection suggests that the efficacy of asset utilization in producing revenue is a crucial element in underpinning the company's dividend distribution strategy. This aligns with the Residual Dividend Theory, which posits that dividends are issued only after the corporation fulfills all internal finance requirements, particularly those associated with investment or business development. In this regard, organizations that optimize their assets for effective revenue generation typically experience enhanced cash flow and profitability, so facilitating the prompt fulfillment of internal finance requirements. Consequently, the residual earnings can be allocated for dividend disbursements to shareholders. The results of this study support the conclusions of David, Diana, and Yara's (2023) research, which shows that Total Asset Turnover has a favorable and substantial impact on the Dividend Payout Ratio. Research by Mutiara et al. (2024) supports the results of this study by showing that Total Asset Turnover has a substantial impact on the Dividend Payout Ratio.

The Effect of Cash Ratio, Debt to Equity Ratio, Return On Asset, dan Total

Asset Turnover Concurrently with Dividend Payout Ratio The data analysis indicates that the Cash Ratio, Debt to Equity Ratio, Return on Assets, and Total Asset Turnover exert a positive and significant influence on the Dividend Payout Ratio. The enhancement of liquidity, capital structure, profitability, and asset utilization efficiency statistically have adequate capacity to serve as a factor in dividend distribution policies. This indicates that firms with superior financial metrics are inclined to distribute greater dividends to shareholders. This outcome can theoretically be elucidated by the Residual Dividend Theory, which posits that a firm would give dividends solely after fulfilling all internal finance requirements, particularly those related to investment and expansion. In this context, firms exhibiting robust financial success are often more proactive in distributing gains to investors. The corporation focuses fulfilling internal requirements, including investment and development, while also showing dedication to shareholders via dividend distribution. The results of this research run counter to those of Setyahani et al. (2023), who found that the combined impacts of the debt-to-equity ratio and the cash ratio significantly affect the dividend payout ratio. Research by Ayodia and Rismanty (2025) supports this study as well, showing that Return on Assets and Total Asset Turnover have a significant impact on the Dividend Payout Ratio.

4. CONCLUSIONS

Based on the results of the analysis and hypothesis test, it can be concluded as follows:

1) The Cash Ratio variable significantly and favorably affects the Dividend Payout Ratio of IDX-80 indexed businesses listed on the Indonesia Stock Exchange between 2022 and 2024. This suggests that as the company's cash reserves grow relative to its current obligations, a larger percentage of dividends are distributed to shareholders.

2) The Debt-to-Equity Ratio variable has a negative and negligible impact on the Dividend Payout Ratio of IDX-80 indexed businesses listed on the Indonesia Stock Exchange over the 2022–2024 timeframe. The lack of impact that an increase in the debt to capital ratio has on the dividend distribution policy therefore indicates that the amount of debt is not the primary factor in determining the dividend payment.
3) The Return On Asset variable has a negative and negligible impact on the Dividend Payout Ratio of IDX-80 indexed businesses listed on the Indonesia Stock Exchange over the 2022–2024 timeframe. This suggests that an increase in dividend payments to shareholders is not always accompanied by a rise in net profit from investments in the company's overall assets.
4) The Total Asset Turnover variable has a positive and significant impact on the Dividend Payout Ratio of IDX-80 indexed businesses listed on the Indonesia Stock Exchange over the 2022–2024 timeframe. This suggests that the dividend paid to shareholders will increase in line with the asset turnover of the business in order to generate sales.
5) The cash ratio, debt-to-equity ratio, return on assets, and total asset turnover all have a positive and significant impact on the dividend payment ratio of IDX-80 indexed businesses listed on the Indonesia Stock Exchange. This implies that changes in the four ratio components taken together may have a substantial impact on the company's choice about the dividend distribution over the study period.

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