

PRELIMINARY

LQ 45 Manufacturing Company is inseparable from businesses that aim to gain profits in producing the effectiveness and efficiency of financial management. Therefore the LQ 45 Manufacturing company in the process to find out the company's financial condition requires an assessment of financial performance using several financial ratios such as liquidity ratios related to current ratios, leverage ratios related to Debt to Asset Ratio, and profit ratios closely related to Return On Assets, as a consideration in making decisions and strategic policies so that the company can continue to be sustainable and develop in the era of global competition, not only that the dividend policy factor also has an important role for the company that is the higher the level of profitability that can be achieved by the company, the more also smooth dividend payments to investors. Seeing the importance of the relationship of financial ratio analysis to the assessment of financial performance.

Literature Review

Current Ratio has a standard of 2: 1 or 200% which means that the company's current ratio of more than 200% is considered liquid, if less than 200% is rated liquid (Danang, 2016: 127). This ratio can be formulated as follows (Mamduh, 2016: 75):

$$\text{Current Ratio} = ((\text{Current Assets}) / (\text{Current Debt})) \dots \dots \dots \text{(I)}$$

Understanding debt ratios are used to measure the ratio between total debt to total assets. In other words, how much the company's assets affect the management of assets:

$$\text{Debt to Total Assets Ratio} = (\text{total debt} / (\text{total asset}) \times 100\% \dots \dots \dots \text{(II)}$$

Return On Assets (ROA) is one of the ratios that is a measure of company profitability, and shows management efficiency, in using all assets owned by the company to generate revenue. Calculation of Return On Asset can be done using the following formula:

$$\text{ROA} = (\text{Earning After Interest and Tax}) / (\text{Total Assets}) \dots \dots \dots \text{(III)}$$

Dividend Payout, the ratio of dividend payments is measured by dividing the amount of dividend per share with net income per share, which can be mathematically asked by the following formula:

$$\text{Dividend Payout Ratio} = (\text{cash dividend per share}) / (\text{net income per share}) \dots \dots \dots \text{(IV)}$$

Research Methods

The research approach used in this research is quantitative research, this is based on using descriptive research procedures, intervals that aim to show the influence of independent variables on the dependent variable and compared with the theory in order to obtain differences in the results in this study. The sample of this research is 9 companies, so the amount of data observed is 54 annual reports from 2012 to 2017. Sampling using non-probability sampling techniques. In this study the source of data used is secondary data. Descriptive Analysis consists of Convergent Validity Test, Discriminant Validity, Composite Reliability Test and R Square Test.

Results And Discussion

Tabel 1 Value of loading factor

	CR	DAR	KEBIJAKAN DEVIDEN	ROA
CR	1.000			
DAR		1.000		
DPR			1.000	
ROA				1.000

Source: Data processed

The results of processing using SmartPLS can be seen in table 1 The outer model value or the correlation between constructs and variables has fulfilled convergent validity because each has a loading factor value > 0.70 so that the conclusions construct for all variables are feasible or can be used to test hypotheses.

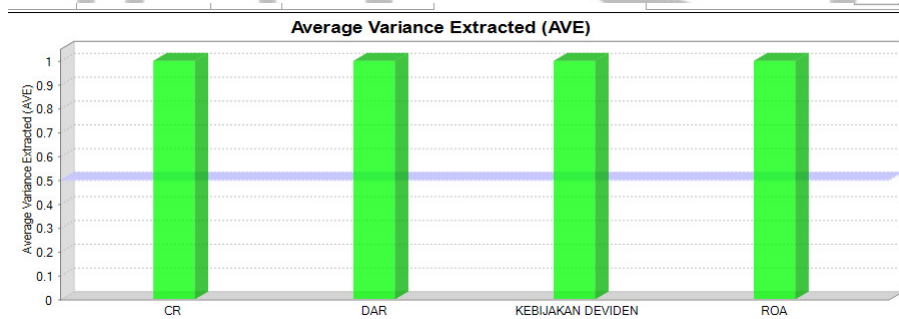
Table 2 Cross loading factor

	CR	DAR	KEBIJAKAN DEVIDEN	ROA
CR	1.000	-0.703	0.204	-0.022
DAR	-0.703	1.000	-0.001	0.418
DPR	0.204	-0.001	1.000	0.640
ROA	-0.022	0.418	0.640	1.000

Source: Data processed

The cross loading ROA value of the dividend policy variable is 0.640 smaller than the loading factor value of the latent variable itself. The relationship of ROA to CR and DAR is also invalid because the cross loading factor value is -0.022, and 0.418 is smaller than 1,000. In conclusion all indicators can explain each variable better than other variables.

Image 1 Average Variance Extracted (AVE)



Source: Data processed

Average Variance Extracted (AVE) value illustrates the magnitude of variance or variability of manifest variables that can be possessed by latent constructs. In figure 5.1 above all variables have values above 0.5. Current ratio 1,00, debt to asset ratio 1,00, dividend policy 1,00 and return on assets 1,00. So it can be concluded that the greater the value of AVE shows the higher ability to explain the value of the indicators that measure the latent variable of its construct. Thus the indicator can be declared valid as a latent measure.

Table 3 Composite reliability dan cronbach's alpha

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Ext...
CR	1.000	1.000	1.000	1.000
DAR	1.000	1.000	1.000	1.000
KEBIJAKAN DEVIDEN	1.000	1.000	1.000	1.000
ROA	1.000	1.000	1.000	1.000

Source: Data processed

The data displayed shows a current composite reliability ratio of 1,000, debt to asset ratio of 1,000, Dividend Policy of 1,000 and return on assets of 1,000. These four variables have a high level of reliability because they are greater than the expected standard of 0.7. This is reinforced because Cronbach's alpha is also higher than the standard of 0.7. Current ratio of 1,000, debt to asset ratio of 1,000, Dividend Policy of 1,000 and return on assets of 1,000. So in conclusion, the data used are reliable and able to measure the variables.

Table 4 R Square

	R Square	R Square Adjusted
KEBIJAKAN DEVIDEN	0.497	0.467
ROA	0.321	0.294

Source: Data processed

Showing the value of R² return on assets influenced by dividend policy is only 0.32 or 32% the remaining 78% is another factor not examined in this study. According to the classification the number is very weak. While the dividend policy variable which is influenced by debt to asset ratio and current ratio also shows a low value and includes a weak classification that is only 0.49, meaning that 49% of the effect and the remaining 61% is influenced by other variables outside this study.

Discussion

1. The results of this test indicate that the p-value of the variable ratio of the current ratio of return on assets is 0.001 smaller than 0.05 and the t-value of 3.295 is greater than 2.026 (t-table). The current ratio variable to return on assets has a significant effect, because it is seen from the p-value of $0.001 < \alpha 0.05$ plus the t-test value of $3.295 > 2.026$. So H1 is accepted.
2. The debt to asset ratio to return on assets variable shows that the p-value of the variable debt to asset ratio to return on assets is 0.002 smaller than 0.05 and the t-value of 3.137 is greater than 2.026 (t-table). The debt to asset ratio variable to return on assets has a significant effect, because seen from the p-value of $0.002 < \alpha 0.05$ plus t-count value of $3.137 > 2.026$. So H2 is accepted.
3. The current ratio variable does not influence the dividend policy shows that the p-value of the variable current ratio to the dividend policy is 0.921 greater than 0.05 which means there is no significant effect, it is reinforced by the t-value 0.099 which is smaller than at 2,026 (t-table). So H3 is rejected.
4. The debt to asset ratio variable does not affect the dividend policy shows that the p-value of the debt to asset ratio variable to the dividend policy variable is 0.073 greater than 0.05 and the t-value of 1.795 is smaller than 2.026 (t-table). Because t-count is smaller than t-table. So H4 is rejected.
5. Variable return on assets on dividend policy there is a significant effect, because seen from the p-value $0,000 < \alpha 0.05$ plus t-count value $5.658 > 2.026$. Because t-count is greater than t-table. So H5 is accepted.
6. The effect of the current ratio on dividend policy through the intermediary return on assets. The relationship of the three of them is $0.001 < 0.05$ and $t\text{-test}3.219 > 2.026$, so these three variables are said to have a significant positive positive relationship of 0.419. Because t-count is more bigger than t-tables. So H6 is accepted.

7. Variables that mediate in this study are return on assets that mediate the variable debt to asset ratio and dividend policy. The effect of debt to asset ratio on dividend policy through the return on asset intermediaries. The p-values of the three relationships are $0.010 < 0.05$ and $t\text{-count } 2.577 > 2.026$. So these three variables are said to have a significant positive relationship of 0.622. Because t-count is greater than t-table. So H7 is accepted.

Conclusions

1. Current ratio has a significant positive effect on Return On Assets for LQ 45 manufacturing companies listed on the Indonesia Stock Exchange for the period 2012-2017. So H1 is accepted.
2. Debt to asset ratio has a significant positive effect on Return On Assets for LQ 45 manufacturing companies listed on the Indonesia Stock Exchange for the period 2012-2017. So H2 is accepted.
3. Current ratio has no effect on dividend policy on LQ 45 manufacturing companies listed on the Indonesia Stock Exchange for the period 2012-2017. So H3 is rejected.
4. Debt to asset ratio has no effect on dividend policy on LQ 45 manufacturing companies listed on the Indonesia Stock Exchange for the period 2012-2017. So H4 is rejected.
5. Return on Assets has a significant positive effect on dividend policy on LQ 45 manufacturing companies listed on the Indonesia Stock Exchange for the period 2012-2017. So H5 is accepted.
6. Current ratio has a significant positive effect on dividend policy through Return on Assets as an intervening variable to LQ 45 manufacturing companies listed on the Indonesia Stock Exchange for the period 2012-2017. So that H6 is accepted.
7. Debt to asset ratio has a significant positive effect on dividend policy through Return on Assets as an intervening variable on LQ 45 manufacturing companies listed on the Indonesia Stock Exchange for the period 2012-2017. So H7 is accepted.

Suggestion

For companies: In order to increase profitability companies must take into account the composition of debt to asset ratio, dividend policy and current ratio. Because if the four ratios are in optimal conditions, the return on assets will increase. Utilizing the company's total assets should utilize the company's strengths to penetrate business opportunities, and improve company performance.

For future researchers: Not only using the variables contained in this study but can add other variables that influence dividend policy such as total asset turnover, managerial ownership, company size or other ratios other than those used in this study. And so on and it is hoped that further researchers can add to this research reference.

References

- [1] Abdul Halim dan M. Hanafi. 2012. Analisis Laporan Keuangan. Yogyakarta: UPP STIM YKPN)
- [2] Agnes Sawir. 2003. "Analisis Kinerja Keuangan Dan Perencanaan Keuangan Perusahaan". Jakarta: PT Gramedia pustaka utama
- [3] Agus, R. Sartono. 2010. Manajemen Keuangan Teori dan Aplikasi. Edisi, Keempat. Yogyakarta: BPFE
- [4] Akbar, Nurdin, Azib (2017). Pengaruh Debt To Asset Ratio dan Debt To Equity Ratio terhadap Return On Asset .Volume 3, No 2.<http://karyailmiah.unisba.ac.id/>
- [5] Angela, Maya , Rita Widayanti dan Fredella Colline Pengaruh current ratio, total assets turnover, dan debt to total assets terhadap return on assets pada perusahaan LQ 45 di Bursa Efek Indonesia Periode 2011 – 2013. Volume 15 No 1 Januari hingga Juni 2015 <http://ejournal.ukrida.ac.id/>
- [6] Annisa, Rizka , Mochammad Chabachib (2017). Analisis pengaruh current ratio (CR) ,Debt to Equity Ratio (DER) ,return on Assets terhadap Price To Book Value (PBV) , dengan Dividen Pay Out Ratio sebagai variabel Intervening (Studi Kasus pada perusahaan Industri Manufaktur yang Terdaftar di BEI Periode 2011 hingga 2014). Volume 6 Nomor 1, 2017. <https://ejournal3.undip.ac.id/>
- [7] Aqsho, Muhammad Nur. (2016). Pengaruh Profitabilitas, Posisi Kas, Growth, Leverage, dan Likuiditas Terhadap Dividend Payout Ratio Pada Perusahaan Real Estate and Property Yang Terdaftar Di BEI Tahun 2010-2013. Naskah Publikasi (dipublikasikan). Universitas Muhammadiyah Surakarta.
- [8] Arif , Syaiful, Raden Rustam Hidayat dan Zahroh Z.A (2015). Pengaruh Perputaran Modal Kerja, Leverage Dan Pertumbuhan Penjualan Terhadap Profitabilitas (Studi Pada Perusahaan Makanan Dan Minuman Yang Terdaftar Di Bursa Efek Indonesia Pada Tahun 2011-2013) Jurnal Administrasi Bisnis (JAB) | Vol. 27 No. 1 Oktober 2015. administrasibisnis.studentjournal.ub.ac.id 2
- [9] Brealey Richard A., Stewart C. Myers dan Alan J. Marcus, 2008. Dasar- Dasar Manajemen Keuangan Perusahaan, Penerjemah: Bob Sabran Jilid 2 Edisi ke 5, Erlangga, Jakarta.
- [10] Brigham, Eugene F., dan Joel F. Houston. 2011. Dasar- dasar manajemen keuangan. Penerjemah : Ali Akbar Yulianto Edisi 10 .Buku 1. Jakarta: Salemba Empat.

- [11] Darsono dan Ashari. 2005. Pedoman Praktis Memahami Laporan Keuangan. Yogyakarta : CV. Andi Offset
- [12] Dwipayana ,Made Agus Teja , I Gusti Ngr Agung Suaryana. Pengaruh Debt To Asset Ratio, Dividend Payout Ratio dan Return On Asset terhadap nilai perusahaan. Vol 17 No 3 , Desember 2016. <https://ojs.unud.ac.id/>
- [13] Efendi, Azzalia Feronicha Wianta dan Seto Sulaksono Adi Wibowo. 2017. Pengaruh Debt to Equity Ratio (Der) dan Debt to Asset Ratio (Dar) Terhadap Kinerja Perusahaan di Sektor Keuangan Yang Terdaftar di Bursa Efek Indonesia. Jurnal. (<https://jurnal.polibatam.ac.id>, diakses 25 Oktober 2019).
- [14] Elnisyah, Fidayah (2014). Pengaruh Current Ratio, Quick Ratio, Debt Ratio, Debt To Equity Ratio Dan Inventory Turnover Terhadap Return On Investment Pada Perusahaan Food And Beverage Yang Terdaftar Di Bursa Efek Indonesia Periode 2010-2012 . Vol 3 No 1 November 2018.Jurnal.umrah.ac.id
- [15] Esthirahayu, Dwi Putri , Siti Ragil Handayani dan Raden Rustam Hidayat (2014). Pengaruh rasio likuiditas, rasio leverage dan rasio aktivitas terhadap kinerja keuangan perusahaan. Jurnal Administrasi Bisnis (JAB)| Vol. 8 No. 1 Februari 2014.<https://media.neliti.com>
- [16] Fadli ,Achmad Agus Yasin, Chabachib dan Mulyo Haryanto .Analisis pengaruh debt to equity ratio, return on assets, dan current ratio dan dampaknya pada nilai perusahaan. Volume 4 No 2 (2017) journal.unpam.ac.id
- [17] Fahmi, Irham. 2011. Analisis Laporan Akuntansi. Bandung: ALFABETA.
- [18] Meilinda Afriyanti (2011), Analisa Pengaruh Current Ratio, Total Asset Turnover, Debt to Equity Ratio,Sales dan Size Terhadap Return on Asset(Studi pada perusahaan manufaktur di BEI Periode 2006 hingga 2009),Skripsi Fakultas Ekonomi Universitas Diponegoro
- [19] Utama Alfarizi Cahya dan Abdul Muid. Pengaruh current ratio,debt equity ratio, debt asset ratio ,dan perputaran modal kerja terhadap return on asset pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia tahun 2010 2012.Jurusan akuntansi fakultas ekonomika dan bisnis universitas diponegoro .Diponegoro journal of accounting.
- [20] Wahyuni Sri Fitri dan Muhammad Shareza Hafiz .Pengaruh Current ratio, Debt to equity ratio,dan return on asset terhadap dividend payout ratio ,Studi pada perusahaan manufaktur di Bursa Efek Indonesia. Jurnal ekonomi dan syariah.
- [21] Zamzami K.K ,M.N.Afif. Pengaruh Return On Asset (ROA) , Debt To Equity ratio (DER), Curren Ratio(CR),dan Total Assets Turn Over (TAT) terhadap return saham pada perusahaan yang masuk dalam kategori indeks LQ45 DI Bursa Efek Indonesia. JURNAL AKUNIDA ISSN 2442-3033 Volume 1 Nomor 1, Juni 2015. <https://ojs.unida.ac.id>

