



Effect of Net Profit, Debt & Operating Cash Flow on Dividend Policy in Automotive Companies Listed on the Idx During the Covid-19 Pandemi Era (2020-2021)

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ABSTRACT

Purpose: The main goal of this research is to examine the potential impact of net profit, bank debt, and cash flow on Dividend disbursements in automotive companies that are on the Indonesian Stock Exchanges amid the Covid-19 pandemic period (2020-2021). It is important to acknowledge that automotive industry has been granted several tax advantages amidst the Covid-19 pandemic.

Design/Methodology/Approach: The secondary data used was obtained from the website <https://idx.co.id/> and quantitative methods involving statistics are classical assumption tests and regression analysis.

Implications/Originality/Value: The outcomes of this research indicate that net profits, debt, and cash flow have a notable impact on dividend payout, we expect that this result should be used in the development of automotive industry in Indonesian.



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Introduction

The initial instance of Covid-19 emerged in Wuhan, located in Hubei Province China, towards the end of 2019. A study showed that it was very likely that the transmission of SARS-CoV-2 virus first occurred in late November or early December 2019. The pattern of spread continued to change around January or February 2020 by infecting the local community. In the beginning 2020 WHO has determined that the world was hit by a pandemic of disease caused by the Covid

19 virus and then given the name we know as the Covid 19 Virus. The Covid 19 virus was originally obtained from animals. The study and discovery of various variants of the 2019 corona virus (SARS-CoV-2) took place on December 31, 2019 (Baharuddin & Fatimah 2020) in (Widjanarko et al., 2021).

Investors generally buy shares hoping to receive a dividend that is at least equal to the interest rate on deposits and capital gains gotten from the variance between selling price and purchase price in hope that the investment will be guaranteed, even though the risk of failure remains in various investments. Therefore, to compute the rate of return on invested investment, investors must have sufficient information on various activities carried out by company, especially information on liquidity which can be seen in information on company's financial statements.

Since the Stock Exchange in Indonesia was operated in August 1977, developments have been relatively less encouraging. Developments began to be encouraging after the government took steps to launch deregulation packages such as the December 23, 1987 policy package, the October 27, 1988 policy package (Pakto 88) and the December 20, 1988 policy package. The impact of the 1988 Pakto apparently showed that the number of companies listed on the capital market increased, from 25 companies in 1988 to 67 companies in the end of the year. The transaction value that can be seen from the JCI has also increased and continues to grow until now.

However, it turns out that Covid-19 also had an impact on performance of the Indonesian stock market. The following historical data on the JCI were taken from November 2019 - September 2021. The chart shows the decline in the majority of share prices on the Indonesian capital market since early 2020, even though at that time the corona virus had not been officially reported to have entered Indonesia. However, investors' apprehensions regarding the transmission of the covid-19 virus in Indonesia are supported by the fact that other countries have been exposed to it and there is still a lack of information about handling the virus, causing stock prices in general to experience a significant decline. Before the initial confirmation of Covid-19 in Indonesian, on Jan 24 the JCI fell to 6,244 and on Feb 20 it fell to 5,942. on March 12, it was 5,361. So, the world health declared a pandemic, the JCI turun 4,2% to 4.937 points during the opening session on Thursday. The JCI continued to experience corrections and its value plunged freely throughout February and March 2020 until it reached its lowest point on March 15 where at that time the value was only 4194.44.



Figure 1. Historical data of IDX in Nov 2019-Sept 2021

Source: Yahoo Finance

The Corona Virus pandemic has affected various aspects of life, including the business world. Companies must be good at dealing with their finances so that they are not too badly affected due to the corona virus pandemic. For companies that have gone public, of course dividend policy is important in managing company finances in the era of the corona virus pandemic.

The automotive industry & its components became a special concern for the government during the Covid 19 outbreak, this can be seen from the data on sales of motorized vehicles in 2018 – 2020 below which shows a significant decline in sales in the Covid 19 era as follows (<https://triatmono.info/data-sales-year-2012/data-sales-car-2017/>):

Table 1. Car Sales 2018 – 2022

Merk	Year				
	2018	2019	2020	2021	2022*)
Toyota	353.471	333,222	182,665	290,499	264,107
Honda	162.170	137,339	79,451	91,393	99,983
Daihatsu	202.738	177,284	100,026	151,075	157,327
Suzuki	118.014	100,383	72,389	89,596	71,146
Mitsubishi	194.331	161,765	54,768	104,407	82,506
Others	120.689	120,133	89,028	136,389	146,83
Total	1.151.413	1,030,126	578,327	863,359	821,899

*)Data until October 2022

Source: processing data

One of the types of product sales in the industrial sector is automotive and components. Automotive and component prices weakened, driving stock prices of automotive and component issues to decline.

To deal with the impact on the industrial sector, Indonesian government offers incentives through tax reductions or tax exemptions, commonly referred to as tax holidays, for several industrial sectors, including the automotive sub-sector. To spur the growth of the automotive sub-sector, the government provides tax incentives, including a reduction in VAT BM (Value Added Tax on

Luxury Goods) for several types of cars. This was officially announced by the Minister of Finance (Sri Mulyani) through various media such as newspaper and electronic media. This is expected to result in the survival of the Automotive Industry from being paralyzed due to the co-19 pandemic.

The government is of course trying to protect the automotive industry sub-sector considering its large impact on the economic sector. The automotive industry, in addition to absorbing a large workforce, also supports various other businesses, including small and medium enterprises (SMEs) and large businesses to support the automotive industry sub-sector, including marketing services, financing, insurance and vehicle component industries such as exhaust, electricity, nuts and bolts and so on. The government is also of course trying so that the automotive industry in Indonesia does not go bankrupt.

This research was directed to look at examine how the Covid-19 pandemic in the performance of automotive sub-sector. The reason for choosing the automotive sub-sector is that automotive industry is currently one of the seven priority sectors in the development of industry 4.0 and the government's efforts to prevent the automotive industry sub-sector from going bankrupt. The development of the automobile enterprise is supported via Indonesia's ability to turn out to be the most important car sales marketplace amongst ASEAN nations. Of the nine countries, Indonesia contributed around 30% to total car sales in ASEAN in year of 2019 with average monthly sales of 86.000 units. Car sales in Indonesia are also still very potential considering the ratio of car ownership in Indonesia is still low at 99 units per1000 people. This is also supported by demographics of Indonesia's person where 70.7% of people are productive age with the income level of the Indonesian's person increasing every year. In the ASEAN region, Indonesia occupies the second largest position in terms of production which reached 1.2 million units in 2019.

From Table 1 can be seen that car sales in 2020, car sales decreased by around half compared to car sales in 2019. In 2021 sales slowly began to creep up, one of which was due to the government's policy of taxing motor vehicles. From 2022 to October, sales of vehicles have gradually recovered and improved, so it is hoped that by the end of 2022 sales will have recovered as in 2019.

In setting the dividend policy including its payment to shareholders, company management is of course very concerned about company's net profit and cash available in company. The cash flow resulting from operational activities acts as a vital signal to assess if a company's operations can generate significant funds to pay debts, maintain business operations, pay dividends, and finance new investments without relying on sources of revenue (Manurung and Siregar, 2009). Profits that have been earned by a company will be treated as retained earnings and only then will the rest be paid to investors in the form of dividends.

Therefore, information regarding the disclosure of Net Income, Payables and CashFlows in financial statements is thought to have an influence on Dividend Policy and of course affect stock prices. This assumption is based on the fact that every information in the company will always affect the stock price and thus it is hoped that there will be an efficient capital market in the sense that the stock prices that are formed occur due to information on financial statements.

Problem Formulation and Limitation

The formulation is whether net profit, debt and operating cash flow affect dividend policy either simultaneously or partially?

Purpose and Use of Research

The primary of this study was to examine how net income, debt and operating cash flow influence dividend policy. While the expected outcomes of this study will serve as valuable information in considering investment decision making in connection with the expected of obtaining dividends and are expected to be used as considerations to make decisions in establishing dividend policy as a determination of sources of funding, especially for investors and companies.

Literature Review

Theoretical Framework

Definition of Financial Reports

As stated in PSAK No. 1 (revised 2015), "Financial statements provide a structured presentation of an entity's financial position and financial performance."

Purpose of Financial Reports

According to PSAK No. 1 (Revised 2015), "Financial reports display the outcomes of management's responsibility for utilizing the resources entrusted to them to accomplish objectives. These reports provide information on the movement of financial flows, contributions from and payments to owners in their capacity as stakeholders, equity, revenue, expenses, as well as profits and losses."

Financial Report Users

Users of financial statements according to Prastowo and Juliaty (2008; 4-5), namely:

Investors

Investors (and their advisors) must pay attention to the risks that may occur and the development results of the investments they have made. Investors need information to make decisions in determining whether to buy, sell or hold the investment. Additionally, they are keen on obtaining explanations to evaluate the company's policy in giving dividend.

Creditors

Creditors will pay attention to financial information so that it makes it easier for them to assess whether the debt to be given and the interest that has been borrowed by the company can be paid at maturity.

Suppliers and other business creditors

Suppliers or vendors will carefully consider information that enables them to determine if the amount owed can be paid on time. Business creditors expect to be paid in a shorter time than creditors.

Shareholder's (holders)

Shareholders have an interest in exposure to the company's progress, profit sharing to be obtained, and additional capital for further business plans.

Customers

Customers or customers need an explanation regarding the survival of the company, especially if they are going to make a long-term "deal" with or depend on the company.

Government

The government and its agencies have an interest in resource management data and therefore have an interest in knowing company activities. In addition, the government also needs company financial information to determine tax policies and to compile other statistical data.

Employees

Employees and groups of employee organizations certainly want to know about the company's financial stability and profitability. They may also need information to enable them to assess the company's capacity for pay or remuneration, pension guarantees, the possibility of providing bonuses & job opportunities.

Society

Companies affect various communities in various ways, such as by providing CSR and contributing to the country economy, including the number of population able to work and protection for investors. Analysis of financial reports can see trends and progress of the company's prosperity with various series of activities.

Components of Financial Statements**Statement of Financial Position (Balance Sheet)**

According to PSAK No. 1 (revised 2015), "The financial state and financial performance of a business are presented in financial statements in a systematic manner".

Statement of Profit and Loss and Comprehensive Income

Based on PSAK No. 1 (Revised 2015) para 82A; "When an entity provides a distinct income statement, it does not include a section for profit or loss in the statement that presents comprehensive income."

Statement of Changes in Equity

PSAK No.1 (Revised 2015) "The statement of changes in equity contains the following information:

- a) During the period, the total comprehensive income is displayed separately to indicate the share attributed to non-controlling interests and the owners of the parent entity;
- b) Regarding each equity component, the effects of retrospective application or retrospective restatement acknowledged in accordance with PSAK 25: Accounting Policies, Changes in Accounting Estimates, and Errors;
- c) For each equity component, a comparison between the carrying amounts at the beginning and end of the period, with a separate disclosure of the corresponding changes resulting from:
 - I. profit and loss;
 - II. each other component of comprehensive income; and
 - III. transactions that involve owners acting in their role as owners, presenting contributions from owners and dividends to owners distinctly, along with alterations in ownership rights in subsidiaries that do not lead to a loss of control.

Cash flow statement

According to PSAK (Revised 2015), "The cash flow statement displays the past alterations in cash and cash equivalents categorized under operating, investing, and financing activities during a period.

Notes to Financial Statements

PSAK No.1 (Revised 2015) "Notes to financial statements contain additional information on what is statements of financial status, income or loss, other comprehensive income, separate income statement (if provided), changes in equity, and statement of cash flows."

Definition of Net Profit

Manurung and Siregar (2009: 4) state: Net profit is surplus of all income over all costs for a certain period of time after deducting the income tax presented in the income statement.

Suwardjono (2008: 464) states: "profit means reward for the success of the business in producing goods and services." Thus, profit is the variance in excess of income over costs (total costs incurred during production activities and the delivery of goods and services).

The main source that is retained for the benefit of dividends is the net profit from the company's results. Estimated retained earnings increase due to net profit, decrease due to losses from

company activities.

Types of Profit

The measure of the success of a business is making a profit, as profit serves as an indicator of the company's efficiency.

According to Kasmir (2012: 303) states that:

1. Gross Profit means the profit earned before costs are deducted which are a burden on the company. This means that the first overall profit of the company.
2. Net Profit (Net Profit) is profit after deducting company costs or expenses within a certain time and also taxes.

Purpose of Reporting Net Income

The purpose of reporting net income, Suwardjono (2008: 456) states as follows:

1. An indicator of efficiency in the use of money used by business entities that is manifested by the level of return on investment;
2. Measuring company performance/achievements & management;
3. Tax determination;
4. Means of controlling the allocation of certain country's economic resources;
5. To determine and evaluate tariffs in public companies;
6. Means of controlling debtors for debt contracts;
7. For awarding compensation and bonus distribution;
8. Management motivation tool in managing the company;
9. For the distribution of dividends for the meaning of net profit.

Factors Affecting Profit

The amount of profit resulting from a business is influenced as follows (Halim & Supomo,2009: 49):

1. Cost

The selling price of a product will be influenced by the costs involved in acquiring/processing the product or service.

2. Selling Price

The sales volume of a product or service is influenced by its selling price.

3. Sales and Production Volume

The sales volume level influences the production volume of product/service in question, production volume also affects the range of production costs.

Definition of a Statement of Cash Flows

Definition of cash flow reporting: "A cash flow statement reported about cash inflows (income) and cash outflows (expenses).", Cashmere (2012: 59)

Definition of Cash and Cash Equivalent

PSAK No. 2 (Revised 2015), please see the purpose of the Cash Flow Statement. See also PSAK No.2 (Revised 2015) Paragraph 06 for the meaning of Cash and Cash Equivalent.

Purpose and Use of Cash Flows

The Statement of Financial Accounting Standards No. 2 (PSAK No.2 revised 2015) cash flow statements are valuable as they provide essential information for users to analyze alterations in net assets, financial structure (including liquidity and solvency), and the capacity to control cash flows' amount and timing to adapt to changing circumstances and opportunities. Cash flow data

simplifies the assessment of a company's capability to generate cash and cash equivalents, enabling users to create models for comparing the present value of future cash flows across different firms. Furthermore, this information enhances the comparability of operational performance reports for diverse organizations by removing the impact of using varying accounting methods for the same transactions and events.

Classification of Cash Flows

Within a certain period, the cash inflows and outflows of a company can be divided into three groups. (Harahap, 2010: 258), namely:

1. Cash originating from or used for operating activities (All transactions involving profits as reported in loss/profit statement are in operating activities).
2. Cash originating from or used for investing activities (acquisition or disposal investments and long-term assets (i.e., non-current assets) not included by the definition of cash equivalents).
3. Cash originating from or used for financing or financing activities (activities that have an impact on changes in the long-term debt's number and makeup & company equity).

Operating Cash Flow

According to Ardiyos (2010: 654), "operating cash flow is profit before interest and depreciation minus taxes." Samples of cash flows from operating activities can be seen in PSAK No. 2 paragraph 14 (IAI, 2015).

Definition of Dividend

Dividends are a distribution of profits to limited liability company shareholders in accordance with the shares they already own (Ardiyos, 2010: 335).

Dividend Distribution Procedure

According to Brigham and Houston (2011: 227), the dividend distribution procedure is as follows:

1. Declaration date, is the date when the directors of a company issue a statement declaring dividends.
2. Date of record owner (holder of record date) is the date when enterprise compiles a list of shareholders who will get dividends.
3. The ex-dividend date is the date when the current dividend rights are no longer owned by a share, usually two working days before the date of the registered owner.
4. The payment date refers to the actual date on which the company sends dividend payment check

Types of Dividends

Ika Yoana Yustitiani (2013: 32) states that the various dividends distributed by companies are:

1. Cash dividend, namely dividends distributed in cash or cash.
2. Property dividends, dividends distributed by enterprise in the form of assets other than cash, such as machinery, inventory, and others.
3. Script dividend, namely dividends distributed by the company in two times or more payments because the company is in liquidity difficulties.
4. Liquidating dividend, namely dividends are distributed not based on the profits earned but are a reduction in capital.
5. Stock dividend, namely dividend distributed by enterprise in the form of shares. This is intended to capitalize the company's income so that no assets are given away.

Definition of Dividend Policy

Dividend Policy is a decision regarding EAT (Earnings After Tax) which is distributed as dividends (Atmaja, 2008: 285). Meanwhile, according to Riyanto (2010: 265), dividend policy is the determination of the distribution of income (profits) between the use of income to be used within the firm or to be paid to shareholders as dividends, which necessitates that the income be kept within the company.

Dividend Policy Theory

Theories related to dividend policy in Atmaja (2008:285):

Dividends are irrelevant

The company's value is not contingent on the magnitude of the Dividend Payout Ratio (DPR), but rather on factors such as pre-tax net profit (EBIT) and the company's risk category. Consequently, according to the theory, dividends are inconsequential.

The Bird in the Hand” Theory

When the Dividend Payout Ratio (DPR) is low, investors tend to prefer dividends rather than capital gains, which will increase the company's own capital costs. Investors perceive dividend yields more clearly than capital gain yields, in their opinion.

Tax Difference Theory

Stating that investors favour capital gains since they may postpone paying taxes due to the tax on capital gains dividend profits. As a result, investors demand a higher rate of return on equities with high dividend yields than on firms with lower yield capital gains. High yield capital gains with low yield dividends. This disparity will be even more obvious if the tax on dividends is higher than the tax on capital gains.

The “Signalling Hypothesis” Theory

An increase in the dividend above is typically a "signal" to investors that the management of the company anticipates a healthy income in the future. Investors, on the other hand, take a fall in dividends or an increase that is lower than average as a warning that the company will face challenges in the future.

The “Clientele Effect” Theory

According to this hypothesis, the dividend policy of the corporation will be favoured differently by various groups (clientele) of shareholders. Investor groups in need of immediate cash flow favour a big dividend distribution.

Factors Influencing Dividend Policy

According to Riyanto (2010:267):

1. Liquidity Position of the Company
2. The Need for Funds to Pay Debt
3. Company Growth Rate
4. Supervision of the Company

Relying on internal spending to maintain "control" of the company, means reducing the "dividend payout ratio".

Thinking Framework

The object of this research is a manufacturing company operating in the automotive sub-sector which is listed on the "Indonesia Stock Exchange-IDX (IDX)" which always issues profit and loss reports in the Covid Era 19. Data is collected by the documentation method, namely by electronically searching through archives via the internet on the website." (IDX)" The variable is that there are two independent variables namely net income (X1), operating cash flow (X2) & debt (X3), as well as the dependent variable namely dividend policy (Y). This study measures the influence of net profit, bank debt and operating cash flow on dividend policy in automotive sub-

sector manufacturing companies listed on the IDX during the Covid 19 Pandemic Era which occurred in 2020 – 2022.

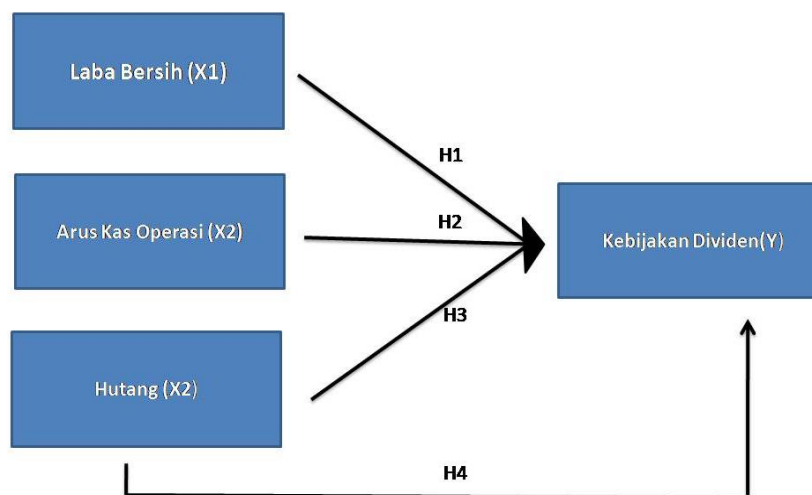


Figure 2. Thinking Framework

Research Methodology

Place and Time of Research

The research selected a sample of manufacturing companies that are publicly on a list "Indonesian Stock Exchange-IDX (IDX)" during Covid-19 2020 pandemic. Data for the study was obtained by downloading information from the "Indonesia Stock Exchange-IDX (IDX)" website at www.idx.co.id. The research period covered from 30 November 2022 to 30 January 2023.

Research Hypothesis

Hypothesis is a statement whose position is not yet as strong as a proportion or argument. In accordance with the variables to be studied, the hypothesis proposed is:

- Ha1: During the Covid 19 Era, there is a correlation between net income and dividend policy in companies listed on the Indonesia Stock Exchange.
- Ha2: There is an influence between operating cash flow and dividend policy in companies listed on the Indonesian Stock Exchange during the Covid 19 Era.
- Ha3: There is an influence between Debt on the dividend policy of companies on a list the Indonesian Stock Exchange (IDX) during the Covid 19 Era.
- Ha4: There is an influence between net profit, debt and operating cash flow on the dividend policy of companies listed on the IDX in the Covid Era 19.

The company in question is a manufacturing company in the automotive sub-sector.

Research Design

Sugiyono (2009: 3) describes the research method as "a scientific approach to gather data for specific purposes and applications."

The study utilized quantitative research using statistical techniques.

Research Variable

The dependent variable (Y) in this study is dividend policy. While the independent variable (X) is net profit, debt, operating cash flow.

Data Types and Sources

The data source is secondary data acquired through financial report documentation, type of data: documentary

Data collection technique

Library Studies

Theories are obtained from articles, literature, journals and previous research results that are relevant to research & theoretical foundations. Data collection uses dividend data, profit and loss reports, debt and cash flow reports.

Documentation Study

Data is collected by recording documents related to research, namely data on dividends, profits and cash flows are derived from the yearly financial reports that are made public on the Indonesia Stock Exchange

Population and Sampling Techniques

The sampling method employed was purposive sampling, namely sampling based on predetermined criteria.

Table 2. Sampling Criteria

No	Explanation	Qty
1	Manufacturing companies in the automotive sub-sector listed on the IDX during the Covid 19 era (2020-2021)	15
2	Automotive sub-sector manufacturing companies that publish financial reports in the Covid 19 era (2020--2021)	15
3	Manufacturing companies in the automotive sub-sector that have positive or negative profits in the Covid 19 era (2020--2021)	15
	Companies that meet the research sample criteria	15

Table 3. Sample Company Data (in million rupiah)

No.	Code	Name	Year	NET PROFIT	DEBT	OPERATING Cash Flow	DIVIDEND POLICY
1	ASII	Astra International Tbk	2020	18.571.000	142.749.000	37.683.000	9.423.000
			2021	25.586.000	151.696.000	38.252.000	7.123.000
2	AUTO	Astra Autoparts Tbk	2020	(37.864)	3.909.303	1.148.276	241.359
			2021	634.931	5.101.517	911.735	135.968
3	BOLT	Garuda Metalindo Tbk	2020	(20.426)	419.043	86.739	0
			2021	102.361	550.803	34.346	0
4	BRAM	Indo Kordsa Tbk	2020	(61.583)	840.590	45.239	117.325
			2021	377.282	1.143.927	191.189	294.942

5	CARS	Industri & Perdagangan	2020	(12.439.018)	11.197.065	2.110.151	230.705
		Bintraco Dharma Tbk	2021	110.150	9.136.667	1.969.303	305.820
6	GDYR	Good Year Indonesia Tbk	2020	108.255	1.079.332	157.767	0
			2021	34.734	1.021.422	265.216	0
7	GJTL	Gajah Tunggal Tbk	2020	614.861	10.926.513	2.598.595	0
			2021	147.590	11.481.186	294.416	34.848
8	HOPE	PT. Harapan Duta	2020	(4.813)	58172	2283	0
		Pertiwi Tbk	2021	(6201)	60367	-83251	0
9	IMAS	Indomobil Sukses	2020	(675.711)	35.692.364	3.451.002	3.552
		Int'l Tbk	2021	(255.340)	38.177.391	2.438.825	179.002
10	INDS	Indospring Tbk	2020	58.751	262.520	308.808	65.625
			2021	158.200	502.585	(260.039)	56.081
11	LPIN	Multi Prima Sejahtera Tbk	2020	6.732	27.828	16.265	0
			2021	23.409	26.857	1.706	49.725
12	MASA	Multistrada Arah Sarana	2020	538.224	3.575.329	1.012.165	89.754
			2021	870.120	3.685.021	898.208	0
13	MPMX	Mitra Pinastika Tbk	2020	133.572	2.885.958	467.318	387.908
			2021	411.748	3.610.768	580.491	496.316
14	PRAS	Prima Alloy Street	2020	(4.948)	1.149.071	1.870	0
		Universal, Tbk	2021	(710)	1.150.442	31.646	0
15	SMSM	Selamat Sempurna Tbk	2020	539.116	727.016	944.368	230.347
			2021	728.263	957.229	489.407	287.934

Research Results and Discussion

Research Data

From the data above, various tests were carried out using SPSS version 22 software.

Research Data Analysis

Descriptive Statistical Analysis

Net profit, debt & operating cash flow as the independent variable and dividend payout as the dependent variable. The outcomes of the descriptive statistical analysis, based on a sample of 37, are presented below:

Table 4. Descriptive Statistics

	Mean	Std. Deviation	N
Dividen	658440,37	2096236,458	30
Laba Bersih (Lb)	1208289,50	6198020,606	30
Hutang (H)	14793376,20	37191632,990	30
Arus Kas (Ak)	3210302,77	9492254,723	30

The following details the descriptive data that has been processed:

1. The variable net income (Lb) has a standard deviation of 6198020.606 with an average net profit per share of 1208289.50.
2. The debt variable (H) has a standard deviation of 37191632.990 with an average operating cash flow per share of 14793376.20.
3. The operating cash flow (Ak) variable has a standard deviation of 9492254.723 with an average operating cash flow per share of 3210302.77
4. The dividend variable has a standard deviation value of 2096236.458 with an average dividend per share of 658440.37

Classic assumption test

Normality test

The one-sample Kolmogorov-Smirnov (K-S) non-parametric statistical test and the P-P plot graphic are used in the normality test.

H0: Residual data are normally distributed, H1: Residual data are not normally distributed, H0 is rejected if the significance value is less than 0.05 and accepted if it is greater than 0.05.

1. P-P plot method

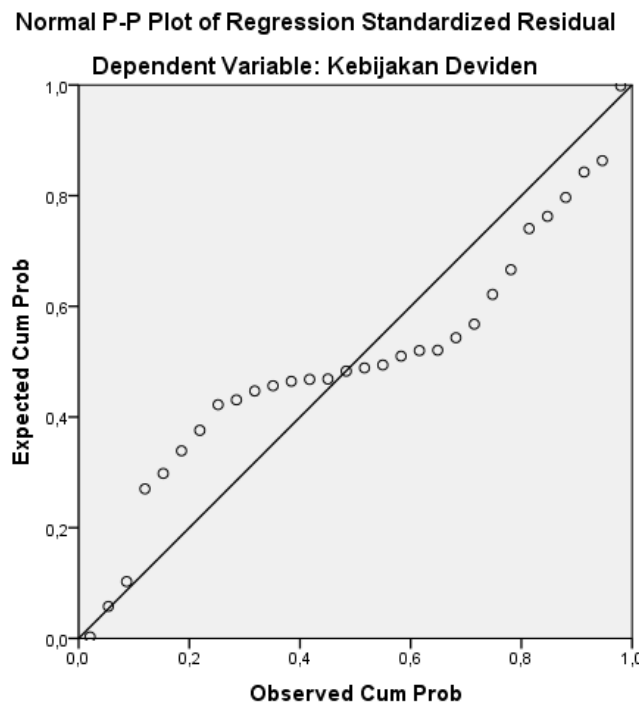


Figure 3. P-P plot normality test

The graph's data points may be seen to spread out around the line and also to follow the diagonal line. Conclusion: The regression model's residual values are regularly distributed.

Table 5. Kolmogorov-Smirnov

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		30
Normal Parameters ^{a,b}	.0000000	.0000000
	343565,60106468	408378,2669 1410
Most Extreme Differences	.185	.183
	.162	.130
	-.185	-.183
Test Statistic		.185
Asymp. Sig. (2-tailed)		.011 ^c
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. Based on 10000 sampled tables with starting seed 2000000.		

From table 5, it can infer that the data in the regression model exhibits normal distribution, as the significance value exceeds 0.05., namely ($0.092 > 0.05$), means that the residual values in the regression model have been normally distributed so that it can be continued with other classical assumption tests.

Multicollinearity Test

Whether there are symptoms of multicollinearity can be observed by examining the correlation magnitude between independent variables and the level of collinearity that can still be tolerated, namely $\text{Tolerance} > 0.10$ and Variance Inflation Factor (VIF) < 10 .

Table 6. Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Laba Bersih (Lb)	.183	5,468
	Hutang (H)	.032	31,199
	Arus Kas (Ak)	.025	39,232

In Table 6, the tolerance values of the independent variables, where net profit (Lb) exhibits a tolerance value > 0.10 , indicating the absence of correlation between the independent variables. Furthermore, the VIF calculations indicate that the independent variable net income has a VIF value < 10 , leading to the conclusion that there is no multicollinearity among the independent variables.

Heteroscedasticity Test

To test whether there are symptoms of heteroscedasticity is examined using the Glejser test by regressing the absolute value of the regression residual: $[U_t] = a + BX_t + vt$.

Table 7. Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	10928,047	75342,726		,145	,886
	Laba Bersih (Lb)	-,022	,025	-,065	-,871	,392
	Hutang (H)	-,027	,010	-,471	-2,622	,014
	Arus Kas (Ak)	,332	,044	1,505	7,474	,000

From table 7. the significance value of the net profit variable is $0,392 > 0,05$, meaning that heteroscedasticity does not occur.

Autocorrelation Test

Utilise the Durbin Watson test value under the following circumstances to identify autocorrelation issues:

- A positive autocorrelation is indicated by a D-W value lower than -2.
- D-W values ranging from -2 to +2, indicating the absence of autocorrelation.
- A D-W value greater than +2 denotes a negative autocorrelation.
- Positive autocorrelation occurs when the value of $d > dl$.
- Positive autocorrelation is absent if the value of $d > du$.
- The test are inconclusive or cannot be determined if the value of d dl du .

The presence of a negative autocorrelation is indicated when $(4-d) < dl$. Conversely, a positive autocorrelation exists if $(4-d) > du$. If the value of dl $(4-d)$ du , the test results are inconclusive or cannot be determined.

Table 8. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,986 ^a	,973	,970	362845,716	2,379

From table 8 it

can be seen that the statistical value of Durbin Watson is 2.379. With a DL value of 1.307 and DU 1.650. Durbin Watson's result is greater than DU (upper limit), so it is $2.379 > 1.650$ ($d > du$). Therefore, there is an absence of positive autocorrelation.

Multiple regression analysis

The following are the outcomes of processing the regression model:

Table 9. Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	10928,047	75342,726		,145	,886
	Laba Bersih (lb)	-,022	,025	-,065	-,871	,392
	Hutang (H)	-,027	,010	-,471	-2,622	,014
	Arus Kas (Ak)	,332	,044	1,505	7,474	,000

The findings from the multiple linear regression testing can be made into the equation:

$$DP = 10928,047 - 0,022lb - 0,027h + 0,332ak + e$$

The equation of the multiple linear regression model can be described as follows:

1. The constant value (a) is 10928.047 which means that if the variables lb, h and ak are all set to 0 (zero), the dividend variable will have a value of 10928.047.
2. The coefficient value of variable lb (B2) in the regression is -0.022, This means that for every one-unit increase in lb, the dividend will decrease by 0.022 units assuming that the values of other variables do not change.
3. The regression coefficient of the variable h (B3) is -0.027, indicating that a one-unit increase in h leads to a decrease of -0.027 units in DPR, assuming all other variables do not change.
4. The coefficient value of variable ak (B4) in the regression is 0.332, indicating that a one-unit increase in ak leads to an increase of 0.332 units in DPR, assuming all other variables do not change.

From table 9 above, we can also do a t-test to assess the partial effect of independent variables on the dependent variable. From table 9 the regression data above shows that the amount of t calculated for the net profit variable (lb) is 0,871, with a significance value of 0.000. Hence, the conclusion can be drawn that $t\text{-count} < t\text{-table}$ ($0.871 < 2.0560$), then net income has an individual effect on dividends. The significance value of net income is $0,392 > 0.05$, namely ($0,392 > 0.05$), then H_0 is rejected and H_a is accepted, implying that net income does not exert a significant influence on dividend policy.

The table above presents the t-value (t count) for the debt variable (h), which is 2,622 with a significance value of 0,014. Therefore, it can be concluded that the $t\text{-count} < t\text{-table}$ ($2.622 > 2.0560$), then operating cash flow does not affect dividends individually. The significance value of operating cash flow is $0.014 < 0.05$, then H_0 is accepted, H_a is rejected, meaning that cash flows affect dividends individually.

The amount of t count for the operating cash flow variable (ak) is 7,474 with a significance value of 0.000. So it can be inferred that $t\text{ count} < t\text{ table}$ ($7.474 < 2.056$), then debt does not affect dividends individually. The significance value of debt is 0.000, which is less than 0.05 ($0.000 < 0.05$), leading to the H_0 is accepted. H_a is rejected, meaning that debt has a significantly influences dividends.

Results of Analysis of the Coefficient of Determination

How well the independent variable explains the dependent variable is indicated by the coefficient of determination (R square). R square has a value ranging from 0 to 1. A value close to one indicates that the independent variables encompass all the necessary information to predict the variation in the dependent variable. The R square value has a flaw in that it will rise each time one independent variable is added, even if that variable does not have a noticeable impact on the dependent variable. Table 10's multiple linear regression analysis findings show the findings of the determination analysis.

Table 10. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,986 ^a	,973	,970	362845,716	2,379

a. Dependent Variable: deviden

b. Predictors: (Constant), ak, h, lb

According to the table, the dependent variable (Dividend) can be accounted for by the independent variables (lb, h, and ak) by 97.3%, as indicated by the R square value of 0,973

(97,3%). Other factors that weren't examined in the study have an impact on the remaining 2.7%.

Hypothesis test

F test results

The F-test is used to see the effect of net income, debt and operating cash flow on the dividend payout ratio simultaneously

Table 11. F test

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12400892894 2045,810	3	41336309647 348,600	313,970	,000 ^b
	Residual	34230823448 13,185	26	13165701326 2,046		
	Total	12743201128 6859,000	29			
a. Dependent Variable: Kebijakan Dividen						
b. Predictors: (Constant), Arus Kas, Hutang Bank, Laba Bersih						

From table 11, the computed F is 313.970 with a significance level of 0.000^b, whereas the F-table is 2.96 with a significance of 0.05. So it can be inferred that F-count > F-table, namely (313,970 > 2.96) and the research significance is (0.000 < 0.05), This implies that net income, debt, and operating cash flow collectively exert a significant and simultaneous influence on dividends.

Interpretation of Research Results

Following study of research findings, following discussion may be made:

The Effect of Net Income on Dividend Policy

After conducting the t-test, it is evident that net profit significantly affects dividend policy in automotive companies, indicated by the significance value of 0.392 > 0.05. The study's findings led to the conclusion that management can utilise net profit data as a benchmark when deciding on a dividend policy.

The Effect of Operating Cash Flow on Dividend Policy

The dividend policy is significantly influenced by the operating cash flow, as indicated by its significance number of 0.000 < 0.05 after the t-test was carried out, it can be inferred that when deciding the company's dividend payout, operating cash flow is one of the benchmarks for management in making decisions.

Effect of Debt on Dividend Policy

Debt significantly impacts dividend policy. as indicated by a significant number of 0.014 < 0.05 after the t-test was carried out, it can be deduced that when deciding the company's dividend payout, debt is one of the benchmarks for management in making decisions.

Effects of Net Income, Accounts Payable and Operating Cash Flow

From the analysis it can be seen that net profit, debt and operating cash flow have a collectively exert a significant and simultaneous influence on dividend policy. as indicated by their significant

value of $0.000 < 0.05$ after conducting the F-test, so it can be concluded that net profit, debt, and operating cash flow collectively have a significant impact are one of the benchmarks for management in determining the size of the DP.

Closing

Conclusion

Based on the results of the conducted tests, the conclusions are as follows:

1. Based on the hypothesis testing (t-test) that has been analyzed, then:
 - a. Because the company sees a decline in sales and income together with an increase in debt owned by the company so that it may continue to run its business even though there is a decline in profits made, Net Profit (X1) has a negative but negligible impact on Dividend Policy.
The growth in manufacturing companies' net profits in 2020–2021 will have a substantial impact on dividend policy since businesses with enough net income have a variety of alternatives for keeping cash on hand or distributing it to shareholders. The Covid 19 pandemic will be followed by net profit, which will be used by firm management to choose company policies and give shareholders rights to lessen the pandemic's harmful effects.
 - b. Operating Cash Flow (X2) has a positive and significant influence on Dividend Policy. Operating cash flow assists the leadership/directors in determining the company's dividend policy. However, Dividends given to shareholders are not influenced by the company's cash flow but are determined by the dividend policy set by each company. In 2020-2021 there was a covid 19 pandemic, so there were companies that could not carry out their operations optimally but there were companies that experienced an increase in operating cash flow.
 - c. Debt (X3) has a significant positive effect on dividend policy. Debt owned by the company will affect the company's net profit, and ultimately it will have implications for the company's dividend policy. In 2020-2021, many companies are experiencing increased debt and are unable to provide dividends to shareholders.
2. Refer on the simultaneous hypothesis testing (F test) that has been analyzed, it is obtained that X 1, X2 and X3 simultaneously have a significant influence on Dividend Policy (Y).

Suggestion

Refer to results of hypothesis testing, analysis & limitations, suggestions that can be given are:

1. For the Company
To increase trust, companies must be able to demonstrate good company performance and convey sufficient information about company developments, one of which is dividend information despite facing various conditions such as the Covid 19 pandemic.
2. For further researchers
Future research can add other factors as independent variables that influence dividend policy, so that the material for analysis is more in-depth. Besides that, it turns out that until 2022 the Covid 19 pandemic continues to spread globally, so the research is expected to be continued with an additional period in 2023.

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