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The Influence of Investment, Liquidity and Profitability on Dividend Payout Ratio Policies of the 2015-2019 Indonesia Stock Exchange Listed LQ-45 Companies

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ABSTRACT

Dividend policies aim to determine the number of dividends to shareholders and the amount to be reinvested (retained earnings). In this study, dividend policies were measured using the Dividend Payout Ratio (DPR). This study aimed to test and analyze the influence of investment, liquidity, and profitability on dividend payout ratio policies of the 2015-2019 Indonesia Stock Exchange Listed LQ-45 companies. The purpose is to find out and examine the pattern of Investment, Liquidity, and Profitability in the Dividend Payout Ratio Policy of Companies listed on LQ-45 Indonesia Stock Exchange 2015-2019. The subjects of this study were the Indonesia Stock Exchange Listed LQ-45 companies while the objects were the 2015-2019 financial statements. The population of this study was 45 companies with 30 companies as the samples after purposive sampling. Data were analyzed using multiple linear regression, classical assumption test, and hypothesis testing. The results of research in partially, investment and profitability had a significant and positive influence on the dividend payout ratio policies while liquidity had no influence on the dividend payout ratio policies. Simultaneously, investment, liquidity, and profitability had an 11.8% influence on the dividend payout ratio policies while the remaining 88.2% were explained by other variables such as leverage ratio, growth, and others.

1. Introduction

The capital market plays an important role in encouraging initial public offering companies to further improve the performance of companies, one of which is by announcing profits and dividends paid to shareholders. LQ45 companies are the most liquid companies on the Indonesia Stock Exchange. LQ45 can be an appeal for investors in measuring the dividend policies of companies. Dividend policies are an integral part of funding decisions. Dividend policies aim to determine the number of dividends to shareholders and the number to be reinvested (retained earnings). In this study, dividend policies were measured using the Dividend Payout Ratio (DPR). The dividend payout ratio determines the retained earnings in companies as a source of funding. If companies decide to divide earnings as dividends, it means reducing the amount of retained earnings, thus reducing the source of funds that will be used to develop the companies. Conversely, if companies do not pay profits as dividends, it will have an impact on investors, where dividends are one of the attractions for investors. Investment opportunities aim to increase growth companies in which companies tend to use funds from internal sources because they are preferred to finance reinvestment activities with lower risks and costs. Investment opportunities can affect dividends received by shareholders. Liquidity has a huge influence on investment and funding fulfillment policies. Dividend for companies is a cash-out, so the greater the overall cash position and liquidity, the greater the ability to pay dividends. Profitability is the ability of companies to generate profits sales, total assets, and their own capital. In this study, profitability was proxies against Return on Assets (ROA). The following is the data of the three companies incorporated in LQ 45 to illustrate the problem.

Table 1. LQ 45 Companies Data

Companies	Year	Investment (unit)	Liquidity (Times)	Profitability (%)	Dividend Policies (%)
Adaro Energy Tbk	2015	353.720	2.404	2.534	51.461
	2016	1935.220	2.471	5.223	47.245
	2017	1964.919	2.559	7.872	19.035
	2018	1309.020	1.960	6.763	63.306
	2019	1734.219	1.712	6.027	50.296
AKR Corporindo Tbk	2015	3.889	1.496	6.964	48.390
	2016	2.966	1.271	6.613	34.305
	2017	2.817	1.624	7.755	45.993
	2018	1.735	1.398	8.007	55.318
	2019	1.575	1.237	3.284	102.783
Astra International Tbk	2015	1.920	1.379	6.361	67.796
	2016	2.394	1.239	6.989	44.476
	2017	2.149	1.229	7.835	37.069
	2018	1.910	1.126	7.941	37.253
	2019	1.501	1.291	7.564	42.185

Source: Indonesia Stock Exchange, 2020

Based on the data above, if an increase in investment is not followed by a decrease in dividend policies, an increase in liquidity and profitability is not always followed by an increase in dividend policies. In addition to the phenomena based on the above data, management often has difficulty deciding whether to pay dividends to investors or to hold profits for reinvestment. Even though companies have relatively large amounts of cash, companies do not only allocate a large number of funds in dividend payments but also in investment, differences in interests between managers and shareholders can cause problems in dividend payout, where companies with good liquidity do not necessarily allocate a large number of funds to pay dividends. The purpose of the research is to find out and examine the pattern of Investment, Liquidity, and Profitability in the Dividend Payout Ratio Policy of Companies listed on LQ-45 Indonesia Stock Exchange 2015-2019. Based on this background, researchers had the interest to conduct a study entitled "The Influence of Investment, Liquidity, and Profitability on Dividend Payout Ratio Policies of The 2015-2019 Indonesia Stock Exchange Listed LQ-45 Companies".

2. Literature Review

2.1 Investment

The investment aims to increase growth in companies in which companies prefer to use internal sources of funds because they are preferred to finance reinvestment activities with low risk and cost.

Rambe et al. (2015: 21), point out that the investment function includes managing funds into assets to achieve goals, including achieving new investment projects to maximize goals. According to Mulyawan (2015: 260) states “the bigger the investment opportunities, the fewer dividends paid. It is better if invested funds generate a positive NPV.”

2.2 Liquidity

Liquidity is the ability to fulfill daily internal operational needs. Prihadi (2019: 202), states that liquidity is the ability to pay off current liabilities. Short-term liabilities or current debt are debts paid off within one year. Liquidity is very basic for companies. In daily routine, liquidity will be reflected in the ability to pay creditors on time or pay salaries on time. The measurement of liquidity usually associates current liabilities with current assets available to pay off. Measurements can include all current assets or a portion

of current assets. Murhadi (2018: 57), states that "the liquidity ratio shows the ability to meet current liabilities." Kariyoto (2017: 190), argues that the calculation of liquidity is certainly inseparable from the influencing factors, namely: Cash and bank, Marketable securities, Account receivable, Inventory, Prepaid expenses

2.3 Profitability

The profitability ratio shows the performance of the company in generating profits using resources. In fundamental analysis, the profitability ratio is a very important comparison because if a company is not able to generate promising profits, investors will be reluctant to invest in the company. Prihadi (2019: 166), points out that profitability is the ability to generate profits. The definition of profit can vary, depending on the needs for measuring the profit. Kariyoto (2017: 114), states that the profitability ratio is a ratio to measure the company's ability to benefit from its capital. The profit ratio can be measured by several indicators, namely:

1. *Profit margin*
   Profit margin is the company's ability to generate profits compared to sales achieved. The ratios that can be used are as follows :

$$\textit{Gross Profit Margin} = \frac{\text{gross profit x 100\%}}{\text{Sales}}$$

$$\textit{Profit Margin} = \frac{\text{EAT x 100\%}}{\text{Sales}}$$

$$\textit{Net Profit Margin} = \frac{\text{EBIT x 100\%}}{\text{Sales}}$$

2. *Return on Asset*
   Return on assets is often referred to as economic profitability as a measure of the company's ability to generate profits with all assets owned.

$$\textit{Return on Asset} = \frac{\text{EBIT x 100\%}}{\text{Total assets}}$$

3. *Return on Equity*
   Return on Equity often called the rate of return on net worth is a measure of the company's ability to earn profits with the owner's equity.

$$\textit{Return on Equity} = \frac{\text{EAT x 100\%}}{\text{Owner's equity}}$$

4. *Return on Investment*
   Return on Investment is a measure of companies to obtain profits to pay off their investments.

$$\textit{Return on Investment} = \frac{\text{EAT x 100\%}}{\text{Investment}}$$

5. *Earning Per Share*
   Earning Per Share is a measure of the company's ability to generate earnings per share of the owners.

$$\text{EPS} = \frac{\text{EAT}}{\text{Number of Shares}}$$

2.4 Dividend Payout Ratio Policies

The dividend payout ratio is the percentage of every rupiah generated to be distributed to owners in cash. It is calculated by dividing dividends per share by earning per share. Mulyawan's (2015: 253), dividend policies show the decision to share profits earned to shareholders as dividends or to hold in the form of retained earnings to be used as investment financing in the future. Sudana (2015:26) shows the dividend payout ratio as follows :

$$\textit{Dividend Payout Ratio (DPR)} = \frac{\textit{Dividend}}{\textit{Earning after taxes}}$$

2.5 The Framework of research

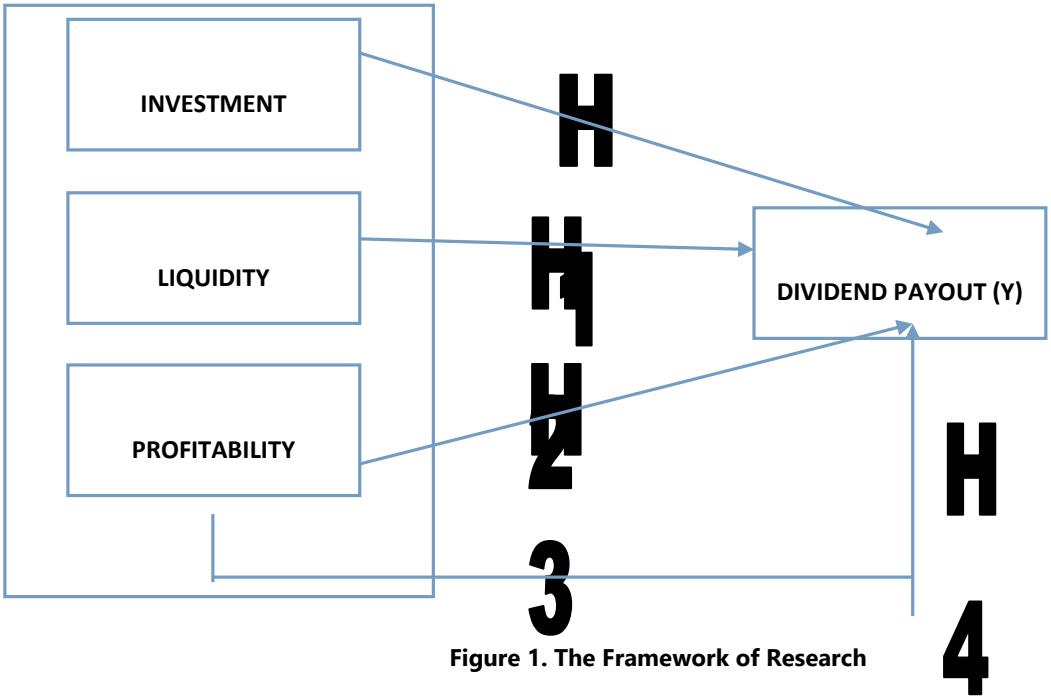

Figure 1. The Framework of Research

3. Method

The subjects of this study were the Indonesia Stock Exchange Listed LQ-45 companies while the objects were the 2015-2019 financial statements.

3.1 Population and Sample

In this study, the population of this study was 45 Indonesia Stock Exchange Listed LQ-45 companies. This study used purposive sampling. Sugiyono (2017), "Purposive sampling is a sampling technique with certain considerations."

Table 2. Sampling

No	Description	Total
1.	IDX listed LQ-45 Companies	45
2.	LQ-45 Companies without positive net income for 2015-2019 consecutively	(4)
3.	LQ-45 Companies without a dividend for 2015-2019 consecutively	(4)
4.	LQ-45 Companies without liquidity data for 2015-2019 consecutively	(7)
	Number of samples	**30**
	Number of periods	**5**
	Number of observations = 30 x 5	**150**

Source: Own Calculated, 2021

3.2 Operational Definition of Variables.

Table 3. Operational Definition fo Variables

Variable	Definition	Indicator	Scale
Investment (X_1)	Investment is an effort carried out by reducing consumption in the present to generate future returns for investors. Source: Sulaiman and Sumani (2016:179)	*Market to book ratio* = $\frac{\text{Market per share}}{\text{Book value per share}}$ Source: Sudana (2015:27)	Ratio
Liquidity (X_2)	The liquidity ratio describes a company's ability to settle current liabilities Source: Harahap (2016:301)	*Current Ratio* = $\frac{\text{Current Asset}}{\text{Current Liabilities}}$ Source: Sudana (2015:24)	Ratio
Profitability (X_3)	The profitability ratio assesses a company's ability to seek profits Source: Kasmir (2015:196)	*Return on Asset* = $\frac{\text{Earning After Taxes}}{\text{Total Assets}}$ Source: Sudana (2015:25)	Ratio
DPR Policies (Y)	The cash dividend payout ratio shows the percentage of net income in the form of cash dividends to shareholders Source: Hery (2017:87)	*Dividend Payout Ratio* = $\frac{\text{Dividend}}{\text{Earning After Taxes}}$ Source: Sudana (2015:26)	Ratio

3.3 Data Analysis Technique

This study used multiple linear regression and hypothesis testing using Statistical Packages for the Social Science (SPSS) version 25.00. The multiple linear regression equation is:

$$\mathbf{Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e}$$

4. Results and Discussion

4.1 Results

The classical assumption test results met the classical assumption requirements, namely normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test. The classical assumption test results can be seen as follows.

4.1.1 Normality Test Before Transformation

The normality test aims to test whether, in the regression model, the residual variables have a normal distribution. Normal residuals can be analyzed graphically on a histogram by comparing the observed data with a distribution close to normal and a normal probability plot by comparing the cumulative distribution of the normal distribution.

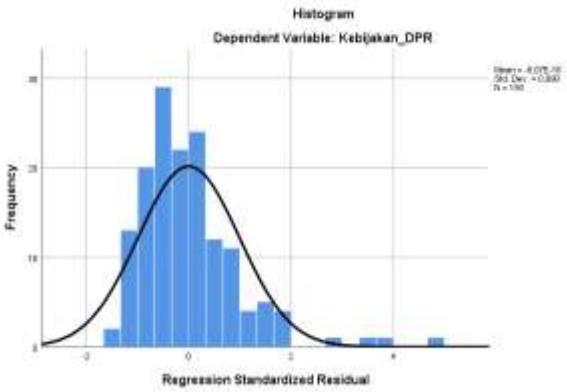

Figure 1. Histogram Normality Test Before Transformation

Source: Processed Data, 2020

Based on the figure above, the curve lines are not symmetrical, so it can be said that the data were not normally distributed.

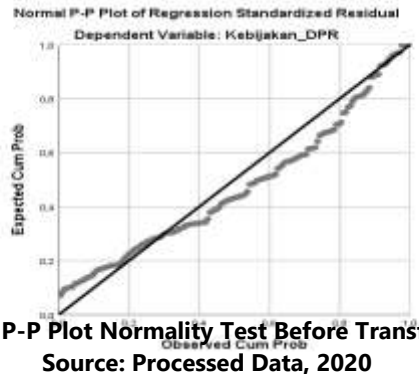

Figure 2. P-P Plot Normality Test Before Transformation
Source: Processed Data, 2020

Based on the P-P Plot Normality Test graph, some of the points do not spread around the diagonal line, so it can be said that the data were not normally distributed. In addition to using graphs, to find out whether the data are normally distributed, the Kolmogorov Smirnov non-parametric statistical test can be used, where if the significance level> 0.05, the data are normally distributed.

Table 4. The Kolmogorov Smirnov Normality Test Before Transformation

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		150
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	37,44404332
Most Extreme Differences	Absolute	,114
	Positive	,114
	Negative	-,080
Test Statistic		,114
Asymp. Sig. (2-tailed)		,000[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: Processed Data, 2020

Based on the Kolmogorov Smirnov test results, investment (X1), liquidity (X2), profitability (X3), and dividend payout ratio policies (Y) did not meet the normal distribution requirements because the significant value was 0.000 <0.05. Thus, the regression model did not meet the classical assumption requirements.

4.1.2 Normality Test after Transformation

The good data must meet the normal distribution requirements so that if the data do not have a normal distribution, the data must undergo SQRT transformation. The normality test results after transformation can be seen in the following figure.

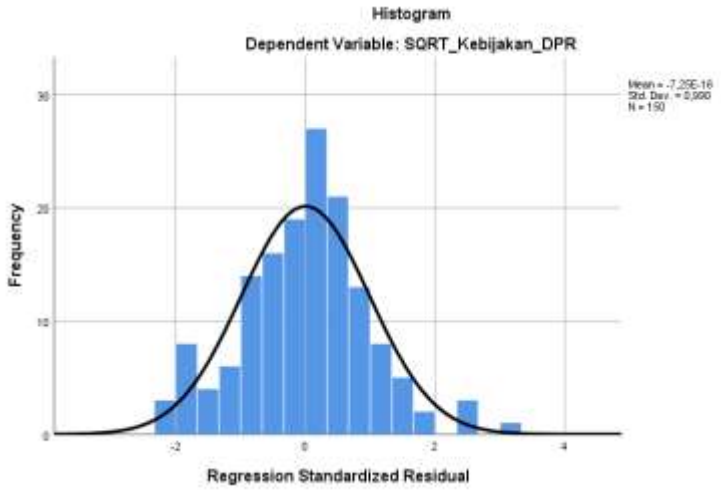

Figure 3. Histogram Normality Test After Transformation

Source: Processed Data, 2020

Based on the figure above, the curve lines are symmetrical, so it can be said that the data were normally distributed.

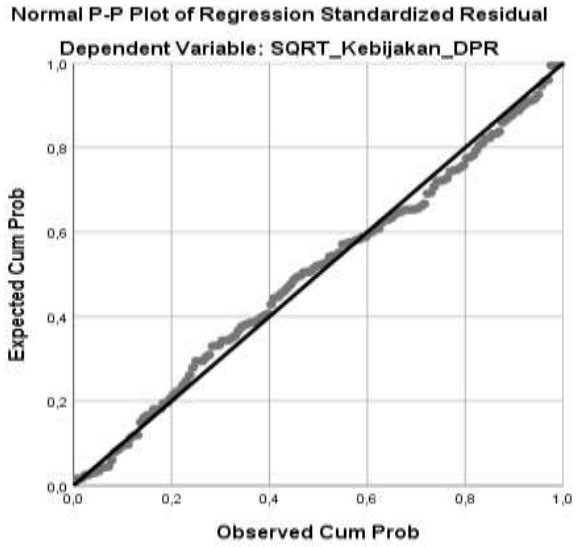

Figure 4. P-P Plot Normality Test Before Transformation
Source: Processed Data, 2020

Based on the P-P Plot Normality Test graph, some of the points spread around the diagonal line, so it can be said that the data were normally distributed.

Table 5 The Kolmogorov Smirnov Normality Test After Transformation

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		150
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	2,92741811
Most Extreme Differences	Absolute	,051
	Positive	,051
	Negative	-,048
Test Statistic		,051
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.

Source: Processed Data, 2020

Based on the Kolmogorov Smirnov test results, investment (X1), liquidity (X2), profitability (X3), and dividend payout ratio policies (Y) met the normal distribution requirements because the significant value was 0.200 > 0.05. Thus, the regression model met the classical assumption requirements.

4.1.3 Multicollinearity Test Before Transformation

The multicollinearity test aims to test whether the regression model has a correlation between the independent variables. A good regression model should not have a correlation between the independent variables. Multicollinearity is tested by looking at the tolerance value or the Variance Inflation Factor (VIF) value.

Table 6. Multicollinearity Test Before Transformation

Coefficients

Model		Collinearity Statistics Tolerance	VIF
1	Investment	,786	1,272
	Liquidity	,968	1,033
	Profitability	,782	1,279

a. Dependent Variable: _DPR

Source: Processed Data, 2020

The tolerance value limit is 0.1 and the VIF limit is 10. If the tolerance value is> 0.1 or VIF <10, there is no multicollinearity.The tolerance value of investment variable (X1) was 0.786> 0.10 while VIF value of investment variable (X1) was 1.272 <10. Thus, there was no regression between independent variables.The tolerance value of liquidity variable (X2) was 0.968> 0.10 while VIF value of liquidity variable (X2) was 1.033 <10. Thus, there was no regression between independent variables. The tolerance value of the profitability variable (X3) was 0.782> 0.10 while the VIF value of the profitability variable (X3) was 1.279 <10. Thus, there was no regression between independent variables.

4.1.4 Multicollinearity Test After Transformation

Table 7 Multicollinearity Test Before Transformation

Coefficients[a]

Model		Collinearity Statistics Tolerance	VIF
1	SQRT_Investment	,769	1,300
	SQRT_Liquidity	,983	1,017
	SQRT_Profitability	,760	1,316

a. Dependent Variable: SQRT_ _DPR

Source: Processed Data, 2020

The tolerance value limit is 0.1 and the VIF limit is 10. If the tolerance value is> 0.1 or VIF <10, there is no multicollinearity. The tolerance value of investment variable (X1) was 0.769 > 0.10 while VIF value of investment variable (X_1) was 1.300 < 10. Thus, there was no regression between independent variables. The tolerance value of liquidity variable (X2) was 0.983 > 0.10 while VIF value of liquidity variable (X2) was 1.017 < 10. Thus, there was no regression between independent variables. The tolerance value of the profitability variable (X3) was 0.760 > 0.10 while VIF value of the profitability variable (X3) was 1.316 < 10. Thus, there was no regression between independent variables.

4.1.5 Autocorrelation Test Before Transformation

The autocorrelation test aims to test whether a linear regression model has a correlation between confounding errors in period t with errors in period t-1. Autocorrelation is the result of consecutive observations throughout the year relating to one another. This is often found in time series. This study used the Durbin Watson test to find autocorrelation problems.

Table 8. Autocorrelation Test Before Transformation

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,381[a]	,145	,128	37,826786	2,223

a. Predictors: (Constant), Profitability, Liquidity, Investment

b. Dependent Variable: Kebijakan_DPR

Source: Processed Data, 2020

Thus, there was no positive and negative autocorrelation because du < Dw < 4 – du or 1.7741 < 2.223 < 2.2259.

Autocorrelation Test After Transformation

Table 9. Autocorrelation Test Before Transformation

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,369[a]	,136	,118	2,95734	2,300

a. Predictors: (Constant), SQRT_Profitability, SQRT_Liquidity, SQRT_Investment

b. Dependent Variable: SQRT_DPR

Source: Processed Data, 2020

Thus, there was no negative autocorrelation because 4 - du ≤ d ≤ 4 - dl or 2.259 < 2.300 < 2.3074.

Tabel 10. Runs Test

Runs Test

	Unstandardized Residual
Test Value[a]	,15506
Cases < Test Value	75
Cases >= Test Value	75
Total Cases	150
Number of Runs	72
Z	-,655
Asymp. Sig. (2-tailed)	,512

a. Median

Source: Processed Data, 2020

Based on the runs test results, the significance level was 0.512 > 0.05. Thus, there was no autocorrelation.

4.1. 6 Heteroscedasticity Test Before Transformation

A good regression model should not have heteroscedasticity. There are several ways to test for heteroscedasticity in the variance of the error terms for the regression model. This study used the chart (scatterplot diagram) method with the following premises: If the points form a certain regular pattern (wavy, widened, narrowed), there is heteroscedasticity, If the points spread above and below 0 on the Y axis, there is no heteroscedasticity

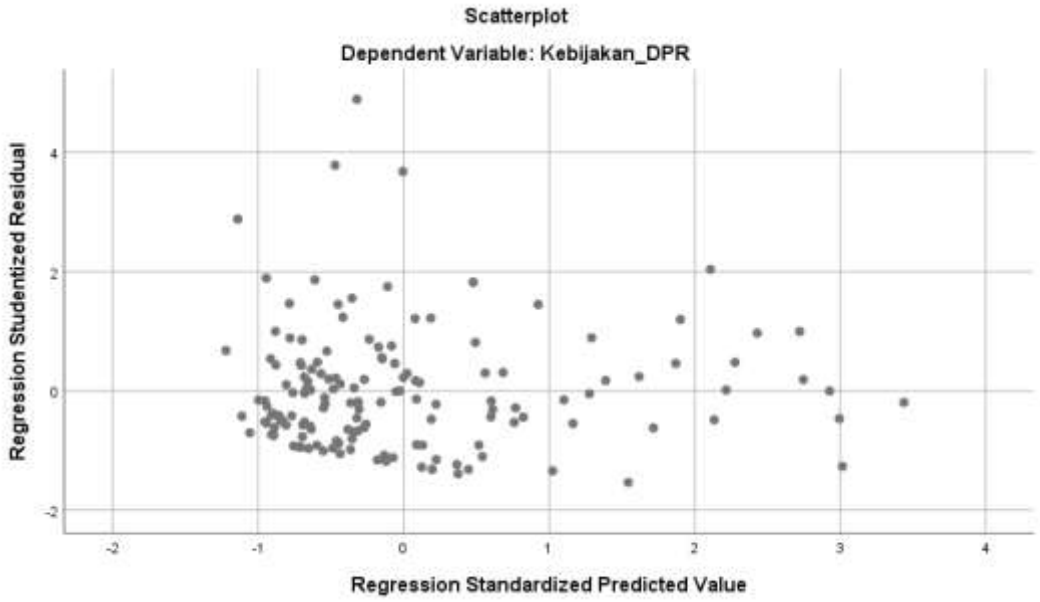

Figure 5. Heteroscedasticity Test Before Transformation

Source: Processed Data, 2020

Based on Figure 5, the points spread out randomly and are scattered both above and below the zero (0) on the Y-axis instead of in one place. Thus, there was no heteroscedasticity in the regression model.

4.1.7 Heteroscedasticity Test After Transformation

Before the transformation, the points did not randomly scatter, but after SQRT the transformation, the points spread out randomly and were scattered both above and below the zero (0) on the Y-axis. The transformed scatterplot graph can be seen in the following figure:

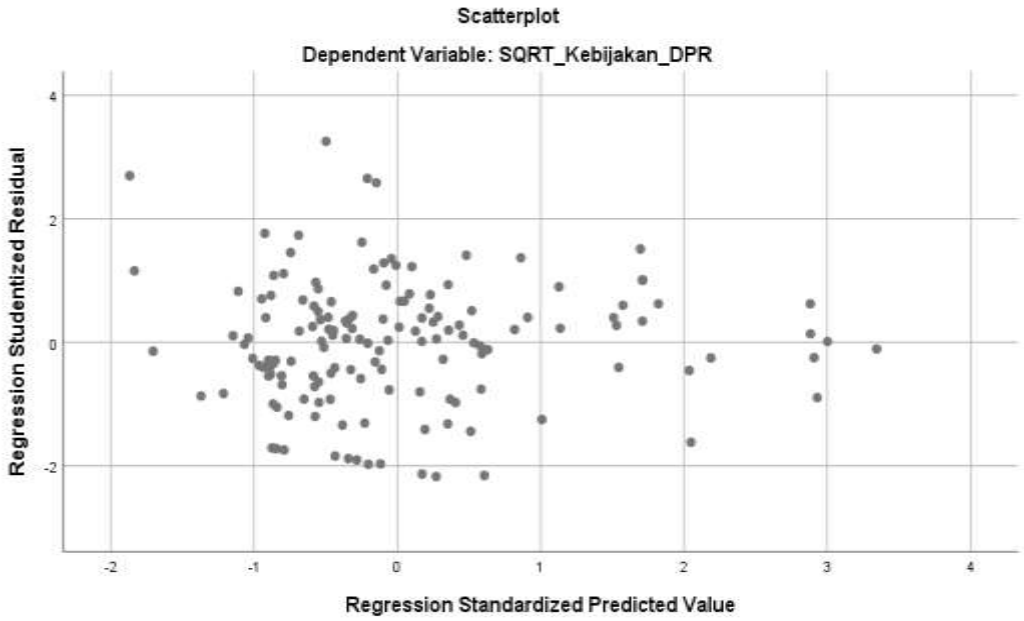

Figure 6 Heteroscedasticity Test After Transformation

Source: Processed Data, 2020

Based on the figure above, after the transformation, the points spread and did not converge in one place. Thus, there was no heteroscedasticity in the study data.

4.1.8 Partial Hypothesis Testing

The t-test aims to show the influence of one independent variable (investment, liquidity, and profitability) on the dependent variable (dividend payout ratio policies) partially. The t-test results can be seen in the following table.

Table 11 t-test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3,247	1,108		2,930	,004
	SQRT_Investment	,383	,150	,224	2,549	,012
	SQRT_Liquidity	,328	,692	,037	,474	,636
	SQRT_Profitability	,483	,212	,201	2,276	,024

a. Dependent Variable: SQRT_Kebijakan_DPR

Source: Processed Data, 2020

The t-table for 0.05 probability in degrees of freedom (df = 146) was 1.97635. Thus, the t-test results could explain the influence of each independent variable on the dependent variable as follows: Based on the results, t-calculation of investment variable was 2.549 with a significance level of 0.012 < 0.05. Since t-calculation > t-table or 2.549 > 1.97635 with a significance value of 0.012 < 0.05, Ha was accepted, meaning that partially, investment had a significant and positive influence on dividend payout ratio policies of the 2015-2019 Indonesia Stock Exchange Listed LQ-45 companies. Based on the results, the t-calculation of the liquidity variable was 0.474 with a significance level of 0.636 > 0.05. Since t-calculation < t-table or 0.474 < 1.97635 with a significance level of 0.636 > 0.05, Ho was accepted meaning that partially, liquidity had no influence on dividend payout ratio policies of the 2015-2019 Indonesia Stock Exchange Listed LQ-45 companies. Based on the results, the t-calculation of the profitability variable was 2.276 with a significance level of 0.024 < 0.05. Since t-calculation > t-table or 2.276 > 1.97635 with a significance value of 0.024 < 0.05, Ha was accepted meaning that partially, profitability had a positive and significant influence on dividend payout ratio policies of the 2015-2019 Indonesia Stock Exchange Listed LQ-45 companies.

4.1.9 Simoultan Hypothesis Testing

The F-test aims to show whether all the independent variables in the model have a simultaneous influence on the dependent variable. The F-test results can be seen in the following table.

Table 12. F test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	200,860	3	66,953	7,655	,000[b]
	Residual	1276,897	146	8,746		
	Total	1477,757	149			

a. Dependent Variable: SQRT_Kebijakan_DPR

b. Predictors: (Constant), SQRT_Profitability, SQRT_Liquidity, SQRT_Investment

Source: Processed Data, 2020

Based on the simultaneous significance test (F test), the F calculation was 7.655. At degrees of freedom 1 (df1) = 3 and degrees of freedom 2 (df2) = 146, the f-table at 0.05 significance level was 2.67. Since F-calculation = 7.655 > F-table = 2.67 with a significant value of 0.000 <0.05, Ha was accepted, meaning that, simultaneously, investment, liquidity, and profitability had a significant influence on the dividend payout ratio policies of the 2015 -2019 Indonesia Stock Exchange Listed LQ-45 companies.

4.1.10 Coefficient of Determination

The coefficient of determination aims to determine the ability of the model to explain the dependent variable.

Table 13. Coefficient of Determination Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,369[a]	,136	,118	2,95734

a. Predictors: (Constant), SQRT_Profitability, SQRT_Liquidity, SQRT_Investment

Source: Processed Data, 2020

Based on the table above, the results of the determination coefficient test show the Adjusted R Square value of 0.118, which means 11.8% of the variation in the dividend payout ratio policy variable, which can be explained by the independent variables investment, liquidity, and profitability, while the remaining 88.2% is explained by other independent variables which were not examined in this study for the example leverage ratio, growth and others.

4.1.11 Descriptive Statistics

Table 14. Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Investment	150	,055	105,067	8,36832	16,422084
Liquidity	150	,606	6,567	2,14097	1,112657
Profitability	150	,054	46,660	10,98634	9,667611
Kebijakan_DPR	150	,000	224,796	46,36801	40,497506
Valid N (listwise)	150				

Source: Processed Data, 2020

Multiple Linear Regression Analysis

The regression model used is as follows:

Table 14.Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3,247	1,108		2,930	,004
	SQRT_Investment	,383	,150	,224	2,549	,012
	SQRT_Liquidity	,328	,692	,037	,474	,636
	SQRT_Profitability	,483	,212	,201	2,276	,024

a. Dependent Variable: SQRT_Kebijakan_DPR

Source: Processed Data, 2020

$Y = 3.247 + 0.383\ X_1 + 0.328\ X_2 + 0.483\ X_{3\,+}\ e$

The multiple linear regression equation above can be explained as follows: The 3.247 units constant shows that if investment, liquidity, and profitability are zero, the dividend payout ratio policies will increase by 3.247 units. The 0.383 unit regression coefficient of investment with a positive value shows that for every 1 unit increase in investment, it causes an 0.383 unit increase of the dividend payout ratio policies. The 0.328 unit regression coefficient of liquidity with a positive value shows that for every 1 unit increase, it causes an 0.328 unit increase of the dividend payout ratio policies. The 0.483 unit regression coefficient of profitability with a positive value shows that for every 1 unit increase, it causes an 0.483 unit increase of the dividend payout ratio policies

4.2 Discussion

4.2.1 *The Influence of Investment on Dividend Payout Ratio Policies*

Since t-calculation> t-table or 2.549> 1.97635, H1 was accepted because partially, investment had a significant and positive influence on the dividend payout ratio policies of the 2015-2019 Indonesia Stock Exchange Listed LQ-45 companies. This shows that every increase in investment will cause an increase in the dividend payout ratio policies. Thus, the higher the investment decision made by the company, the more likely the company will pay dividends. This is in line with a study by Purnamasari, et al. (2019), which shows that investment opportunities had a positive and significant influence on dividend policies.

4.2.2 The influence of Liquidity on Dividend Payout Ratio Policies

Since t-calculation <t-table or 0.474 <1.97635, H2 was rejected because liquidity had no significant influence on dividend payout ratio policies of the 2015-2019 Indonesia Stock Exchange Listed LQ-45 companies. This shows that the higher the liquidity value, the more companies are able to pay for all liabilities. In fact, even though companies have a high liquidity value, not all companies are able to pay increasing dividends from year to year to investors. This is not in line with a study by Sari and Suryantini (2019) shows that liquidity had a positive and significant influence on *the dividend payout ratio*.

4.2.3 The Influence of Profitability on Dividend Payout Ratio Policies

Since t-calculation> t-table or 2.276 > 1.97635, H1 was accepted because, partially, profitability had a positive and significant influence on dividend payout ratio policies of the 2015-2019 Indonesia Stock Exchange Listed LQ-45. This shows that every increase in profitability will cause an increase in the dividend payout ratio policies. Thus, the higher the profitability, the higher the dividends. This is in line with a study by Sari and Suryantini (2019) shows that profitability had a positive and significant influence on *the dividend payout ratio*.

4.2.4 The Influence of Investment, Liquidity, and Profitability on Dividend Payout Ratio Policies

Based on simultaneous test using F test, since F-calculation> F-table and significance level <0.05 namely 7.655> 2.67 and 0.000 <0.05, H4 was accepted because simultaneously, investment, liquidity, and profitability had a significant influence on dividend payout ratio policies of the 2015-2019 Indonesia Stock Exchange Listed LQ-45 companies. Thus, investment, liquidity, and profitability can be considered by shareholders in investing in shares to obtain a high dividend payout. Simultaneously, investment, liquidity, and profitability had an 11.8% influence on the dividend payout ratio policies while the remaining 88.2% were explained by other variables such as leverage ratio, growth, and others.

5. Conclusion

Based on the results, it can be concluded that Partially, investment had a positive and significant influence on dividend payout ratio policies of the 2015-2019 Indonesia Stock Exchange Listed LQ-45 companies with $t_{\text{-calculation}}$ 2.549 > t_{tabel} 1.97635 and significance level of 0.012 < 0.05. Partially, liquidity had no influence on dividend payout ratio policies of the 2015-2019 Indonesia Stock Exchange Listed LQ-45 companies with tcalculation 0.474 < t_{tabel} 1,97635 and significance level of 0.636 > 0.05. Partially,

profitability had a positive and significant influence on dividend payout ratio policies of the 2015-2019 Indonesia Stock Exchange Listed LQ-45 companies with tcalculation 2.276 > t_{table}1.97635 and significance level of 0.024 < 0.05. Simultaneously, investment, liquidity, and profitability had an influence on dividend payout ratio policies of the 2015-2019 Indonesia Stock Exchange Listed LQ-45 companies with 11.8% *Adjusted R Square* showing the influence of the independent variable on the dependent variable while the remaining 88.2% were influenced by other variables such as leverage ratio, growth, and others.

6. Recommendation

Based on the results, there are several recommendations in order for the investment to increasingly affect the dividend payout ratio policies. LQ-45 companies must carry out careful planning before determining investment because investment requires a large number of funds. In order for liquidity to increasingly affect the dividend payout ratio policies, LQ-45 companies must pay attention to the level of cash adequacy to meet current liabilities properly. In order for profitability to increasingly affect the dividend payout ratio policies, LQ-45 companies must increase product sales by utilizing technology and information systems. With regard to dividend payout ratio policies, it is recommended that LQ-45 companies be able to pay the dividend to shareholders in a stable manner because shareholders certainly really want a dividend payout from their invested capital.

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